

# MICHIGAN FARM NEWS

MICHIGAN'S ONLY STATEWIDE FARM NEWSPAPER

MICHIGAN FARM BUREAU



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## Tomato harvest adds to Michigan's diverse agriculture

### USDA disaster designation official for 33 Michigan counties

USDA has cleared the way for farmers in 33 Michigan counties to obtain low-interest loans with their approval of 22 counties as primary disaster areas, and another 18 as contiguous disaster counties, due to heavy spring rains and delayed plantings. The announcement came in response to Michigan Governor John Engler's disaster designation request, submitted to USDA in June.

The 15 counties named as "primary disaster counties" include: Allegan, Arenac, Berrien, Clare, Clinton, Genesee, Gladwin, Gratiot, Huron, Mason, Muskegon, Newaygo, Oceana, Ottawa, and Shiawassee. The 17 eligible "contiguous disaster counties" include: Barry, Cass, Eaton, Ingham, Iosco, Kalamazoo, Kent, Lake, Livingston, Manistee, Mecosta, Missaukee, Montcalm, Ogemaw, Osceola, Roscommon, and Van Buren counties.

Another seven counties were previously designated eligible for low-interest loans under a presidential designation in July and includes: Bay, Lapeer, Midland, Saginaw, St. Clair, Sanilac, Tuscola. Other contiguous counties were also named at the time of that designation, according to Glickman.

Under the designation, eligible farmers have eight months to apply for the loans to help cover up to 80 percent of their actual losses. According to Bob Payne, farm program specialist for the Michigan Farm Service Agency (FSA), producers must have suffered at least a 30 percent loss in any one major crop grown on the farm. Additionally, producers must have been turned down for credit through conventional sources to qualify for USDA's 3.75 percent interest rate loans.

"This will be administered on a farm by farm basis, so producers will need to bring in any production evidence, yield information that they have for their farm, such as weight slips, sales receipts," Payne explained. "We also have procedures accounting for crop production that is fed to livestock on the farm."

Dave Russ, FSA ag credit specialist, says producers can make application at any time; however, until the crop is harvested and an actual yield established, little if any paperwork can be processed. In addition to the 80 percent of actual loss limit, producers can't receive more than \$500,000 in total emergency loan assistance, including funds they may currently owe from past emergency loan programs.

Despite assurances of adequate funding, Russ advises producers not to wait too long before making application if they intend to receive loan funds under the disaster program. "We may

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Michigan-grown tomatoes harvested at the Isley farm near Palmyra make their way to the Campbell Soup Company. According to Lenawee County Farm Bureau President Jim Isley, "Tomatoes make a good dry weather crop, which fared well this summer and so far harvest has been excellent with good tonnage." Besides the tomatoes he has grown for 15 years, Isley also grows corn, soybeans and sugar beets. Michigan ranks fourth in the country in total processing tomato tonnage, producing over 125,000 tons annually.

## Michigan "Farmers for Bob Dole" formed



*"If Clinton is re-elected, there will be a major effort by his administration to try and change Freedom to Farm. But even more important to agriculture is the taxing policies of a Clinton Administration versus a Dole Administration," John Block former Secretary of Agriculture.*

Michigan farmers have a great deal at stake in the upcoming presidential election, said former USDA Secretary John Block during a political rally announcing the

formation of a "Michigan Farmers for Bob Dole for President" organization at the MFB Center in Lansing. Despite a recently completed farm bill known as Freedom to Farm, Block says President Clinton

has made it clear that he'd like to revise the farm bill package.

Block was equally critical of Clinton's tax policies such as his increase in the Estate Tax and his refusal to reduce the Capital Gains Tax. "Agriculture doesn't have any hopes of getting relief on Capital Gains or the Estate Tax, unless Bob Dole is successful in his bid to become the next president of the United States," Block warned.

Under a Dole administration, the Capital Gains Tax would be cut in half and the Estate tax would be cut substantially, according to Block. The Dole 15 percent tax cut proposal would mean an average \$1,800 savings per family, said Block. "There isn't anyone who couldn't use a 15 percent tax cut," Block contended, "whereas Bill Clinton has just turned a deaf ear to all of these ideas."

Michigan Farm Bureau President Jack Laurie is a co-chair of the "Michigan Farmers for Bob Dole for President." Laurie told the over 100 farmers in attendance that Michigan farmers have been very pleased with the accomplishments achieved through the teamwork of John Engler, a Republican governor, working with a Republican-controlled legislature. Likewise, he said, farmers "need Bob Dole as a Republican president working with a Republican Congress."

Laurie said a Republican administration and Congress is needed to complete the promises of the GOP Contract with America. "We're not accepting the polls that are indicating who's going to be president. We believe that the tide is moving in the direction of Bob Dole and Jack Kemp, and we want to be a part of that momentum," he said.

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MICHIGAN FARM BUREAU  
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## Farmer to Farmer workshop to focus on financial recordkeeping

In a world where a few dollars saved can mean the difference between a profit or loss, keeping track of financial information for your farm is more important than ever. Knowing what types of information you need to keep track of can help you pick an accounting software program for your farm.

Michigan producers will have an up-close look at five different computerized recordkeeping programs during a day-long Farmer to Farmer workshop on Nov. 5 at the MSU Kellogg Biological Station. The program is slated to get underway at 10 a.m. and conclude by 3 p.m.

Speakers and topics include:

- **What can software do for you?** — Joe Shaltry, MSU Extension

- **How I use Harvest** — Joyce Dakenbring, cash crop farmer, Eaton County
- **How I use MicroTel** — Dave Ballard, swine farmer, Eaton County
- **How I use Quicken** — Lorin Grams, dairy farmer, Clinton County
- **How I use Redwing** — Mike Fassler, Salisbury Management Services and area farmer
- **Putting it together with FINPACK** — Roger Betz, MSU Extension

The program, which includes lunch, concludes with a software demonstration during the afternoon segment of the program. Cost for the program is \$15. For more program details contact the Eaton County MSU Extension at (517) 543-2310. Registration is limited to the first 80 participants. ■

## ORGANIZATIONAL BRIEFS

### Farmland preservation focus of Ingham County Farm Bureau VIP Tour

County officials, local township officials and agricultural agency representatives got a first-hand look at Ingham County agriculture and issues, including land use preservation, during the recent Ingham County Farm Bureau's VIP Tour, sponsored by the county Farm Bureau's Promotion and Education Committee.

Tour stops included the Hawkins Homestead farm, owned and operated by Sidney and Carol Hawkins, and daughter and son-in-law Tony and Jeanine Igl. The fourth generation, 2,300-acre operation raises 1,000 acres each of corn and soybean, and another 300 acres of wheat. While at the operation, tour participants witnessed a groundwater protection demonstration from local NRCS staff and learned about the Farm\*A\*Syst program.

At Neverrest

Farms, owned and operated by Ron Smith and sons, David and Bruce, tour participants toured an on-farm museum of old farm tools and equipment as well as a look at heifer raising facilities for the operation's 75 registered holsteins and red and whites. The operation, which raises 500 acres of corn, soybeans, wheat

and alfalfa, is also in the process of constructing a waste water and manure storage facility. While currently hauling manure daily, the operation is sensitive to prevailing winds when spreading and hosts an annual maple syrup and pancake breakfast to foster good neighbor relations.

The tour concluded with a stop at Green Acres Turf Farm, owned by Don Vidosh and managed by Alan Awalt. Established as a sod farm in 1965, the operation started planting trees for the landscape market in 1970. The 800-acre operation requires 12 to 18 months for the sod to mature and two to three years for the trees to be ready for marketing, primarily on the state's east side. ■



### Michigan Farm Bureau salutes MDA 75th

Michigan Farm Bureau President Jack Laurie, representing the state's largest farm organization and Michigan's agriculture industry, presented a plaque of commendation to the Michigan Department of Agriculture on Oct. 2 to recognize MDA's 75 years of service to agriculture and consumers.

The presentation came during an MDA 75th Anniversary Reception at the Lansing City Market.

Gov. Engler also made remarks saluting the MDA for helping the agricultural community and Michigan consumers meet the demands of a changing world.

Later in the program, Steve Webster, Vice President for Governmental Affairs for Michigan State University, announced the Gordon and Norma Guyer Endowed Internship. Guyer retired this fall as MDA's director. ■



## News in Brief

### Net farm income to show marked jump

The Agriculture Department recently released a report showing U.S. net farm income would be pegged at \$51 billion for 1996, an \$8 billion jump over the last five years' average of \$43 billion. Net farm cash income also was projected to increase to \$58 billion, up from an average \$53 billion.

USDA said strong crop receipts were a major factor in the income projections. Tight grain supplies and the higher prices they caused were cited.

The report said vegetable, fruit and greenhouse receipts should continue steady growth and showed overall livestock was up. But, the study also said cattle receipts for this year could be the lowest in the 1990s. ■

### CRP announcement

Agriculture Secretary Dan Glickman announced that all land currently enrolled in the Conservation Reserve Program will be up for re-enrollment. The revised CRP will require all farmland currently enrolled in the program to be re-enrolled if it meets "highly erodible land" criteria. This will allow a greater opportunity for cropland wetlands to be enrolled in the revised program, according to Glickman.

Responding to concerns regarding region shifts of CRP lands from the Great Plains to the Midwest, Glickman said, "We just don't know for sure. The only limit we have is that 36.4 million acres is the maximum allowed in the program."

Glickman said the program will put highly erodible land into the CRP, but allow erodible land to go back into production. "We are making a policy commitment to prevent soil erosion and protect wildlife and water," Glickman said. "This should not be a program to restrict supply." ■

### More feed grains planted

U.S. farmers this year are expected to produce 254 million metric tons — a metric ton equals 2,205 pounds — of feed grains, 22 percent more than last year, according to the Agriculture Department. The USDA report, which says producers will likely harvest more corn, sorghum and barley than last year, has forced corn prices to continue dropping below the \$4-per-bushel level, with December futures contracts down to \$3.30 per bushel.

Prices for the other feed grains also are slipping, with sorghum prices down to \$3.67 per bushel in August — 82 percent of the corn price — after a several month run at more than 100 percent of the corn price. Barley prices also fell in August to \$2.93 per bushel, under \$3 per bushel for the first time since last fall. ■

### Former Ag Department employees plead guilty

Four former employees at the Agriculture Department have entered guilty pleas in federal court to collecting donations for President Clinton's campaign in 1992. Employees at the Agriculture Department were promised special treatment on the job if they donated money to Clinton's campaign.

The four men have agreed to cooperate in the Justice Department's investigation of illegal political fund raising at the department. According to court documents, the fund raising was coordinated with an outsider who later was appointed to a senior job at USDA. The political appointee later asked Jack L. Webb, one of the four who entered guilty pleas, for names of employees who deserved special consideration and those who should be passed over. ■

### Farm Bureau calls for closing GATT loopholes

The first meeting of the World Trade Organization is set for this December and already Farm Bureau has its sights set on reworking portions of the agreement to better protect American agriculture from trade-distorting practices of other nations implemented via loopholes in the pact.

At a recent House Agriculture Committee hearing focusing on the post-Uruguay Round state of U.S. farm trade, American Farm Bureau Federation Vice President Carl Loop Jr. said our work is not done in securing free and fair trade in agriculture. Loop specifically cited the trade-distorting effects caused by state-trading entities, such as the New Zealand Dairy Board and Canadian Wheat Board.

Loop said, however, that China is currently the biggest problem among state-trading entities. He noted that China, although not a member of the WTO yet, has continually thrown up barriers to American-grown agricultural products.

"The GATT agreement did not attempt to prohibit creation of state-trading enterprises, but it did intend to limit their opportunities for abuse," Loop told the panel. "The opportunities for abuse are much greater and more difficult to identify with state-trading enterprises and monopolies."

