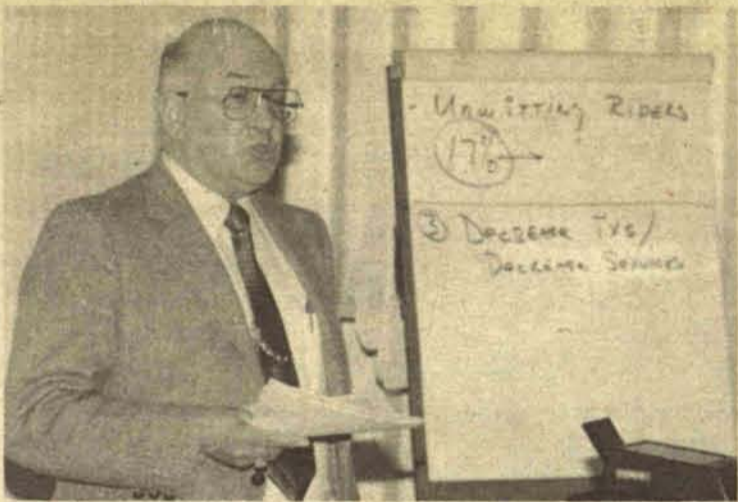


THIS ISSUE

LEADERS PROMOTE M BUREAU POLICIES



PROPOSAL A: THE ANSWER TO STATE'S TAX PUZZLE



MICHIGAN FARMERS DRAFT BLUEPRINT FOR GROWTH



Leasing Activity Increases

Landowners Warned: Know What You Sign

The owner of an 160-acre farm in Huron County was recently approached by an oil and gas rights leasing salesman. An offer to buy the mineral rights for \$2,400 was made and verbally agreed to. However, when the landowner looked at the agreement he had signed, he discovered that it was only for \$160 per year over a 10-year period.

The prosecutor refused to issue a warrant in this case, stating that it is the landowner's responsibility to read contracts before signing them.

This was one reported incident; there may be more. . . .

During the past several months, Michigan has become what Michigan Farm Bureau's local affairs specialist, Ron Gaskill, calls a "virtual paradise" for oil and gas exploration.

"This has led to frenzied activity by salesmen trying to lease the oil and gas rights from landowners all over the state," Gaskill said. It's because of this rapidly increasing competition among lease salesmen, he warns, that landowners need to protect themselves against such incidents as the one in Huron County.

"If there is one important lesson that should be learned from that incident, it is that landowners should never sign a contract unless they understand exactly what it says - no matter what they are told," he said.

Trooper Bill Atkins of the Michigan State Police Community Service Division endorses Gaskill's advice to landowners.

"Any time you are approached to discuss mineral rights, you should not allow yourself to be hurried. You should take time - take time to look at what the proposal is, take the time to contact your local attorney and your local financial institution, people you've dealt with over the years," Atkins said. "These are the people who can give the best advice or at least secure it for you.

"If you feel that the situation is such that you don't feel comfortable or feel you're under

pressure to act - don't! Take the time to investigate it. That's very simple, very basic advice, but it's the best protection," he said.