Loop said China must continue to address unfair trade practices before consideration of its application to become a WTO member and China, like all other GATT nations, must conform to the rules designed to achieve a level playing field. ■

### AutumnFest '96 is planned for Nov. 9

Michigan State University's AutumnFest, Nov. 9, promises a taste of Michigan food products and entertainment for all College of Agriculture and Natural Resources alumni and their families.

The event will take place in Jenison Fieldhouse, beginning three hours before the MSU Spartans square off with the Hoosiers of Indiana in Spartan Stadium.

AutumnFest '96 celebrates with the theme "Michigan Food Products on Parade." Menu items include deli sandwiches and a potato bar.

During the brunch there will be a silent auction and giveaways.

Participants can purchase tickets for the Superbrunch only, or for the Superbrunch and the football game. Mark Varner, AutumnFest chairperson and CANR Alumni Association board member, says the AutumnFest is a good way to spend a day with family and catch up with past college mates.

"For the past 21 years, AutumnFest has been enjoyed by thousands," Varner says. "The food and camaraderie are great. We hope to see as many alumni as possible on Nov. 9, and we invite them to stay and attend the game."

Prices for AutumnFest are \$15 per person for Superbrunch tickets (\$6 for children 7 to 12 years of age; 6 years and under are free). For Superbrunch plus football tickets, the cost is \$42. Children's Superbrunch plus football tickets are \$33 each. The deadline for advance tickets is Oct. 26.

Superbrunch tickets at the door are \$20 for adults, and \$10 for children.

For information or tickets, write to AutumnFest '96, 121 Agriculture Hall, Michigan State University, East Lansing, MI 48824-1039, or call (517) 355-0282. ■

### First Annual West Michigan Club Calf Sale Nov. 2

Honeyview Farms, MSU Extension Agents from Newaygo and Muskegon and the Newaygo County Fair Association are joining forces to promote West Michigan beef producers and young people during the first-ever West Michigan Club Calf Sale on Nov. 2, at the Newaygo County Fairgrounds in Fremont.

Designed to be a showcase for area livestock producers to market club calves to 4-H and FFA students, the event gets underway with a weigh-in from 9 a.m. to noon, with the sale getting underway at 1 p.m., according to Bill and Doris Stapel of Honeyview Farms. Area beef producer are encouraged to consider consigning one or two animals for the sale. Consignment of calves or more details can be made by calling Bill Stapel at (616) 854-1451 or MSU Extension at (616) 924-0500. ■

### Third annual Farm Toy Show and sale Oct. 20

More than 15 exhibitors and over 900-square feet of exhibit space await toy tractor enthusiasts at the Byron FFA Chapter and alumni chapter's third annual Farm Toy Show and Sale on Oct. 20, from 9 a.m. to 3 p.m. at the Byron High School cafeteria. An admission fee of \$1 is required while kids under 12 are admitted free. Concessions will be available. All proceeds from the event will be used to support local FFA activities. For more details, contact Dave Wyrick at (810) 266-4620. ■

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Editorial: Dennis Rudat, Editor and Business Manager; Thomas Nugent, Associate Editor. Design and Production: Jeffrey Rutzky. Staff Contributors: Mike Rogers

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# Capitol Corner

For more information on legislative topics in the Michigan Farm News, call 800-292-2680.

## NATIONAL ISSUE

### Regulation of transportation of hazardous materials

Recently the Research and Special Program Administration (RSPA) in the Department of Transportation published a proposed regulation for the intrastate transportation of hazardous material. The proposed regulation applies to the transportation of hazardous materials within each state. If given final approval, the Federal government would in effect be telling the State of Michigan specifically what it must do to regulate the transportation of hazardous material within its borders.

Currently, each state establishes its own regulations concerning the transportation of hazardous materials. The proposed regulation by the RSPA would force farmers who move fertilizer, pesticides and fuel from farm to field and from field to farm to comply with the same requirements as commercial over-the-road haulers moving from state to state. The requirements include such things as placarding, obtaining shipping papers and maintaining a 24-hour emergency response telephone line.

Farm Bureau strongly opposes the proposed regulation because of the adverse impact it would have on many farmers. Further, the quantity of fertilizers, pesticides and fuel transported from farm to

field and back by many farmers is not large enough to pose a significant risk to public health. A University of Illinois study determined that the financial impact for an average farm to comply with the proposed rule change would cost \$2,070.

It does not appear as if we can legislatively stop the proposed regulation at this time but we are making efforts to delay implementation. Language has been added to H.R. 3153 that would delay the Department of Transportation from enacting restrictions on the intrastate movement of hazardous agricultural materials for 180 days from the effective date of the final rule on HM 200. H.R. 3153 has passed the House and is being held in the Senate. If it passes the Senate it would give us until June 30, 1998 to address the change in the proposed rule through legislation.

**MFB position:** Farm Bureau opposes federal regulation of the intrastate transportation of hazardous materials and supports the passage of H.R. 3153 with the agricultural amendment that delays implementation until June 30, 1998.

**MFB contact:** Al Almy, ext. 2040. ■

## STATE ISSUE

### Employer/employee vs. landlord/tenant

A five-bill package, sponsored by Sen. North, who is chair of the Agriculture and Forestry committee, and Sen. McManus has been introduced in the Senate to enact language specifying the employer/employee relationship as opposed to landlord/tenant in migrant housing concerns. Laws to be amended include the Public Health Code; the Revised Judicature Act of 1961; Landlord/Tenant Act; Truth in Renting Act and the Michigan Consumer Protection Act.

The bills are:

- SB 1158 — Employee Housing (McManus) Excludes employer's provision of rent-free housing to employees from truth in renting act.
- SB 1159 — Employee Housing (McManus) Exempts employer's provision of rent-free housing to employees from landlord-tenant relationships act.
- SB 1160 — Employee Housing (McManus) Clarifies availability of summary proceedings to recover possession of premises for employers who

provide rent-free housing to employees.

- SB 1161 — Employee Housing (North) Clarifies termination of tenancy rights of employers who provide rent-free housing to employees.
- SB 1162 — Employee Housing (North) Excludes employer's provision of rent-free housing to employees from Michigan consumer protection act.

**MFB position:** MFB supports the recent Michigan Supreme Court decision (DeBruyn vs. Romero #98727), which defines the rights and procedures to be observed when the occupant is no longer an employee. MFB policy supports legislation that specifically addresses employee-occupied housing, either rented or no-charge. We recommend swift eviction (maximum of four days) procedures of unemployed occupants in housing units in licensed migrant labor camps so employer-provided housing can become available for other employees.

**MFB contact:** Howard Kelly, ext. 2044. ■

## USDA disaster designation official for 33 Michigan counties

Continued from front page

get to a point in the fiscal year where those funds run out," Russ warned. "There should be adequate funding, but depending on the usage, it could go very quickly. Based on crop conditions, we are expecting somewhat of a heavy year in our emergency loan program."

For further details, contact your local FSA County office.

### Emergency Loan Assistance Facts

#### Eligibility

- Emergency Loans may be made to farmers who:
- are established family farm operators
  - have the ability or experience to repay the loan
  - have suffered a qualifying physical loss, or production loss of 30 percent in any essential farm enterprise
  - cannot obtain commercial credit
  - can provide collateral to secure an Emergency Loan
  - have repayment ability

#### Loan Uses

Emergency loan funds may be used to:

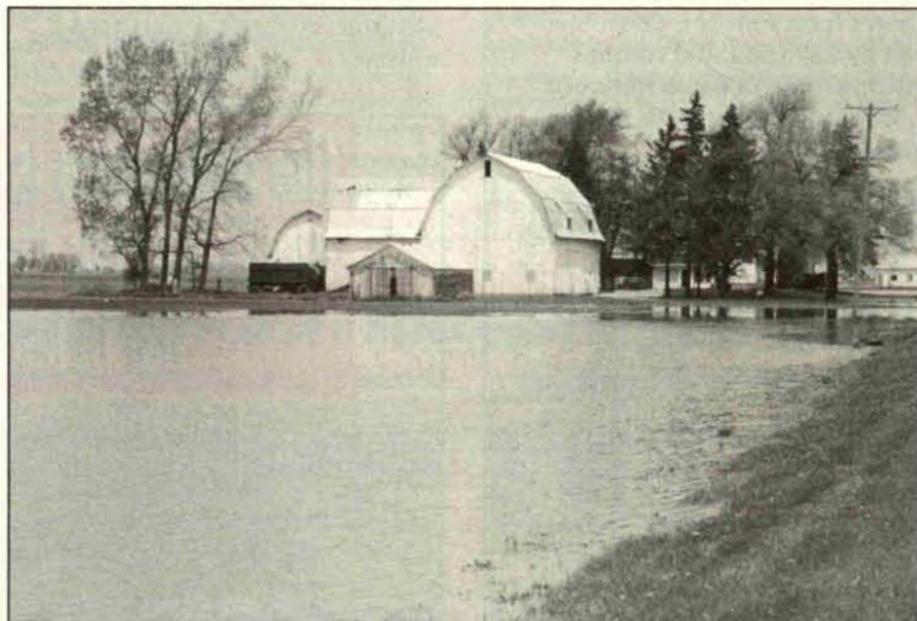
- restore or replace essential property
- pay all or part of production costs associated with the disaster year
- pay essential family living expenses
- reorganize the farming operation
- refinance debt

#### Loan Limits

The loan is up to 80 percent of actual loss, with a maximum indebtedness under this program of \$500,000.

#### Loan Terms

Loans for crop, livestock and non-real estate losses are normally repaid from one to seven years depending upon the loan purpose, repayment ability,



and collateral available as loan security. In special circumstances, terms of up to 20 years may be authorized. Loans for physical losses to real estate are normally repaid within 30 years. In unusual circumstances, repayment may be made over a maximum of 40 years.

#### Temporary Assistance

Borrowers are expected to return to conventional credit sources. Emergency loans are a temporary source of credit and borrowers are reviewed periodically to determine whether they can return or graduate to commercial credit.

#### Interest Rates

The current annual interest rate is 3.75 percent.

## STATE ISSUE

### Reduction of current truck weights

SB 1187, sponsored by Sen. Glenn D. Steil (R-Grand Rapids), seeks to reduce current truck weights to 80,000 pounds gross vehicle weight. Current statute allows an elected gross vehicle weight of 164,000 pounds spread over 11 axles, which is approximately 15,000 pounds per axle. Most other states allow a gross vehicle weight of 80,000 pounds or approximately 16,000 pounds per axle.

In August of 1995, the Michigan Department of Transportation presented to the Michigan State Transportation Commission data that a reduction in the 164,000-pound weight limit would require a significant increase in the number of 80,000-pound trucks to replace the trucks that weighed over 80,000 pounds. The department also indicated they believe that twice as many trucks at 80,000 pounds create far more damage than one Michigan truck at 164,000 pounds.

Michigan Farm Bureau strongly opposes Senate Bill 1187, which will greatly increase the cost of

transporting Michigan crops to market. The availability of trucks is crucial to the transportation of such commodities as grain, sugar beets, milk, and potatoes. Some of these commodities are seasonal and perishable, such as sugar beets and potatoes. The timely movement of these commodities is critical to agriculture. Assuming the extra trucks needed under this bill are available, the cost of having to hire additional trucks and drivers would also have a negative effect on profits.

A significant economic factor to many farmers is that the trucks used to supply fuel, fertilizer, feed and other inputs will be affected. Many of these units are custom-built and will no longer be allowed.

Some farmers have invested in trucks that could be illegal or obsolete under a reduced weight limit, requiring the replacement of these vehicles at substantial cost to the farmer. Therefore, Michigan Farm Bureau opposes any reduction in current weight limits.

**MFB contact:** Tim Goodrich, ext. 2048. ■

## STATE ISSUE

### Governmental Immunity Act

SB 353, sponsored by Sen. Leon Stille (R-Spring Lake), amends the Governmental Immunity Act to limit a governmental agency's liability to \$500,000 or less for all bodily injuries or damage to the individual's property arising from a governmental agency's failure to maintain and repair a highway.