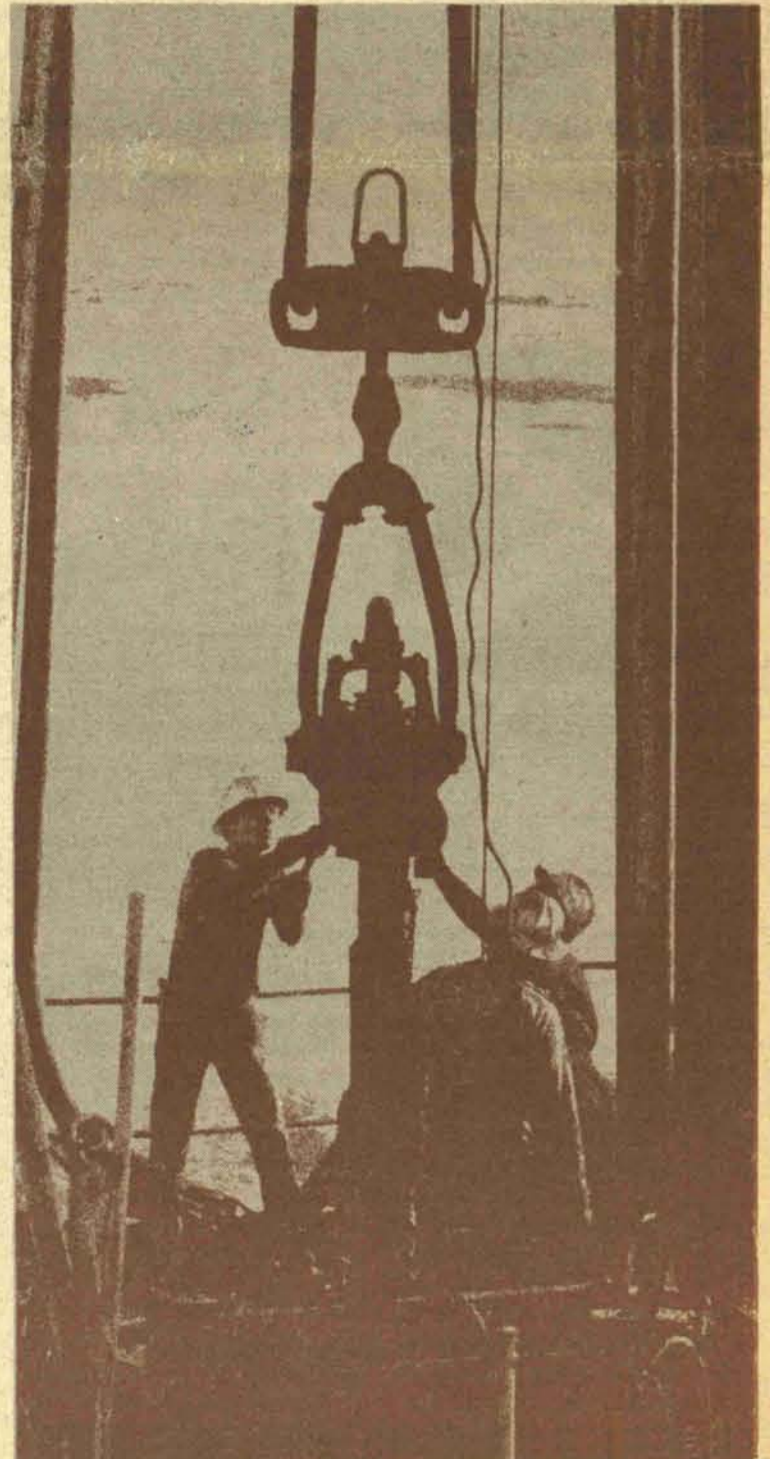
If there is some reason for suspicion, the trooper said, contact local law enforcement officers.

"I don't want to make people feel paranoid about being contacted on this particular issue of mineral rights, but any time a situation does not look right to them, it's totally proper to report it," Atkins said. "If there is potential fraud, we may have some records of it, maybe in

another part of the county reported at an earlier time, when there has been some investigation and we can save a lot of time."

Oil and gas leases can be beneficially negotiated, Gaskill said, but landowners owe it to themselves and their families to thoroughly review all the information they can about leases.

Gaskill has developed a brochure entitled "A Landowners' Guide to Oil and Gas Leasing," which is available to Farm Bureau members free of charge. An order blank appears on page 9 of this issue.



From the Desk of the President

What is Best for Agriculture: Basis for Decision

The phrase that Ben Franklin coined back in 1789, "...in this world nothing is certain but death and taxes," is just as applicable, it seems, in 1981 as it was nearly 200 years ago.

Taxation was an emotional issue then - the motivation for revolution and war. It's still an emotional issue today because of its universal personal impact, especially in these tough economic times. This makes it difficult to base important decisions on cold, hard facts rather than warm, pliable emotions.

Your elected leadership recently met this challenge in deciding the organization's position on the property tax cut proposal which will appear on a statewide ballot on May 19.

The responsibility to reach that decision which would impact members was not lightly taken. Long hours of analysis and discussion by the board's legislative committee, executive committee and the board as a whole preceded the decision.

I'm proud to report that the final determination was based, not on emotion, but on the answer to the question: "What is best for Michigan agriculture?" - a firm foundation for any decision by that body. The answer was "Proposal A" which Michigan Farm Bureau will support - and support vigorously.