Any individual not carrying no-fault insurance would be limited to \$300,000. Under this proposal, a governmental agency's negligence would be limited to a highway, road, or street, which must be kept in reasonable repair and safe for vehicular travel. A

governmental agency means the state, a political subdivision, a city, village, county, or township.

In addition, an individual who was more than 50 percent at fault and was under the influence of alcohol or a controlled substance would not be able to sue for pain and suffering.

The bill is currently pending on the Senate floor.

**MFB position:** MFB supports Senate Bill 353.  
**MFB contact:** Tim Goodrich, ext. 2048. ■

## STATE ISSUE

### Uniform Condemnation Procedures Act

SB 778, sponsored by Sen. Mat Dunaskiss (R-Lake Orion) and pending on the Senate floor, amends the Uniform Condemnation Act. It requires the Michigan Department of Transportation to pay for the entire parcel if the remainder is adversely affected by the purchase of a portion of the parcel. The Department would be given the option to not receive title on the remaining parcel. The bill allows the Department to seek a variance if the remaining

parcel were nonconforming with local zoning.

In addition, the bill allows the Department access to tax returns and documents pertaining to the assessment of the property in question before entering into negotiations with the property owner. Finally, title could not be withheld from the agency unless there was a disagreement over necessity.

**MFB contact:** Tim Goodrich, ext. 2048. ■

### P.A. 116 changes focus of fall series of meetings

The effect of P.A. 233, which amends the Farmland and Open Space Preservation Act of 1974 (P.A. 116), will be discussed during public meetings in Eaton, Hillsdale, Kalamazoo and Allegan counties. The new law allows for several substantial changes including a "window of opportunity" to terminate existing contracts.

The program is sponsored by the Michigan Department of Natural Resources, MSU Extension and Michigan Farm Bureau. Topics will include: Land Use in Michigan, Overview of P.A. 116, Changes to P.A. 116, Purchase of Development Rights, Planning Pointers and Questions.

All four programs begin at 7 p.m. and conclude by 9 p.m. The dates, locations, and people to contact for more information are:

- Oct. 29, Eaton County MSU Extension Office, Charlotte. Contact Pat Tirrell at (517) 543-2310.
- Oct. 30, Hillsdale County MSU Extension Office, Hillsdale. Contact Brian Heins at (517) 279-8411, or Ron Green at (517) 439-9301.
- Nov. 5, Vicksburg High School Performing Arts Center, Vicksburg. Contact Maury Kaercher at (616) 383-8830.
- Nov. 12, Allegan Technical Center, Allegan. Contact Paul Wylie at (616) 673-0370. ■

## NOVEMBER WILDLIFE BALLOT PROPOSALS

**Farm Bureau is supporting PROPOSAL G on Nov. 5.**

#### Collateral

All emergency loans must be fully collateralized. A first lien is required on all property or products acquired, produced or refinanced with loan funds. The specific type of collateral required may vary depending upon the loan purpose, repayment ability, and the individual circumstances of the applicant.

#### Application Deadline

Applications for emergency loans must be received within eight months of the disaster designation date. ■

Source: United States Department of Agriculture, Farm Program Fact Sheet.

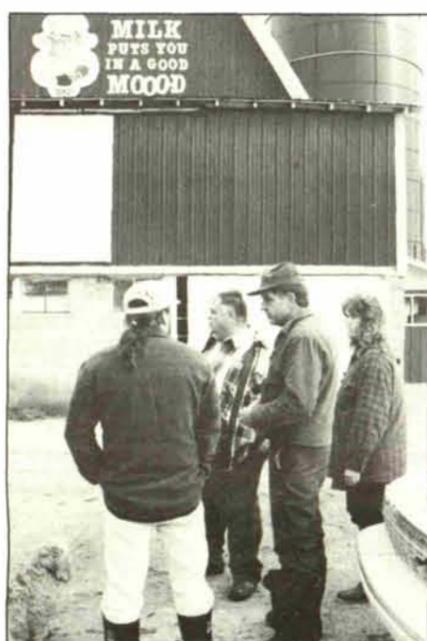
## Dairy labor training school — Taking the classroom to the farm

**S**elf-proclaimed city girl Theresa Pawlowski is doing something she had never considered prior to seeing a local TV news story. Having grown up near Grosse Pointe, she says the closest she ever got to a cow was driving down the road. "As a youngster I'd say 'look mom, there's cows out there,'" explains the 26-year-old mother of four.

Thanks to an innovative labor training program, however, Pawlowski is getting as close as anyone can get to a cow — she's actually learning how to milk, feed, and care for cows during a week-long, hands-on program designed to make her a prime candidate for a growing shortage of qualified farm hands on Michigan's dairy farms.

Pawlowski is one of 11 students participating in a unique dairy labor training program that includes both classroom and on-the-farm instruction on a commercial dairy operation. Class starts early too, with each one of the 11 students taking a turn

*Dairy labor training program participants received on-the-farm training at the Larry and Elaine Gingrich dairy operation in Osceola County.*



at the morning and evening milking routine at Osceola County Farm Bureau members Larry and Elaine Gingrich's dairy operation located near Leroy.

Michigan State University's Kathy Lee, dairy area of expertise agent for northwestern Michigan says the program was a joint effort between local legislators, high school agri-science instructors, MSU Extension, and local personnel from Michigan Employment Security Commission. After numerous meetings, the groups established three objectives to help address farm-labor problems.

"We decided we needed to inform the public of employment opportunities and the salaries and benefits available on farms today," Lee explained. "We wanted to also work with a group of people interested in working on dairy farms in an attempt to expand the labor pool available to producers. The third prong of this will be an education program this winter to help producers — employers and managers — to gain more knowledge about managing their labor."

Following several news features in local papers and on TV, as well as an advertisement announcing the class in the help wanted section of several papers, 30 people actually applied for the workshop. From there, 18 were selected for interviews, with 12 actually picked for the week-long course. The list of students even includes an ambitious 16-year-old looking for after school and weekend work opportunities.

Most of the participants had no farm background and similar to Pawlowski were looking for an alternative to regular factory jobs, and an opportunity to progress. Pawlowski is even considering pursuing her education through MSU after placement on a working dairy farm, in the two-year ag-tech program with future aspirations of working possibly as an on-farm inspector. "I like outdoor work, the variety of things we're doing around here, versus something like a factory that can be repetitive with a daily routine that makes you feel like you're stuck in a rut," she claimed.

Training covers all of the basics, starting out with the life cycle of the cow, sanitation requirements including an on-farm inspection with MDA and MPPA inspectors, milk quality and milking procedures, dry treating cows, vaccination programs, farm safety, basic vet skills, herd health management, calf management and finally nutrition and



*"Students" in the dairy labor training program got some real "hands-on" experience in dry cow treatment as well as medication record keeping tips from MSU's Dr. Roger Mellenberger.*

feed management. "I couldn't even begin to tell you all of the things I've learned in the last few days — I think it's great," Pawlowski said.

While the classroom portion of the program has primarily been taught by MSU staff, the on-farm portion of the program has also included the expertise of Larry and Elaine Gingrich as well as daughter Amy and son Sean. The 140-cow dairy operation raises all of their own replacements and farms roughly 700 acres of hay. So what's Larry's impression of the program's students?

"From what I've seen I think it's great," Larry exclaimed. "The people they have enrolled all seemed to be interested. They're from all walks of life — not associated with farming — but they all seem to be dedicated."

Although Gingrich has been spared the labor headaches associated with most larger dairy operations, thanks to the family's involvement in the operation, he's familiar with the labor difficulties, both

locally and statewide. He expects that to mean good opportunities for the dairy labor training graduates.

"There's a big shortage of labor in the area — I don't see them having too much trouble finding a job on farms in the area. There's a lot of dairying and there should be a lot of opportunity for them," Gingrich said.

So would Gingrich have any problems recommending any of the program's graduates? "I wouldn't have any trouble recommending any of them," he said, "they all appear to be good. Some have even asked about coming back here to get more training by just working here, which tells me they're really interested in looking for a farm to work on."

For more information about the dairy labor training program, or for a listing of the recent graduates, contact Kathy Lee at (616) 839-4667. For producers wanting information on similar programs elsewhere in the state contact Joe Shaltry District Dairy Agent at (517) 799-2233. ■



**Serving Michigan farm families is our only business**

**S**ince its beginning in 1971, Michigan Farm Radio Network's only objective has been to serve Michigan's farm families. This dedication to serve agriculture is shared by 26 local radio stations in Michigan. Through these stations, Michigan Farm Radio Network provides the latest in market analysis, weather and news to Farm Bureau members daily on the following stations:

Station	City	Frequency	Morning Report	Noon Report
WABJ	Adrian	1490	5:45 am	11:05-12:00 pm
WATZ	Alpena	1450	5:30 am	11:30 am
WTKA	Ann Arbor	1050	6:05 am	12:00-1:00 pm
WLEW	Bad Axe	1340	6:30 am	12:50 pm
WHFB	Benton Harbor	1060		12:15 pm
WKJF	Cadillac	1370	5:45 am	11:10 am
WKYO	Caro	1360	6:15 am	12:10-1:00 pm
WTVB	Coldwater	1590	5:45 am	12:00-1:00 pm
WDOW	Dowagiac	1440	6:05 am	12:15 pm
WGHN AM	Grand Haven	1370	5:45 am	12:15 pm
WGHN FM	Grand Haven	92.1	5:45 am	12:15 pm
WFLB	Greenville	1380	6:15 am	11:50 am
WBCH	Hastings	1220	6:15 am	12:30 pm
WCSR	Hillsdale	1340	6:45 am	12:45 pm
WHTC	Holland	1450		12:15 pm
WKZO	Kalamazoo	590	5:00-6:00 am	12:00-1:00 pm
WPLB FM	Lakeview	106.3	6:15 am	12:15 pm
WOAP	Owosso	1080	7:15 am	12:40 pm
WHAK	Rogers City	960		12:15 pm
WSJ	St. Johns	1580	6:15 am	12:05-1:05 pm
WMLM	St. Louis	1520	6:05 am	12:20 pm
WSGW	Saginaw	790	5:55 am	11:30-12:30 pm
WMIC	Sandusky	660	6:15 am	12:45 pm
WKJC FM	Tawas City	104.7		12:40 pm
WLKM	Three Rivers	1510	5:45 am	12:15 pm
WTCM	Traverse City	580	5:45 am	11:10 am

### First Freedom to Farm subsidies announced

**A**merican farmers will receive \$5.3 billion in crop subsidies this year under the new farm bill, the Agriculture Department announced. Payments include \$1.976 billion for wheat, \$1.77 billion for corn, \$746 million for cotton, \$472 million for rice, \$206 million for sorghum, \$141 million for barley, and \$9 million for oats.

Texas farmers will receive \$503 million in payments, tops in the nation. Farmers in Kansas and Iowa will receive \$428 million and \$353 million, respectively. ■

### Beef production near record levels

**T**he production of beef this year is projected to be up 3 percent from 1995, at 25.4 billion pounds. This would be the largest annual production since 1976.

Feed prices are nearly 50 percent higher than a year ago. The U.S. Agriculture Department says total per capita meat supplies are also at record levels, meaning prices also are being driven down by competing markets. ■

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# 1996 Michigan Farm Bureau AgriPac Endorsements

Following is a list of the "Friends of Agriculture" endorsements for the Nov. 5 general election (including endorsements made on Sept. 26).

AgriPac was formed by Michigan Farm Bureau in 1978 to endorse and support candidates for public office. The endorsements made by the Michigan Farm Bureau AgriPac Committee are based in large part on recommendations made by county Farm Bureau candidate evaluation committees.

**Presidential Endorsement**  
Republican Bob Dole for president.

**U.S. Senate**  
Romney, Ronna (R-Bloomfield Hills)

**U.S. House of Representatives**

Name, followed by district:

- Barcia, James (D-Bay City) 5
- Camp, David (R-Midland) 4
- Chrysler, Dick (R-Brighton) 8
- Ehlers, Vern (R-Grand Rapids) 3
- Fitzsimmons, Joe (R-Ann Arbor) 13
- Heintz, Susy (R-Clinton Twp.) 10
- Hoekstra, Peter (R-Holland) 2
- Knollenberg, Joe (R-Bloomfield Twp.) 11
- Nowak, Patrick (R-Clarkston) 9
- Smith, Nick (R-Addison) 7
- Stupak, Bart (D-Menominee) 1
- Upton, Fred (R-St. Joseph) 6

**Michigan House of Representatives**

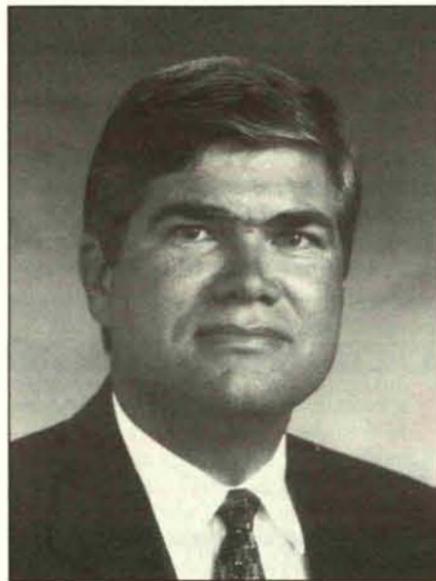
Name, followed by district:

- Alley, Tom (D-West Branch) 103
- Anthony, David (D-Escanaba) 108
- Baade, Paul (D-Muskegon) 91
- Bankes, Lyn (R-Redford Township) 19
- Bobier, Bill (R-Hesperia) 101
- Bodem, Beverly (R-Alpena) 106
- Brackenridge, Bob (R-St. Joseph) 79
- Brewer, Lingg (D-Holt) 68
- Bush, Eric (R-Battle Creek) 62
- Byl, William (R-Grand Rapids) 75
- Crissman, Penny (R-Rochester) 45
- Cropsey, Alan (R-DeWitt) 86



Michigan Farm Bureau is encouraging its members to vote for both Colleen Pero (left) and Dave Porteous for Michigan State University's Board of Trustees. The AgriPac Committee believes they will provide the support needed for Michigan State University to retain the Land Grant philosophy.

- Dalman, Jessie (R-Holland) 90
- DeMars, Robert (D-Lincoln Park) 25
- DeVuyst, Larry (R-Ithaca) 93
- Dobb, Barbara (R-Commerce) 39
- Dobronski, Agnes (D-Dearborn) 15
- Fitzgerald, Frank (R-Grand Ledge) 71
- Fleetham, David (R-Ferndale) 35
- Gagie, Martin (R-Kalamazoo) 60
- Gagliardi, Pat (D-Drummond Island) 107
- Galloway, David (R-White Lake) 44
- Geiger, Terry (R-Lake Odessa) 87
- Gernaat, John (R-McBain) 102
- Gilmer, Donald (R-Augusta) 63
- Gire, Sharon (D-Clinton Township) 31
- Goschka, Michael (R-Brant) 94
- Green, Mike (R-Mayville) 84
- Griffin, Michael (D-Jackson) 64
- Gustafson, Dan (R-Williamston) 67
- Hammerstrom, Beverly (R-Temperance) 55
- Hanley, Michael (D-Saginaw) 95



- Harder, Clark (D-Owosso) 85
- Hill, Sandra (R-Montrose) 47
- Horton, Jack (R-Belmont) 73
- Jellema, Jon (R-Grand Haven) 89
- Johnson, Shirley (R-Royal Oak) 41
- Kukuk, Alvin (R-Macomb) 33
- Law, Gerald (R-Plymouth) 20
- LeMaitre, Dennis (R-Westland) 18
- LeTarte, Clyde (R-Horton) 65
- Llewellyn, John (R-Fremont) 100
- London, Terry (R-Marysville) 81
- Lowe, Allen (R-Grayling) 105
- Mathieu, Thomas (D-Grand Rapids) 76
- McBryde, Jim (R-Mt. Pleasant) 99
- McManus, Michelle (R-Lake Leelanau) 104
- McNutt, James (R-Midland) 98
- Middaugh, James (R-Paw Paw) 80
- Middleton, Thomas (R-Ortonville) 46
- Nye, Michael (R-Litchfield) 58
- Oxender, Glenn (R-Sturgis) 59
- Pavelich, Chris (R-Fiint) 50

- Perricone, Charles (R-Kalamazoo) 61
- Pitoniak, Gregory (D-Taylor) 22
- Price, Hubert Jr. (D-Pontiac) 43
- Profit, Kirk (D-Ypsilanti) 54
- Prusi, Michael (D-National Mine) 109
- Rhead, Kim (R-Sandusky) 83
- Rocca, Sue (R-Sterling Heights) 30
- Romanowski, Edward (R-Detroit) 9
- Ross, Jeffrey (R-Okemos) 70
- Ryan, James (R-Redford) 16
- Sikkema, Ken (R-Grandville) 74
- Tesanovich, Paul (D-L'Anse) 110
- Varga, Ilona (D-Detroit) 8
- Voorhees, Harold (R-Grandville) 77
- Walberg, Timothy (R-Tipton) 57
- Whyman, Deborah (R-Canton) 21
- Wetter, Howard (D-Kawkawlin) 97
- Willard, Karen (D-Algonac) 82

**Michigan State University Board of Trustees**  
Colleen Pero (R-East Lansing)  
Dave Porteous (R-Reed City)

**Michigan Supreme Court (Nonpartisan)**  
James Brickley (Traverse City)  
Hilda Gage (Bloomfield Hills)

**State Board of Education**  
Louis Legg, III (R-Battle Creek)  
Marilyn Lundy (R-Detroit)

**State Court of Appeals (Nonpartisan)**  
**District 1**  
Kathleen McDonald (Grosse Pointe Woods)  
Maureen Reilly (Grosse Pointe Park)  
Robert Young Jr. (Grosse Pointe Park)  
**District 2**  
Mark Cavanaugh (Royal Oak)  
E. Thomas Fitzgerald (Owosso)  
Henry Saad (Birmingham)  
**District 4**  
Richard Griffin (Traverse City)  
Donald Holbrook Jr. (Lansing)  
Barbara MacKenzie (Petoskey)  
**District 4 (partial term)**  
Stephen Markman (Mason)

## Clinton and Dole on endangered species question

President Clinton, Bob Dole and Ross Perot were asked: "Would you support changing the Endangered Species Act of 1973 to limit the number of habitats eligible to be designated endangered?" According to the Associated Press, the candidates answered the following:

**President Clinton:** "No, because habitat protection is essential to conserve endangered species and the ecosystem on which they depend. The Endangered Species Act embodies values important to all Americans and we must maintain our commitment to protect our nation's priceless biological heritage. Working together with state and local governments, this administration is minimizing the act's economic impact on the lives of private landowners, while upholding our responsibility to

future generations to leave this planet and its species in better condition than we found them."

**Bob Dole:** "I believe a balance can be achieved which reforms the Endangered Species Act while ensuring the protection of endangered species and preservation of private property rights. The ESA badly needs reform. It has been a divisive and costly mechanism that — while playing some role in the return of formerly endangered species such as the bald eagle — has effectively placed the judiciary in charge of commerce and land management in significant portions of the West and Northwest. The bitterness and controversy surrounding the ESA work against the responsible environmental stewardship that all Americans agree needs to be pursued to protect endangered species." ■

## Clinton and Dole on property rights

President Clinton, Bob Dole and Ross Perot were asked whether "you support federal 'takings' legislation that would require payment if federal environmental regulations reduce property values?" According to the Associated Press, the presidential candidates answer the following:

**Bill Clinton:** "No. I support protecting private property. If the government takes someone's property, the government should pay... But the so-called 'takings' legislation introduced as part of the Republicans' 'Contract with America' goes beyond constitutional protections: It would cost taxpayers

tens of billions of dollars and weaken safeguards for public health, safety, and the environment."

**Bob Dole:** "I believe constitutionally protected private property rights of individuals — farmers, ranchers, small business owners — have too often been disregarded. Last year I introduced legislation to protect these rights while providing a balance between public need and individual liberty. Reforms are needed to ensure that the government only be allowed to take private property as a last resort, and, when necessary to do so, to insist that compensation be paid to the property owner." ■

## FPC annual meeting showcases successful year and plans for the future

Crediting a loyal customer base of cooperative patrons, MFB President Jack Laurie, president of the Farmers Petroleum Cooperative, in his annual address to cooperative members says the organization's redefined role has led to three consecutive years of growth and profitability with total gross sales of over \$27 million in fiscal year 1996.

"We have spent the last three years getting this cooperative aligned to provide our customers what they wanted — it's now time to take the next step," he said, referring to the results of a long-term strategic marketing plan developed by FPC's board of directors and management staff.

According to Laurie, FPC is taking a holistic approach to the future of the cooperative, including a look at the organization's propane, retail and wholesale operations, its mission statement, name, image, structure, and payment method alternatives to attract and develop additional sales. "What our new mission and marketing plans says, essentially, is that we're in the business of supplying energy," he explained. "It's really very basic — we want to do what we're doing more effectively and efficiently."

Propane figures to play a key role in FPC's future growth plans and profitability, according to

Laurie. The cooperative is expecting propane sales for 1996 to close out at just over \$2.4 million, a 37 percent increase over last year. The cooperative currently has propane operations at its Clare, Caro, Hart, Lansing and Linwood facilities. Long-range plans call for a minimum of one new propane location each year over the next five years, as well as additional propane sales through joint ventures with current cooperative patrons.

FPC will also be evaluating their retail business as well, with an emphasis on the use of unattended card refueling systems at its Linwood and Caro outlets. The cooperative also plans to aggressively expand its wholesale side of the operation as well, through the use of volume discount programs, upgrading the cooperative's transport fleet and a focus on non-traditional market areas. "The more business we can develop in non-traditional markets, the more savings we can pass on to our members," Laurie explained.

For the second year in a row, FPC will be paying a dividend to members of \$14,500. Total working capital has grown to \$522,000 from a low of \$287,000 in 1992, while net margins were up 52 percent for the year. ■



FPC's Board of Directors stands with the newest addition to its transport fleet. Left to right: Jack Laurie, Denis Netzley, Theron VanRhee, Richard Godfrey, Jan Vosburg, Wayne Wood, Blaine VanSickle, Charles Kleinhardt. Not pictured: Tom Guthrie.

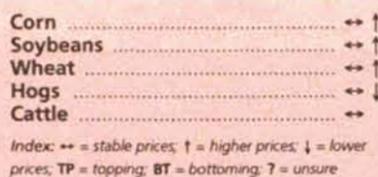


# Market Outlook



by Dr. Jim Hilker,  
Department of  
Agricultural Econom-  
ics, Michigan State  
University

## Seasonal Commodity Price Trends



to over \$3.20, I would project flat prices over the next few months without some new information. This translates to holding on to a higher proportion in the first case and selling a relatively higher proportion in the second case.

## WHEAT

In the September *Stocks Report*, the USDA found fewer stocks on hand than the trade expected 3 months into the 1996-97 wheat marketing year. They also lowered the 1996-97 crop estimate for all wheat at 15 million bushels, which has been adjusted in Table 2. And, while that would account for some of the lower stocks, it also probably means more wheat was fed this summer than previously thought. Check my 1996-97 340-million-bushel feed use estimate in Table 2 with the USDA *Supply/Demand Report* figure released Oct. 11.

These were positive numbers for wheat, but the downward pressure from corn, soybeans, and good world crops overwhelmed them. The wheat price picture is not good. If you have remaining wheat, consider pricing the rest on the next price rally. And, if we do not see a price rally soon, consider letting it go anyway. This does not mean wheat price cannot go up, but rather the odds are poor that we will see increases larger than storage costs.