The guidelines for reaching that decision included policies developed by farmer-members and expressed member concerns

which have been shared with leadership. A detailed impact analysis showed that this property tax cut proposal addresses many of those major concerns.

First, it moves the burden of school financing away from property taxes. Second, it mandates a significant cut in state government spending, and third, it reduces residential and farm property taxes.

Farm Bureau has policy supporting P.A. 116, the Farmland and Open Space Preservation Act. It has proven to be an effective method of preserving essential farmland while giving farmers needed property tax relief. We will continue to support that program and urge our members to participate in it.

This was another factor in the decision to support Proposal A. It will not dilute the effectiveness of P.A. 116; in fact, it will complement it. Although your board representatives have overwhelming enthusiasm for that program, they recognize that many members, for some reason, are not enrolled in P.A. 116 and Proposal A will bring relief to those farmers.

Your Farm Bureau worked diligently to have included in the proposal the opportunity for Michigan farmland to be assessed on its use value rather than potential development use. That this could mean lower taxes for a majority of our farmers was another factor in the board's decision to support Proposal A.

Finally, we must recognize, considering



the overall mood of Michigan citizens during this period of economic depression, that some type of tax reform is inevitable and there is danger that such "reform" would be detrimental to agriculture.

Therefore, your Farm Bureau, the state's largest and strongest farm organization, will vigorously support a proposal that is good for agriculture. We strongly believe that there has been no tax proposal presented to voters that would be more beneficial to our industry than Proposal A.

I urge you to carefully study the proposal information on pages 4 and 5 of this issue of the *Michigan Farm News* and share it with others. If you have concerns which are not addressed in this analysis, call our legislative staff and they'll do their best to answer your questions.

Finally, I urge you to vote on May 19, and when you cast your ballot, let the answer to the question, "What is best for agriculture?" be your guide.

Elton R. Smith

A Dirty Sock in My Mouth...



DONNA

Three big agricultural events have kept your editors on the run for the past several weeks, burning off a few lumpy pounds that settled in over the long winter and thought they'd found a permanent home.

First, there was Farmers' Week (either it gets bigger every year or I get slower) which arrived at MSU's campus along with spring (either its power to make *everything* better gets stronger or I need it worse) and thousands of farmers.

A person would have to have all antennae pulled in not to learn something at Farmers' Week and because mine were out reaching for the sun, I did, indeed, learn. Michigan Farm

Bureau had a manned exhibit this year and it was during my 1½-hour shift that I learned the most. . . . Kids of all ages like buttons proclaiming "I'm proud to be a farmer." . . . Women are better sales people than men. . . . Some people who have been members for years don't know all their benefits. . . . Platform high heels on cement make 1½ hours seem like 8 and the stroll from the stadium to Kellogg Center seem like 5 miles!

My admiration to the Farm Bureau volunteers who worked at the exhibit and shared their knowledge with others. And my congratulations to all the many Farm Bureau members in the winners' circle when Farmers' Week titles and awards were passed out.

Our Washington Legislative Seminar was next on the agenda, coinciding with the assassination attempt on President Reagan.

After the first numbing shock at the news and the offering of

ferent prayers, my thoughts turned to our people in the nation's capital. What would this do to their mission? Selfishly, I was angry because this tragedy would almost certainly take all media attention away from our people. *Unfair competition*, raged the press relations agent in me. As inappropriate a reaction as those who grumbled about the extended coverage of the event interrupting their soaps and game shows!

I stuffed a dirty sock in my press relation agent's mouth and told her to direct her concerns elsewhere.

She needn't have been concerned about our people, anyway. Instead of being immobilized by shock, dismay and anger, they, too, prayed and went about their business. Shows what calibre of people you had representing you on this important policy execution activity.

The third event was the Governor's Conference on Agriculture. It was a thrill to be part of

this exciting activity and watch the dedicated, enthusiastic people who participated.

It was a beginning - sort of like opening a door on "The Decade of Agriculture" - and follow-up action will be crucial. Dr. Paul Kindinger, formerly with our MFB staff and now head of MDA's marketing and international trade division, said it would not be "just another conference" and I believe him.

With the credibility of the governor's call for the conference, the acclaim of a high-ranking USDA official for this "first," and broad news media coverage, Michigan agriculturalists will surely grab hold of this opportunity and run with it.

Although the conference was recognized as only a beginning, I think most participants viewed it as an important event. Larry DeVuyst, who co-chaired the Livestock and Poultry Committee, at the conference conclusion, summed it up when he said, "Farmers walked out of here today with

their heads held high - and that's pretty important."

Amen!

Personally, I couldn't suppress - nor did I try - the feeling of pride in all the FB members involved, who willingly shared their knowledge, time, expertise and philosophy.

Whether it's Farmers' Week, the Washington Legislative Seminar, or the Governor's Conference on Agriculture, there's undeniable proof that Farm Bureau people ARE agriculture's unlimited resource.

.....

One journalist who stood up and cheered when Carol Burnett won her recent case against a "stuff-it-in-my-grocery-bag-before-anyone-else-sees-it" publication was yours truly.

It's hard for me to understand how any journalist - whether print or broadcast - can forget the responsibility that goes with the privilege of a public forum.

The power (yes, it IS power) (continued on page 17)

Urgent Message

'Let's Get With It'

**By Robert B. Delano, President
American Farm Bureau Federation**

In his televised message to all Americans in mid-February, President Reagan began his outline of the economic recovery package he later presented to Congress by saying that citizens can no longer procrastinate and hope that things will get better.

"They will not. If we do not act forcefully and now, the economy will get worse. . .," the president said.

He added that it is within our power to change this grim economic picture and presented a four-point program to limit government functions "to those which are the proper province of government."

Earlier in January, at the AFBF annual meeting, delegates adopted Farm Bureau policies on monetary and fiscal issues which, with modest differences, had the same goal. We called for a long-term monetary policy to bring the nation's money and credit into line with supply needed for productive growth, for tax cuts to be accompanied by comparable cuts in government spending and for removing burdensome and unnecessary regulation.

The president's proposals to cut personal income taxes by 10 percent in each of three years, to accelerate depreciation in business investment, to reduce regulation, to cut federal spending programs and work with the Federal Reserve Board to stabilize the money supply - all coincide with Farm Bureau goals.

At its March meeting, the AFBF board of directors solidly endorsed these proposals, insisting that their effectiveness depends on their acceptance by Congress as a total package.

I am convinced that the personal support of Farm Bureau members and leaders can make all the difference in accomplishing these goals. Your letters to senators, congressmen and President Reagan, your telephone calls, your contacts with area leaders and county officers on behalf of the president's total economic recovery package can make it become reality.

I ask that you give this plan for economic recovery your complete support. For two decades Farm Bureau has said that inflation is our number one problem. Now you have an opportunity to do something about it.

Let's get with it!

MASA Alert:

IRS Targets Ag Employers

The Internal Revenue Service is sending special notices to agricultural employers asking why the Annual Unemployment Tax Return (form #940) has not been filed for calendar year 1980.

The IRS letter is notification that the farm employer may be liable for federal unemployment tax. This new activity by IRS is possible because of newly implemented computer programs that cross-reference an

employer's Social Security tax report with other employment related tax returns.

This notice of non-filing does not mean that farmers are automatically liable for unemployment taxation. However, it does mean that a review of 1980 farm payroll is necessary to determine whether a farmer could become liable for the tax.

Two separate tests are applied to agricultural labor in determining tax liability. If a

farmer had a \$20,000 cash payroll in any one calendar quarter of 1979 or 1980, he is liable for unemployment taxes. The second test deals with the employment of 10 or more workers in a day in 20 different calendar weeks, not necessarily consecutive within the calendar years 1979 or 1980. Either test may make farmers liable for federal unemployment taxation, and these same tests are applied in determining state tax liability.

Generally, liability for both state and federal unemployment taxes is automatic, and if a farmer is liable for either tax, he is probably liable for both taxes. The difference between federal and state tax liability concerns some employees' wages which are exempt from the unemployment tax.

Farmers wanting help in responding to the IRS letter should contact the Michigan Agricultural Services Association at 517-323-7000, extension 553.

Haig's Embargo Action Angers Michigan Farm Bureau President

"Incredible, inconceivable - enough to make farmers and ranchers of this state and nation rise up in unison and cry 'foul.'"