## SOYBEANS

The September *Stocks Report* showed 1995-96 ending stocks at 183 million bushels (as shown in Table 3), 19 million more than expected by the trade and 13 more than the last USDA estimate. This also caused the USDA to go back and increase the 1995 yield and production numbers. Yields were increased 0.4 bushels per acre to 35.3, the third highest on record. This increased 1995 production 25 million bushels.

With the conducive growing weather since Sept. 1, I have increased projected 1996 soybean production slightly in Table 3 from the USDA's September estimate. Check it out against their October estimate. Soybean prices are likely to stay over \$7 all year; the question is, are the odds higher for an increase from this point or a decrease? Consider dividing up the risk; if you have not already priced a bunch, do so. However, consider staying in the price picture on at least some of them for a South American scare or maybe just strong demand.

## DAIRY SITUATION

by Larry G. Hamm

Milk production continues to lag while dairy product prices continue to hold at their all time record highs. Farm pay prices will continue to rise over the next several months. However, resistance to higher milk prices may be starting to take its toll on wholesale dairy product demand.

Milk production continues to suffer from the consequences of last year's financial stress and this year's continuing increased costs of production. In August 1996, the number of cows on farms in the major dairy states declined 94,000 head from August 1995. This was the 12th consecutive month where dairy cow numbers in the major 22 dairy states have declined.

Compounding the reduction in the U.S. milk herd is the fact that in August production per cow in the major dairy states was down 4 pounds from last year's level. This was the fourth month in a row that production per cow has been below year ago levels. It is a virtual certainty that 1996 U.S. milk production will be below 1995 milk production.

The prices of manufactured dairy products—cheddar cheese, butter and nonfat dry milk (NFD)—have been at or close to record levels for the past several weeks. There has been virtually no change in the price of 40 pound blocks of cheddar cheese at the National Cheese Exchange (NCE) or for butter at the Chicago Mercantile Exchange (CME) during the month of September. As a result, the September Basic Formula Price (BFP) will rise only slightly.

The August BFP of \$14.93 is an all-time high and the September BFP will probably pierce the \$15 level for the first time in its 35-year history. Because farm pay prices are lagged due to the pricing structure of the Federal Milk Marketing Orders, farm pay

prices will continue to rise throughout the rest of the fall months. Producers with high quality milk with above average protein and butterfat component levels could easily be receiving \$17 per cwt. or more for milk within the next few months.

Unfortunately, as of early October, wholesale dairy product prices have not been increasing. Perhaps more troubling is that during the last half of September 1996, trading of cheese on the NCE was extremely active.

On Sept. 27, 1996, the barrel cheese market succumbed to this extremely heavy selling pressure and the closing price on the NCE went down \$.04 per pound. Natural American cheese inventories in cold storage are running ahead of the past several years which would seem to indicate that cheese processors have adequate cheese inventories.

The active trading and price decline in the barrel cheddar cheese market are the first indications that there is price resistance to further increases in dairy product prices.

In summary, the current production of milk in the U.S. assures that farm level milk prices will continue to move forward over the next 2 to 3 months. However, some wholesale dairy product price resistance is beginning to appear. This is the first indication that we may have reached the top of this particular milk price increase cycle.

## CATTLE

Cattle prices should stay around \$70 per cwt. into November as the last 7-state *Cattle-On-Feed Report* showed total inventory on-feed at just 92 percent of a year ago, as of Sept. 1. However, the feeders are starting to hit the feedlots, as the report showed 19 percent more were placed in August than a year ago, after placements were up 6 percent in July. The lower total number comes from the low placements from late winter through June.

The question becomes, when will this increase in cattle placements start hitting the market? Looking at the placement weights, which are being gathered for the first time this year, it appears many of the placements already have some weight on them. In July, over 25 percent were over 800 pounds and in August over 28 percent were over 800 pounds. And in August, over another 36 percent of the placements were 700-799 pounds. This would lead me to believe we will start seeing the effect by December and will feel it pretty hard in the first quarter of the new year.

This information would suggest we would want to keep very current, and definitely be caught up on marketings by December. Prices are expected to dip back under \$70 by the time we go into the last month of the year and be back in the mid-60's by February. And there are enough cattle out there to keep them in that range for the rest of 1997. However, I do expect the 1997 calf crop will be down and prices will recover in 1998.

## HOGS

The Sept. 1 Hogs and Pigs Report, released by the USDA on Sept. 30, showed that while hog numbers are still down, we may be turning the corner towards future expansion. All hogs and pigs and those reported as kept for market were reported as 96 percent of the previous year. While those kept for breeding were down 2 percent.

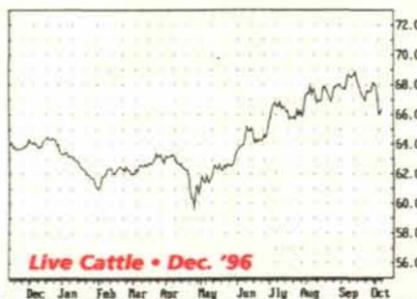
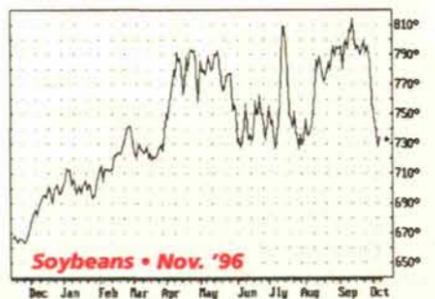
Market hogs over 180 pounds were 98 percent of last year which may push us back into the mid to lower \$50 range for a while this fall, but those weighing 120-179 on September 1 were down 4 percent and those that fell in the 60-119 weight range were off 5 percent. These numbers should keep us in the \$50's through the end of the year.

The June-August pig crop that will be coming into the market this winter was down 5 percent, 2 more than expected. Actual farrowings were down 1 percent, but pigs per litter were up 3 percent. These numbers again should keep us over \$50 per cwt. for much of this winter. The increases in pigs per litter came from all sizes of operations, not just the larger ones. The average pigs per litter for the U.S. for the June-August period was 8.57.

Even though the breeding numbers were down, they were slightly higher than expected. September-November farrowing intentions are 100 percent of year ago levels and December-February farrowing intentions are 99 percent of a year ago. These numbers lead most analysts to believe the liquidation phase is over and we are entering an expansion phase. Personally, I don't think we will see sharp expansion with the continuing strong feed prices.

The breeding herds were up over 10 percent in Oklahoma, North Carolina, Missouri, and Kansas. They were down 11-12 percent in the three traditional hogs states of Indiana, Illinois, and Iowa. Michigan's breeding herd on Sept. 1 was 93 percent and those kept for market were down 8 percent, making the total hog numbers 1,130,000 head, down 8 percent, all relative to a year ago.

## COMMODITY PRICE TRENDS



## COMMODITY SUPPLY/DEMAND BALANCE SHEETS

Table 1 — Corn

(Million acres)	Hilker's Est. Hilker's Proj.		
	1994-1995	1995-1996	1996-1997
Acres set-aside/diverted	2.4	6.2	
Acres planted	79.2	71.2	79.6
Acres harvested	72.9	65.0	73.3
Bu./harvested acre	138.6	113.5	120.2
<b>Stocks (million bushels)</b>			
Beginning stocks	850	1,558	426
Production	10,103	7,374	8,804
Imports	10	17	10
Total supply	10,963	8,949	9,240
<b>Use:</b>			
Feed and residual	5,535	4,733	4,850
Food/seed & ind. uses	1,693	1,575	1,655
Total domestic	7,228	6,308	6,505
Exports	2,177	2,215	2,050
Total use	9,405	8,523	8,555
Ending stocks	1,558	426	685
Ending stocks, % of use	16.6	5.0	8.0
Regular loan rate	\$1.89	\$1.89	\$1.89
<b>U.S. season average</b>			
Farm price, \$/bu.	\$2.26	\$3.25	\$3.00

Table 2 — Wheat

(Million acres)	Hilker's Est. Hilker's Proj.		
	1994-1995	1995-1996	1996-1997
Acres set-aside & diverted	5.2	5.2	
Acres planted	70.3	69.2	75.6
Acres harvested	61.8	61.0	62.9
Bu./harvested acre	37.6	35.8	36.3
<b>Stocks (million bushels)</b>			
Beginning stocks	568	507	375
Production	2,321	2,185	2,281
Imports	92	68	70
Total supply	2,981	2,760	2,726
<b>Use:</b>			
Food	852	884	900
Seed	89	104	110
Feed	345	156	340
Total domestic	1,286	1,144	1,350
Exports	1,188	1,241	930
Total use	2,474	2,385	2,280
Ending stocks	507	375	446
Ending stocks, % of use	20.5	15.7	19.6
Regular loan rate	\$2.58	\$2.58	\$2.58
<b>U.S. season average</b>			
Farm price, \$/bu.	\$3.45	\$4.50	\$4.25

Table 3 — Soybeans

(Million acres)	Hilker's Est. Hilker's Proj.		
	1994-1995	1995-1996	1996-1997
Acres planted	61.7	62.6	64.3
Acres harvested	60.9	61.6	63.4
Bu./harvested acre	41.4	35.3	36.0
<b>Stocks (million bushels)</b>			
Beginning stocks	209	335	183
Production	2,517	2,177	2,282
Imports	5	5	5
Total supply	2,731	2,517	2,470
<b>Use:</b>			
Crushings	1,405	1,365	1,365
Exports	838	845	815
Seed, feed & residuals	153	124	115
Total use	2,396	2,334	2,295
Ending stocks	335	183	175
Ending stocks, % of use	14.0	7.8	7.6
Regular loan rate	\$4.92	\$4.92	\$4.97
<b>U.S. season average</b>			
Farm price, \$/bu.	\$5.48	\$6.76	\$7.40

Source: Knight-Ridder Financial

Source: USDA and Jim Hilker

# Business Strategies



Roger Betz,  
Southwest District  
Extension Farm  
Management Agent,  
Michigan State  
University Extension

The MSU Telfarm program is designed to provide a comprehensive financial information system and decision aid for your farm business. The system has two main goals. First is to provide very reliable and accurate income tax reporting information, including the detailed depreciation schedule.

The second goal is to utilize the income tax data, in conjunction with additional inventory and crop/livestock production data, to generate confidential meaningful business analysis and decision making information.

Confidentiality is of very high importance. The financial information is stripped of any individual identification and is used to generate type of farm reports for Michigan agriculture. The MSU Telfarm program has made some very significant changes to increase user options and enhance reliability and useability of business analysis information. Telfarm now provides three basic options within the Accounting system and two levels of Payroll enrollment.

All of the Telfarm Accounting system options consist of individual technical support, December income tax estimate, January balance sheet development, whole farm accrual income statements and business analysis. New in 1996, the confidential business analysis information reports are generated with the assistance of Extension staff by utilizing the popular FINPACK software developed at the University of Minnesota.

During spring and summer, individual farm visits are offered through Extension staff to assist in farm management areas including comparative analysis, business expansions, estate planning and other farm management areas. Cooperators with the system use either the MicroTel Accountant software or the paper version for people who don't have a desire for computers.

### Quality Support Options

MicroTel Accountant and Payroll software programs are an enhancement to the Telfarm system. They are designed to be used by farms enrolled in Telfarm and work together to provide your farm with a complete recordkeeping and/or payroll system.

MicroTel is not the usual "off-the-shelf" software. It is very friendly to the user with substantial

### New youth ag organization proposed

A prominent Kansas City banker has proposed creating a new national organization for youths in agriculture and agribusiness that meets in Kansas City and uses green jackets as a symbol. The new organization would be called Agriculture Future of America (AFA) and its designated meeting site as Kansas City would fill a void left by FFA's earlier announcement that it was leaving Kansas City in 1999 in favor of relocating its headquarters to Indianapolis and its annual meeting to Louisville, Ky.

The banker, R. Crosby Kemper Jr., says his proposal is not motivated by revenge toward FFA, but rather a move to include an agriculture-only emphasis on membership of the new organization. Kemper said he was concerned by recent FFA moves out of its traditional meeting site and away from its traditional rural constituency.