That was the reaction of MFB President Elton R. Smith to reports that Secretary of State Alexander Haig had given tacit approval to a French government proposal to sell wheat to the Soviet Union "while American farmers continue to bear the economic brunt of the grain embargo."

"How can the secretary be so presumptuous as to give the impression of releasing France from its obligation to support

the embargo on grain sales to the USSR and, at the same time insist that, for reasons of the delicate Polish situation, the U.S. embargo be continued?" Smith asked.

"We gave qualified support to the embargo when it was first imposed because we believed President Carter when he said it was for national security reasons and because we believed it would be a temporary burden shared by other segments of society. But that burden remains squarely on the backs of American farmers," he said.

Smith said he believes Secre-

tary of Agriculture John Block would like to lift the embargo.

"But it seems this decision has been removed from his capable hands and placed in the secretary of state's hands as an international policy football. We went to Washington recently to offer the president our full support of his economic plan. We hope he will show his support of agriculture by putting agricultural decisions where they belong - and that certainly is not with the secretary of state," he said.

France raises soft red wheat, a major crop in Indiana, Ohio and Illinois. Some is also grown in Michigan.

I-69 Routing Captures Interest of USDA Deputy Secretary Lyng

When U.S. Deputy Secretary of Agriculture Richard Lyng came to Lansing April 1 for the Governor's Conference on Agriculture, he asked to be flown over the proposed route for extension of the I-69 expressway in Eaton County.

He had heard the proposed route would go through a large area of prime farmland, causing irreversible damage and encouraging future development pressures.

The Michigan Farm Bureau board of directors was impressed that a national agricul-

tural figure showed concern over this potential loss of their state's prime farmland, and decided to tell him so.

In a letter to Lyng, MFB President Elton R. Smith told him that both the Michigan Farm Bureau and Eaton County Farm Bureau had strongly opposed the proposed route and had urged an alternative route that closely parallels existing I-69 and U.S. 27.

"As you undoubtedly know, the secretary of transportation, Neil Goldschmidt, recommended that the Michigan De-

partment of Transportation re-evaluate its decision to construct I-69 through the prime farmland route and restudy the alternative of constructing the highway parallel to the existing I-69 and U.S. 27 route," Smith wrote.

"I would like to urge you to contact the new secretary of transportation, Drew Lewis, and recommend that he communicate with the Michigan Department of Transportation to support Mr. Goldschmidt's recommendation."



Straight talk about financing farm equipment



Farming is everybody's bread & butter.

Financing plans for farm equipment vary a lot among lenders in how much they take of your time, patience and money.

Look for a lender who understands agriculture and a farmer's needs.

Look for a lender who'll listen carefully to your plans.

Look for a lender who offers simple-interest rates with no prepayment penalty.

Look to Production Credit Association.

Production Credit Associations of Michigan

MICHIGAN FARM NEWS

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PROPOSAL A: The Answer to Michigan's Tax Puzzle

MFB Leaders Vote to Support Proposal A

On April 8, after a detailed study, the MFB board of directors voted to support Proposal A. "We believe this property tax cut proposal addresses some of the major concerns of our farmer members."

"First, it moves the burden of school financing away from property taxes. Second, it mandates a significant cut in state government spending. And third, it reduces residential and farm property taxes. Overall, we believe there has been no tax proposal presented to voters that would be more beneficial to our industry than this one," board members said.

"It is also important to us that Proposal A will not dilute the effectiveness of P.A. 116, which we strongly support. This proposal will bring relief to those who, for some reason, have not enrolled in that program.

"Another factor in our decision was the opportunity for Michigan farmland to be assessed on its use value rather than potential development value, which could mean lower taxes for a majority of our farmers."

1981 FB Policy Guided Proposal A Decision

Following is a summary of 1981 MFB policies which support provisions of Proposal A.

•MFB policies entitled "Agricultural Land Preservation" and "Agricultural Land Taxation" give strong support to P.A. 116 and oppose programs which would diminish the effectiveness of P.A. 116. Proposal A does not eliminate or diminish the effectiveness of P.A. 116. The ability to get all property taxes in excess of 7 percent of household income refunded, exemption from special assessments and major relief from inheritance taxes will not be affected.