"When they officially changed the name from Future Farmers of America to FFA, that should have been a signal to us that they were more concerned with their urban membership," Kemper said. "But an organization is needed to maintain an agriculture-oriented focus."

Kemper said he would put up an initial \$250,000 to get the fledgling organization off the ground and might tie its meeting to the annual American Royal get-together. He said he has had talks with traditional agricultural college officials and the membership of the AFA would target "mid-continent high school and college agricultural and animal husbandry" students. ■

## MSU Telfarm Business Information System

support available if desired. The customization that is done at the campus-based Telfarm Center is necessary for the efficient operation of the program for your type of business and computer hardware. You may choose to have the software sent to you after customization so that you may install it yourself and use the instruction manual, or you may schedule an on-farm installation and training. The Telfarm staff also offer update workshops for current MicroTel clients in November at no charge.

Under the microcomputer MicroTel Accountant option of Telfarm, there are two levels. With level one you do not send accounting records to campus. All accounting records are maintained on the farm with only year end information summarized through the FINPACK program.

Level two has records sent to campus for off-site backup, error checking and verification, enhanced cash flow and enterprise reports, and income tax reports. The records you send into the Telfarm center, on a floppy disk file, serve as an additional backup in case of an error or disaster that may destroy your records at your farm. We also check your records for common errors or missing information as you send them in throughout the year, so any necessary corrections can be made immediately.

The staff at the Telfarm Center, specialists of the Agricultural Economics Department and the field staff of Michigan State University Extension are all available to assist you. Under both levels, income

tax depreciation schedules are provided.

MicroTel Payroll is designed specifically for Michigan growers. The software automatically calculates state and federal withholdings, automatic deductions, links to MicroTel Accountant, cuts payroll checks, produces MESC reporting information, prints W2s, uses piece rates and has many other features. It can separate workers for different Workers Comp. insurance rates. There are also two levels of Payroll enrollment with records either "not sent" or "sent" to campus for editing, back up and specific enhanced reports.

MicroTel Checkwriter is a program that enhances MicroTel Accountant to print checks and minimize total "bookkeeping" time. You can also efficiently monitor unpaid bills.

### Enrollment and Purchase Costs

The "investment" cost of MicroTel Accountant, Payroll or Checkwriter is a one-time payment that licenses you to use the customized software permanently. Accountant is \$320 with a \$175 installation fee. Payroll is \$320 with the \$175 installation fee (installation fees are paid only once for both programs) and Checkwriter is a \$100 one-time fee.

One year of enrollment in Telfarm is required to purchase MicroTel software programs. Level one is \$275 per year and level two is \$475. The investment fee for the paper system depends on the size of your business. If you use only the labor reports from Telfarm, the annual fee is either \$175 or \$275,

depending on the level desired. Considering the comprehensiveness and useability of the information and the expert assistance provided, this is a very high value.

Any software will need upgrading as laws change and as demand for improved versions continues. MicroTel is unique when compared to most other software, because upgrades and additional supports are included in the purchase price and the Telfarm yearly enrollment. You will be automatically updated and supported with new versions of MicroTel, as long as you continue to renew your yearly enrollment in Telfarm.

The Telfarm system has proven to be very effective for farmers who want to gain a better understanding of their business and have the information to communicate effectively to other family members, lenders and themselves. There are more than 600 Telfarm participants in Michigan with 430 of them on MicroTel. The MicroTel Accountant, Checkwriter and Payroll programs are easy to use, detailed and flexible. A MicroTel Accountant Demonstration Disk is available at no charge.

Please consider enrolling in the Telfarm Management Information System. You will find the system of very high value if you use the capabilities. People start even in December for the current year. If you have any specific questions regarding the program's capabilities and enrollment, call the Telfarm office at (517) 355-4700 or your local Extension office. ■

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# Nov. 5 ballot proposal summary

**M**ichigan's fall ballot is crowded with six ballot proposals. MFB has taken a position on two — Proposals G and D — that have special impact on the agricultural industry. The remaining four proposals deal

with bingo, casino gambling, qualifications for judicial office and the Veterans' Trust Fund. Farm Bureau has taken no position on these proposals.

Following is a summary of the proposals you will find on the Nov. 5 ballot.

## PROPOSAL D

**A legislative initiative to limit bear hunting season and prohibit the use of bait and dogs to hunt bear.**

The proposed law would:

- Prohibit the use of bait and dogs to hunt bears at any time.
- Prohibit bear hunting during open season for deer, bobcat and raccoon if baiting or hunting with dogs is permitted during these seasons.
- Create penalties for violations, including tempo-



- rary and permanent denial of hunting license.
- Allow individuals to sue for damages caused by violations and to seek injunctions.
- Allow bear hunting by any method by government officials acting in their official capacity and for any person acting in defense of life.

### Should the proposed law be adopted?

**Farm Bureau position:** Farm Bureau strongly urges a "no" vote on Proposal D. On the surface, it appears that Proposal D is only about bear hunting. But a closer look reveals that the ultimate goal of Proposal D-backers is to wipe out hunting and fishing. The animal rights groups that are pushing Proposal D really don't care about the importance of hunting as a tool farmers can use to help control wildlife crop damage. These groups just care about advancing their anti-hunting, vegetarian agenda.

For further perspective on Proposal G and Proposal D, see the October Discussion Topic in the Sept. 15 *Michigan Farm News* and the President's Column in the Sept. 30 *Michigan Farm News*. ■

## PROPOSAL G

**A referendum on Public Act 377 of 1996 — an amendment regarding the management of Michigan's wildlife populations**

Public Act 377 of 1996 would:

- Grant the Natural Resources Commission the exclusive authority to regulate the taking of game, including bear hunting. (Currently under the authority of the director of the Department



of Natural Resources.)

- Require the Natural Resources Commission to utilize "principles of sound scientific management" in making decisions regarding the taking of game and to minimize human/bear encounters.
- Require that a public meeting be held prior to the issuance of any orders by the Natural Resources Commission regarding the taking of game.

### Should this law be approved?

**Farm Bureau position:** Farm Bureau strongly urges a "yes" vote on Proposal G. Proposal G would reinforce that the Commission of the Department of Natural Resources has the sole authority to regulate the taking of game in the state. Approval of Proposal G would keep common sense and science the key elements of wildlife management in Michigan. More importantly, passage of Proposal G is crucial to thwarting Proposal D, the anti-bear hunting proposal. ■

## EMERGING ISSUE

**The agricultural industry, and all taxpayers, have a major stake in the outcome of the two hunting ballot proposals that will be considered by Michigan voters this fall.**

Jack Laurie, president of the Michigan Farm Bureau, told a statewide satellite hook-up of Michigan radio stations that passage of Proposal G will ensure that professional experts will remain in control of wildlife management. "In terms of property damage caused by wildlife, and human health and safety issues, all of us as taxpayers have an economic stake in making sure wildlife is effectively managed," he said.

Proposal D is a radical, animal-rights driven attempt to begin eliminating all sport hunting and fishing,

## Keep wildlife management in the hands of DNR experts

according to Laurie. "I think it's fair to say that the animal rights groups that are pushing Proposal D really don't care about the importance of hunting as a tool farmers can use to help control wildlife crop damage. These groups just care about advancing their anti-hunting, vegetarian agenda," he said.

Laurie suggested that voters, whether they approve or disapprove of bear hunting, remember the real issues at stake with these two proposals. "Approval of Proposal G would keep common sense and science the key elements of wildlife management in Michigan," he said. "Passage of Proposal D would be an animal rights victory of national proportions. And make no mistake about it: hunting is number one in the cross hairs of the animal rights fanatics. But the farm use of animals is next on their kill list." ■

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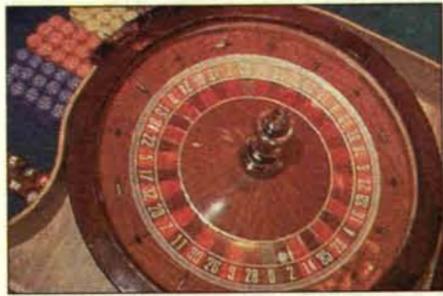
# Nov. 5 ballot proposal summary

## PROPOSAL E

### A legislative initiative to permit casino gaming in qualified cities

The proposed law would:

- Permit up to three gaming casinos in any city that



meets the following qualifications: has a population of 800,000 or more, is located within 100 miles of any other state or country in which gaming is permitted, and has had casino gaming approved by a majority of the voters in the city.

- Establish a Gaming Control Board to regulate casino gaming.
- Impose an 18 percent state tax on gross gaming revenues.
- Allocate 55 percent of tax revenue to host city for crime prevention and economic development; allocate remaining 45 percent of tax funds to state for public education.

#### Should the proposed law be adopted?

Farm Bureau has taken no position on this proposal. ■

## PROPOSAL A

### A referendum on Public Act 118 of 1994 — an act to amend certain sections of Michigan's bingo act

Public Act 118 of 1994 would:

- Change the definition of a qualified organization



that is permitted to sponsor certain forms of gaming, including bingo, millionaire parties and raffles, so that an organization that is organized under the Michigan Campaign Finance Act — including a candidate committee, political committee, political party committee, ballot question committee or independent committee is no longer qualified to receive a license to sponsor such gaming.

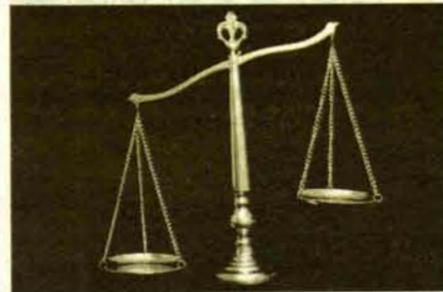
- Permit a change in the single maximum prize or payout for a charity game sold by a licensed religious, educational, service, senior citizens, fraternal or veterans organization.

#### Should this law be approved?

Farm Bureau has taken no position on this proposal. ■

## PROPOSAL B

### A proposal to amend the state constitution to establish qualifications for judicial offices



The proposed constitutional amendment would:

- Specify that a person must have been admitted to the practice of law for at least five years to be qualified to serve as a trial court judge, an appeals court judge or a supreme court justice.
- Provide that this requirement does not apply to any judge or justice appointed or elected to a judicial office prior to the date the requirement becomes a part of the constitution.

#### Should this proposed constitutional amendment be adopted?

Farm Bureau has taken no position on this proposal. ■

## PROPOSAL C

### A proposal to establish the current Michigan Veterans' Trust Fund in the state constitution and require that expenditures from the fund be made solely for purposes authorized by the trust fund's Board of Trustees



The proposed constitutional amendment would:

- Establish the current Michigan Veterans' Trust Fund and the Board of Trustees responsible for administering the fund in the state constitution.
- Require the transfer of all funds in the existing Michigan Veterans' Trust Fund to the constitutionally established Michigan Veterans' Trust Fund.
- Authorize the State Treasurer to direct investment of the fund.
- Stipulate that except for the State Treasurer's investment actions, an expenditure or transfer of a fund asset, interest, or earnings could be made only upon the authorization of a majority of the fund's Board of Trustees.

#### Should this proposed constitutional amendment be adopted?

Farm Bureau has taken no position on this proposal. ■

## NOVEMBER WILDLIFE BALLOT PROPOSALS

Farm Bureau is supporting PROPOSAL G and opposing PROPOSAL D on Nov. 5.

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## Monsanto to buy Asgrow Agronomics

**M**onsanto Company has signed a letter of intent to acquire the Asgrow Agronomics a major U.S. soybean seed company, for \$240 million from Seminis, Inc., subsidiary of Mexico-based Empresas La Moderna (ELM), S.A. The move is expected to firmly establish the company in the soybean seed market, says Hendrik A. Verfaillie, executive vice president of Monsanto.

"Asgrow's strength in soybeans is particularly important to us as accelerate the sales of our Roundup Ready soybeans and other new soybean products to farmers worldwide," said Verfaillie. "The acquisition of Asgrow Agronomics will strengthen our ability to quickly move our innovations into the marketplace."

In a separate transaction, Monsanto and ELM agreed to enter into a major, non-exclusive technology collaboration. Under this agreement, Monsanto will become a "preferred provider" of agronomic and quality traits developed through biotechnology that will be used by ELM in its fruit and vegetable seed and produce business. ELM currently holds a 22 percent market share worldwide in the vegetable seed business, according to a company statement. ■

## Harvesting frost-damaged corn?

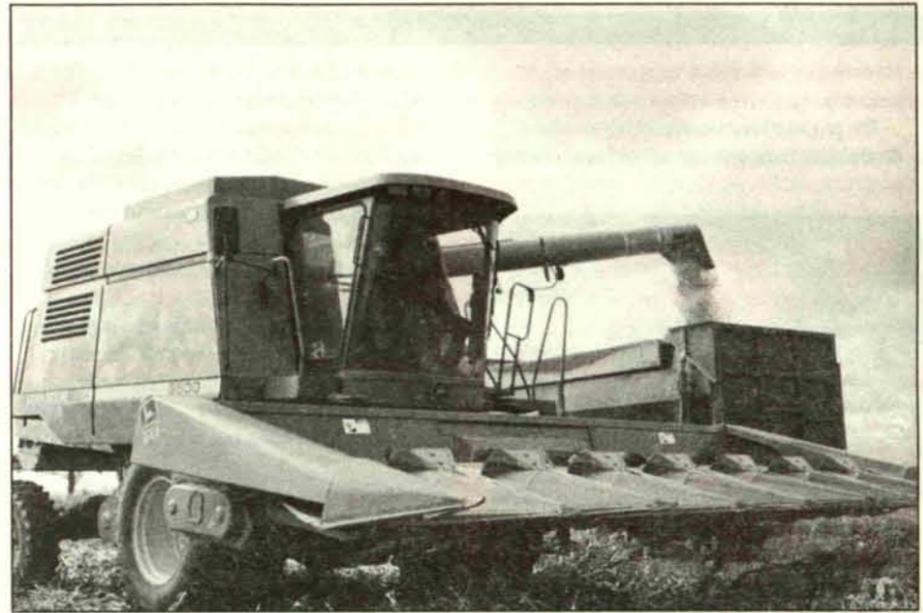
by Tim Harrigan, MSU Department of Agricultural Engineering

**T**he best time to harvest corn is when the grain is about 24 to 28 percent moisture. As moisture increases above this range, it becomes difficult to thresh all kernels from the cob without cracking the kernels. Immature, frost-damaged corn will likely be above 30 percent moisture at harvest.

Higher moisture grain can be easily cracked and damaged by over-threshing, so begin harvest with combine adjustments that would likely under-thresh a typical, lower moisture crop. Set cylinder or rotor speed near the low end of the suggested range and set concave clearance near the widest recommended setting. Reduce ground speed. To find the best settings for the field conditions, make one change at a time and check results frequently.

Poor shelling can be caused by too wide a spacing between the cylinder or rotor and concave, too slow a cylinder speed, or too fast a ground speed. Cracked corn can be caused by too fast a cylinder speed or too narrow a concave spacing.

Too much cob or foreign material in the grain tank can be caused by improper sieve adjustment or too low a fan speed. Check the trash discharged from the rear of the combine. Few kernels should remain on the cob and most cobs should be unbroken. Check grain quality in the grain tank; there should be few cracked kernels and little cob and foreign material in the grain.



Under-threshing may be caused by too slow a cylinder speed and too wide a concave spacing. Since increasing cylinder or rotor speed is more likely to damage the grain than reducing concave clearance, first try to improve threshing action by closing concave clearance slightly.

Harvest a small amount and recheck grain quality in the tank. If many cobs begin to split without the corn being shelled, open the concave a

small amount and try increasing cylinder or rotor speed by 20 or 30 rpm. Check grain quality and repeat the process until the best grain quality is obtained. At high grain moisture you may have to accept higher than normal grain loss from unshelled cobs and damaged grain.

Refer to AEIS 646, *Harvesting and Handling High Moisture, Frost Damaged Grain*, for further information. ■

## Reduce your income tax.

Do you reduce your taxes by writing off feed and fertilizer?  
Then, reduce your taxes by writing off buildings and equipment.

<b>SCHEDULE C</b> (Form 1040) Department of the Treasury Internal Revenue Service Name of proprietor		<b>Profit or Loss From Business</b> (Sole Proprietorship) Attach to Form 1040 or Form 1041.	
<b>SCHEDULE F</b> (Form 1040)		<b>Profit or Loss From Farming</b> Attach to Form 1040, Form 1041, or Form 1065.	
A	Principal business		
C	Business	26	Rent or lease (see page F-4):
	a Vehicles, machinery, and equipment . . . . .	26a	
	b Other (land, animals, etc.) . . . . .	26b	
	27 Repairs and maintenance . . . . .	27	

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## Tart Cherry Forum focuses on restoring profitability

**A** meeting of cherry industry leaders in Rothbury recently, bore some fruit of its own. The group discussed plans to seat the Federal Marketing Order board, and agreed to create a Tart Cherry Council and a "Super Co-op" in hopes of restoring long-term profitability to the state's tart cherry industry, according to Randy Harmson, general manager of the Michigan Agricultural Cooperative Marketing Association and manager of MACMA's red tart cherry division.

"This meeting was an opportunity to get a significant group of cherry industry leaders together to discuss the future of the cherry industry and to focus on the things that need to be done to put profitability back into the tart cherry business," Harmson explained.

In opening remarks to the group, Michigan Farm Bureau President Jack Laurie encouraged the group to think long-term and to leave their biases at the door. "Think in terms of the industry and consider the fundamental issues of who is going to do what in the future," he encouraged. "The Federal Marketing Order is a model of how the industry can work cooperatively as a group; build on this experience."

Other speakers included Michigan State University's Dr. Fred Poston, dean of the College of Agriculture and Natural Resources; Dr. Gordon Guyer, Director of Michigan Department of Agriculture; MSU Ag Economist Dr. Don Ricks; Earl Peterson of Peterson Farms Inc.; Dick Bogard of Cherry Central Coop. Inc.; MACMA's Randy Harmson; and Phil Korson of the Cherry Marketing Institute.

Harmson said the group agreed to establish a Tart Cherry Council, patterned after the successful Apple Industry Task Force, made up of representatives from all segments of the industry to address issues and seek solutions. "If a problem should arise in the industry, whether it's a disease problem requiring research or whatever the case may be, the council would work together and make recommendations as to how the problem might be solved and who should do it," Harmson explained.

One of the first goals of the council would be to see the implementation of the recently approved Federal Marketing Order. USDA's Patricia Petrella told the industry group that creation of the

Federal Marketing Order board, development of the marketing plan and establishment of operating procedures all need to be accomplished if the Federal Order is to provide any benefit to producers.

Calling the marketing order just the first step, Dr. Fred Poston told participants that supply management is just half the equation. "Cherry demand and new product development are important, too," Poston said. "The tart cherry industry's problems are organizational in nature; they do not stem from lack of opportunity. The industry must generate a vision!"

Although details are not available at this point, Harmson said there was widespread support from growers to create a super co-op that would allow producers to pool their cherries, and then contract for processing and marketing services.

Ken Nye, director of MFB's Commodity Activities Research Division, says the concept of a super co-op will help provide some much needed stability to the cherry industry. He says that stability is a critical issue to be addressed as the industry attempts to expand product demand and assist in new product development.

"There are numerous examples of the benefits to growers and handlers alike when an industry decides to work together to market products," Nye suggested, referring to Ocean Spray's success with cranberries, Blue Diamond's almonds, Sun Maid raisins, and Welch's market growth with grape juice. The bottom line of the super co-op? "Profitability," says Harmson. He was given the green light by the group meeting in Rothbury to proceed with investigating the formation of the super co-op. He hopes to have details ironed out before year's end, possibly even by the end of November. "That's probably optimistic, but I think that if people are committed to making it happen, it'll happen," he concluded. ■



Norm Veliquette, Gordon Guyer and Jordan Tatter discuss ramifications of the Federal Marketing Order on the tart cherry industry.

**90-day Temperature Outlook**

**90-day Precipitation Outlook**


# Weather Outlook

by Dr. Jeff Andresen,  
Agricultural Meteorologist,  
Department of Geography, Michigan State University



September was a month of high climatological variability, ranging from warmer and drier than normal early in the month to cooler and wetter than normal late. Average temperatures ranged from slightly below normal in the south to slightly above elsewhere.

Rainfall was highly variable, with monthly totals ranging from 50 percent of normal in the Upper Peninsula to more than 200 percent of normal across much of Lower Michigan, especially eastern sections. The rainfall, much of which fell during the second half of the month, helped replenish soil moisture levels in southern and western sections of the state following abnormally dry weather from late June through early September.

By month's end, approx. one-quarter of the corn crop and one-tenth of the state's soybean crops had reached maturity, which is about 50 per-

cent and 25 percent of normal progress for corn and soybeans, respectively.

Long-lead multi-season outlooks from NOAA's Climate Prediction Center are not favorable for late season growth and drydown, with greater than normal odds of cooler than normal temperatures indicated for October, and greater than normal odds for above normal precipitation for the 90-day October through December period (especially in southern and western sections of the state).

The outlook for October precipitation and for October-December temperatures is for equal odds of below-, near-, and above-normal scenarios. Multi-season outlooks call for the current cooler than normal sea surface temperatures in the equatorial Pacific to increase to normal levels by winter, and possibly to warmer than normal levels (and El Niño conditions) by next Spring.

9/1/96-9/30/96	Temp. Obs. mean	Dev. from normal	Growing Degree Days		Precip. Actual Normal	
			Acc.	Acc.	(inch)	(inch)
Houghton	57.0	1.5	1581	1845	1.86	3.58
Marquette	56.3	2.5	1659	1845	3.53	3.58
Escanaba	57.4	0.2	1567	1616	0.62	3.55
Sault Ste. Marie	58.5	3.3	1485	1616	5.64	3.55
Lake City	60.3	2.3	1921	2109	3.25	3.66
Pellston	59.8	3.8	1913	2109	5.18	3.66
Traverse City	62.1	1.2	2257	2109	4.93	3.66
Alpena	60.1	2.6	1896	2035	5.71	3.47
Houghton Lake	59.2	0.9	1943	2035	4.07	3.47
Muskegon	61.8	0.2	2220	2338	3.26	3.19
Vestaburg	60.4	-1.5	2226	2414	3.47	3.09
Bad Axe	61.2	-0.7	2133	2454	8.02	2.70
Saginaw	62.9	0.7	2523	2454	4.56	2.70
Grand Rapids	62.8	0.9	2546	2723	2.53	3.26
South Bend	63.2	-0.5	2655	2723	3.32	3.26
Coldwater	61.3	-2.6	2478	2653	3.84	2.79
Lansing	61.0	-0.7	2405	2653	3.27	2.79
Detroit	64.4	0.7	2832	2673	4.13	2.43
Flint	62.5	1.2	2499	2673	2.44	2.43
Toledo	64.8	0.8	2894	2673	3.16	2.43

Observed totals accumulated from April 1. Normals are based on district averages.

**MCCA Assessment to drop 79 percent**

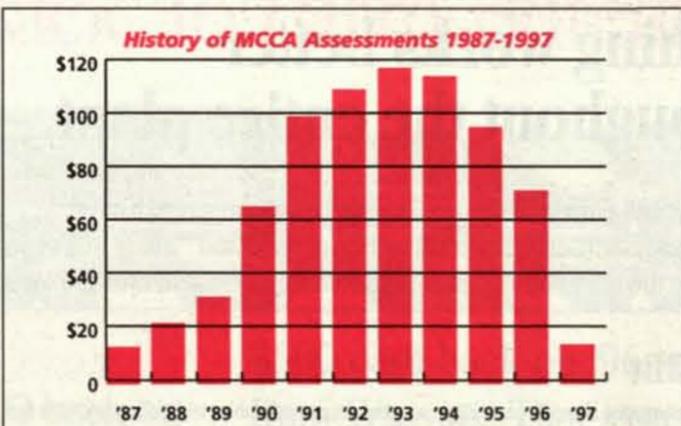
With a projected year-end surplus of \$1.7 billion to its name, The Michigan Catastrophic Claims Association Board of directors approved a decrease in its annual assessment for the fourth consecutive year. That's good news for Michigan motorists since the 1997 assessment will be \$14.94 per earned vehicle, a 79 percent decrease from the current \$72.57 per vehicle charge.