•MFB policy entitled "Agricultural Land Taxation" supports the circuit breaker program and favors increasing the benefits under the program by increasing the \$1,200 limit. Proposal A does not increase the limit but does lower the circuit from 3.5 percent to 2.5 percent. This change will allow more people to qualify for the credit by lowering the income requirement on which the credit is based. It will also mean that more taxpayers will get the maximum \$1,200 credit.

•MFB policy entitled "Agricultural Land Taxation" supports the Headlee Amendment limiting growth of property tax revenues to not more than the annual inflation rate. Proposal A is even stronger in that it will limit yearly property tax revenue growth to 6 percent by property type unless raised by local voters.

•MFB policy entitled "Assessing Practices" notes that farmers are being over assessed. Proposal A will change the uniformity clause of the constitution to allow farmland and forests to be assessed at use value rather than potential development value. Assessment based on use value would provide further property tax relief for farms and forests.

•MFB policy entitled "Educational Finance" supports an increase in the circuit breaker benefits to achieve a more balanced tax system. Proposal A will increase the number of persons who receive circuit breaker benefits as outlined above. Proposal A will achieve a more balanced tax system by moving school finance away from the heavy dependence on property taxes. The sales tax which everyone pays will be increased to 5.5 percent and used to partially offset lower property tax revenues.

•MFB policies entitled "Educational Finance" and "Educational Reforms" give strong support for local control of schools within broad general guidelines provided by law. Proposal A does not diminish local control for schools or local government operations.

•MFB policy entitled "State Budget" supports reduced state spending and fiscal responsibility. Proposal A will result in the state reducing spending by an estimated \$250 to \$300 million.

Tax Cut Will Save Millions

May 19 will be a special election day for voters to decide on Proposal A, which amends the Michigan Constitution to require a property tax cut on homesteads and farms. It was placed on the ballot by a two-thirds vote of the Legislature. Proposal A will:

•Cut property tax 50 percent on occupied homesteads including farmland on operating millage up to \$1,400 which would increase each year according to inflation.

Homesteads, including farmland, would qualify the same as they do under the "Circuit Breaker" program. In fact, this has been liberalized. The few who could not fully qualify will now be able to receive the full benefit. The tax cut up to \$1,400 would be subtracted from the property tax bill. Operating taxes are usually about 90 percent of the tax bill. The rest is debt taxes such as paying for new schools, jails, or other public debt. All farmers would probably receive the full \$1,400 cut.

•Change the present "Circuit Breaker" or property tax rebate program from 3.5 percent of household income to 2.5 percent. The present \$1,200 limit would remain the same.

This is especially helpful to retirees. Farmers would, in most cases, receive both the \$1,400 and \$1,200 cuts, a total of \$2,600.

•Reduce local individual income taxes by 50 percent, but not to exceed \$100 per one-half percent of tax. Sixteen cities have income taxes. Farm Bureau policy recommends that school districts be permitted to use the income tax in place of property taxes if voted. If this happens, this provision would apply.

•Reimburse local governments (county, school, township, etc.) 100 percent of tax loss due to the 50 percent cut. The money would be returned to the "taxing unit" which is usually the township. It would be handled the same as at present.

•Limit yearly property tax revenue growth to 6 percent by property class unless raised by local voters. This is very important. The revenue from any one of seven property classifications (residential, farmland, etc.) could not increase more than 6 percent of the previous year's tax.

•Permit farmland and forests to be assessed on "use value." This constitutional change is especially important to farmers.

Other states such as Ohio, Indiana, Illinois and Iowa use some method of assessing farmland on its value for farming instead of on its market value.

•Raise the sales tax from 4 percent to 5.5 percent. All of the increase is earmarked for return to local government. In addition, the state will have to further cut state spending by more than one-quarter billion dollars in order to make up for the entire property tax cut.

•Earmark lottery profits¹ for the School Aid Fund.

•Increase renter benefits by reducing the 3.5 percent "Circuit Breaker" to 2.5 percent.

In short, Proposal A reduces property taxes at the time of payment, requires full reimbursement to local governments, puts a 6 percent limit on local revenue growth without a vote, forces further cuts in state spending, and allows assessment of farmland on its "use value."

The tax cut benefits of this proposal directly affect homesteads and farmers. Non-residents, speculators, developers, etc., do not qualify. About \$40 million of the cost will be paid by tourists and other non-residents.