According to MCCA officials, the surplus is a result of reduction in claims frequency and case reserves, lower than expected loss development, and a refinement of the methodology used to determine assessment levels.

The 1997 assessment for unlimited Personal

Injury Protection benefits represents \$63.03 per vehicle for pure premium, a credit of \$47.19 for surplus and 10 cents for administration expenses.

As of August 31, the Association had 6,070 open claims and 3,375 closed claims. The average severity of the 3,075 claims paid since the inception of the MCCA is \$380,317.


**Milk production expected up next year**

The Agriculture Department recently reported it anticipated U.S. milk production to rise slightly next year, a turn-around from this year that saw production drop due to poor forage, weather problems and high feed prices.

The USDA report said 1997 milk production would rise about 1 percent over 1996 levels, but would only equal about 1995 levels. The production increase is also expected to drop in 1997 by 50 cents to about \$1. Retail prices for milk products are expected to rise about 5 percent next year — above this year's 6 percent to 7 percent increase in consumer prices.


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## Canadian sugar beets arrive in Michigan

by Steve Tomac

As Michigan sugar beet growers gear up for harvest, Michigan Sugar Company will gear up for processing. However, this year, citing acreage losses here within the state, Michigan Sugar is going international, importing 250 acres of contracted Canadian sugar beets to help meet growing production demands.

Rapid increase in prices for soybeans, corn, and other grains gave Michigan growers profitable alternatives to sugar beet production, contributing to a 30 percent decline in acreage from last year, according to Michigan Farm Bureau Commodity Specialist Bob Boehm.

"There were a variety of reasons why growers in Michigan decided to plant less acres of sugar beets this year," said Boehm. "A declining trend in yields over the last five years, increasing transportation restrictions, impacts of soil compaction on other crops in rotation, and bad weather this spring are a few of them. Many growers also expressed disappointment and frustration over the inability to amend sugar contract provisions to better address grower concerns on research and production efforts."

The move to bring sugar beets from Canada into Michigan has done little to ease grower processor tensions, says Boehm. "Many growers question why Michigan Sugar would go to the expense of

investing in Canada and paying transportation costs rather than simply improving the contract provisions to encourage more Michigan production," he said.

Bob Braem, vice president of agriculture for Michigan Sugar, assures Michigan beet growers that this move is not to pull away from them, however. "Michigan growers come first," he said. "They can contract all the acres they want."

Don Keinath, president of Great Lakes Sugar Beet Growers Association, said that his organization is primarily concerned with the potential chance of Soybean Cyst Nematode (SCN) to be spread. "We're a little apprehensive," he said. "There could be a problem with the soybean cyst nematode."

Michigan farmers aren't the only group concerned about the spread of pests. Canadian officials were similarly concerned about Japanese beetle and blueberry maggot eggs returning.

This issue has been solved, according to Ken Rauscher of the Michigan Department of Agriculture. "We have required that fields planted in Canada be tested by Michigan Sugar Company for soybean cyst nematode," said Rauscher. Farmers were only allowed to plant in fields that tested negative for SCN.

Another problem was the possible mixing of Michigan and Canadian tare soil. This would increase the chance of Canadian trucks returning with foreign pests. Canadian officials prohibited the return of tare soil for this reason.

"MDA required Michigan Sugar to dispose of soil in non-agricultural production areas," said Rauscher. Options that were allowed were stockpiling, landfilling, and use as road fill-dirt. Soil from sediment ponds would also be treated in the same manner. According to Rauscher, Michigan Sugar decided to keep the soil on its property. MDA will inspect it for SCN periodically.

Braem said his company acknowledges the importance of keeping SCN at bay. "Neither Michigan Sugar nor MDA wants to be responsible for the spread of the nematode," he said.

From an international trade perspective, raw sugar beets are considered a vegetable and, therefore, are not restricted under the North American Free Trade Agreement, which only restricts raw cane and refined sugar imports.

Braem said that the importation will continue, and plans are underway to increase acreage. Plans had originally called for 1,000 acres this year, but



only the 250 acres in Chatham county of southern Ontario were planted. Braem said that next year's goal is to have 3,000 acres contracted.

In order for this to occur, Braem said, a receiving station would have to be constructed in Canada. "It will make the transport of beets more efficient and take care of the tare soil issue," he said.

Currently, Michigan Sugar has 100,000 acres of beets contracted. Last year, they produced 1,820,000 tons of sugar and related products. ■

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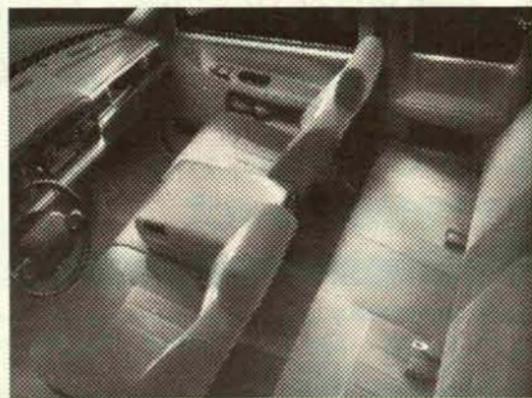
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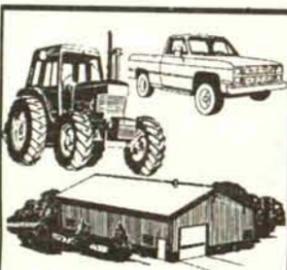
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# Precision Agriculture

by Neil R. Miller

**W**ill GPS-based fertility management benefit my farming operation? Many of my farmer clients have asked me this question since we began offering GPS-based services last year. My initial answer is a definitive "I don't know!" Dr. Scott Swinton, Ag Economist at MSU has reviewed studies on the economics of site-specific management, and concluded that due to inadequate data and methodologies none of them adequately answer whether or not variable rate (VRT) fertilizer technology will be profitable for field crop producers.

## What do we know about the economics of VRT fertility?

The costs of GPS-based soil sampling and fertilizer application are relatively easy to estimate.

If a farmer chooses to hire a soil testing service and custom VRT fertilizer application, annual costs will resemble those outlined in Table 1.

**Table 1 — Annual Costs for Custom VRT Fertility Services**

Item	Annual Cost*
GPS Soil Sampling	\$2.50/acre
VRT Fert. Application	\$6.00/acre

\*assumes soils are tested every 3 years and fertilizer applied once per year.

## The economics of variable rate fertilizer application

VRT fertility management will not likely reduce my fertilizer bill.

I have heard farmers comment that they hope to pay for the cost of GPS through reduced input costs. If a producer moves from no soil testing to VRT fertility management based on MSU or other agronomic recommendations, they will likely reduce their fertilizer rates. However, this reduction will occur even if they manage crops on a whole-field basis. In fact, when one moves from whole field management to site-specific management, fertilizer use often increases. This occurs because low testing areas can be overlooked in field averages (Figure 1).

**The benefits of VRT fertility management are extremely difficult to predict.**

In field crop production, my sense is that VRT management of lime and nitrogen will ultimately bring growers the greatest returns. Soil pH affects the availability of many nutrients as well as herbicide performance. However, data on how these factors interact to affect yields is sorely lacking. Nitrogen management has shown the greatest documented returns to VRT management (e.g. more than \$40/acre for sugar beets in the Red River Valley). But nitrogen management in our unpredictable Michigan environment has proved much more challenging, and calls for more agronomic research before it can be implemented in a site-specific manner.

Should farmers consider moving to GPS-based fertility management?

The greatest returns to VRT will likely be reaped by specialty crop producers. The first GPS-based custom application service in Michigan began in Birch Run this past spring when Grower Service Corp. and local potato growers saw an opportunity to improve crop quality through VRT lime and potash management.

For those field crop producers who already have their soils tested and use custom services for fertilizer application, the additional cost of GPS services is relatively modest (on the order of \$3/acre/year). Although the benefits are still difficult to predict, they may well pay for themselves over time. A few very large producers may invest in GPS equipment to carry out single-product VRT applications themselves. However, for most producers who spread their own fertilizers, a well conducted conventional soil testing program based on soil textures, topography and field history will be the optimal choice at this point.

In the coming years, economic analyses will undoubtedly identify what aspects of site-specific management are most profitable. Agronomic research should help us take better advantage of VRT technology for nitrogen management. For the present, however, we need to remember that we are pioneers working with an exciting, but still emerging technology. ■

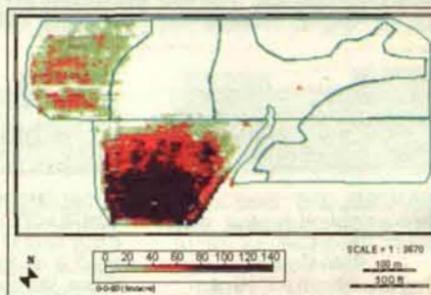


Figure 1 — Soil potassium levels in this 71-acre field range from 168 to 392 lbs/A. If managed on a whole-field basis, the average of 270 lbs/A would result in a zero MSU potash recommendation for corn. When managed on a site-specific basis, some areas receive up to 150 lbs/A as illustrated in this prescription map.

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## Discussion Topic — November 1996

### "NATURAL RIVERS"

Everyone in Michigan enjoys our tremendous recreational and scenic resources. Public opinion strongly supports preserving the high quality of our state's lake shores and waterways. However, recent attempts in northern Michigan to designate several rivers and streams as protected "natural rivers" has put a spotlight on the conflicts between environmental preservation and private property rights.

The Michigan Natural Rivers Act gives the Department of Natural Resources the power to designate a natural river district 400 feet wide on each side of and parallel to all channels of a designated river and its tributaries on a river system. Within this area the DNR will dictate setbacks, commercial crop and forest uses, a natural vegetative strip, commercial and industrial uses, and oil, gas and mining. The law also says that townships must adopt the DNR mandates within one year. If they do not, the area is placed under the control of state zoning rules and a state zoning administrator.

Legislative solutions to property rights problems could include developing dispute resolution mechanisms to help the state avoid constitutional takings of property, said Rep. Ken Sikkema (R-Grandville). He also said he believes that if government reduces the value of land through regulation, then the taxable value of the land should also be reduced.

This fall, Sen. George McManus (R-Traverse City) introduced a bill to give landowners more rights when waterways are declared natural rivers. "This measure still allows for natural river designation, but it does not allow the state of Michigan to mandate zoning ordinances," said MFB Associate Legislative Counsel Scott Everett. "We think the state of Michigan should work with local units of government and make recommendations but not require those ordinances."

Rep. Bill Bobier (R-Hesperia) thinks one way farmers and other private property owners can defend their rights is by getting on local zoning boards. He said that if the state disagrees with land use decisions made by local authorities, "at least they're dealing with a unit of government, which is a lot harder to find fault with than it is with an individual."

Clearly, the fight over natural rivers has implications for private property rights protection efforts across the state. It draws into sharp focus the essential controversy over environmental protection rules and other kinds of government regulations: Should the costs of those regulations be distributed equally across society or born solely by private property owners? ■

#### Discussion Questions:

- Which is more important to your group and why: the rights of private property owners or the state's responsibility to protect natural resources?
- Can the rights of private property owners and environmental protection co-exist?
- Is there any other way of protecting the environment other than the state taking control of private property?
- Should the cost of environmental protection be born by society as a whole or solely by private property owners?

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