No Compromise to Local Government Control of Funds

Local governmental units will not lose the revenue that would have been generated by the existing property tax structure if Proposal A is approved by Michigan voters May 19.

Although the exact procedure for reimbursing local units is not spelled out in the language of the proposal, it can be assumed that the intent of the Legislature is to allow local units to use the reimbursed revenue as they wish - no strings attached.

In addition, language of the proposed amendment excludes reimbursements to local governments for lost taxation revenues from computations for state shared revenues to local governmental units. Therefore, it would be unlikely that the Legislature could earmark returning revenues to local governments.

Proposal A would not change two of the most important factors in local control - millage and assessments. Local units will continue to determine millage and assessments and, under Proposal A, could remove the 6 percent by class revenue cap by approval of a majority of the voters in a local government unit.

Proposal A requires the state of Michigan to reimburse revenues lost by local units of government from the property tax reduction. Article 9, Section 2 of the state constitution would be amended as follows:

"The state shall reimburse units of local government in the manner provided by law for not less than 100% of the revenues not collectible for ad valorem property tax levies in 1981 and each year thereafter because of the exemption from collection of ad valorem taxes for operating purposes on the homestead of a resident of this state as provided by this section. The Legislature shall reimburse a unit of local government for

100% of the amount of revenues not collectible by a unit of local government because of the exemption for local income taxes provided in this section. Reimbursements for the exemptions provided in this section which are returned to units of local government shall be excluded from computations to determine the proportion of total state spending paid to all units of local government as annually required by Section 30 of this article."

In the first sentence, the wording "in the manner provided by law" means that the Department of Treasury would be required to make payments to the local taxing unit upon receiving a bill from that local taxing unit for the amount of reimbursement money due it. The local taxing unit would then be required to distribute the money to the proper places within a certain period of time. (SB 4173 and SB 4174 address this procedure and as yet are not finalized.)

Section 2 continues:

"Reimbursements to units of local government for the exemptions provided in this section shall not be considered a transfer of responsibility for funding a program as defined in Section 26 of this article. An amount equal to the payments made to units of local government for reimbursement of the exemptions provided in this section shall be excluded from the annual determination of total state revenues for purposes of Section 26 of this article and shall not be considered an expense of state government for purposes of Section 28 of this article."

Regarding the transfer of responsibility, Section 26 of Article 9 states:

"If responsibility for funding a program or programs is transferred from one level of gov-

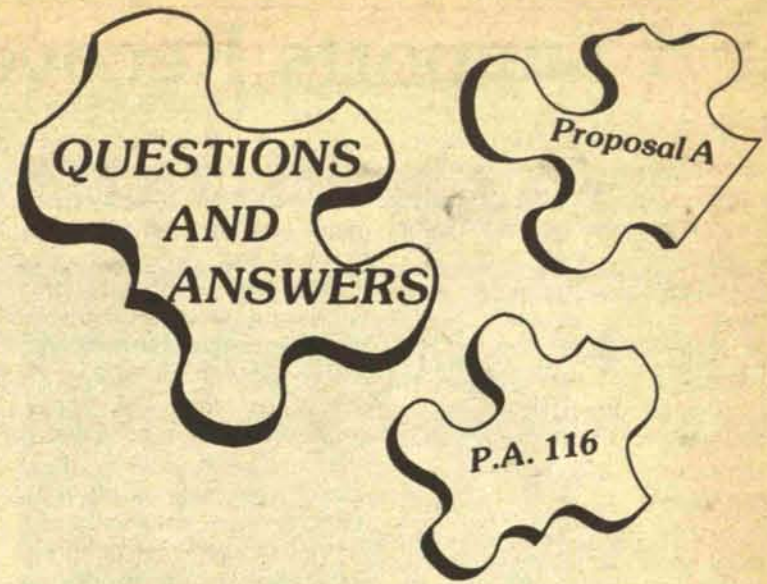
ernment to another, as a consequence of constitutional amendment, the state revenue and spending limits may be adjusted to accommodate such change provided that the total revenue authorized for collection by both state and local governments does not exceed that amount which would have been authorized without such change."

The proposed wording in Section 2 simply clarifies that program funding responsibility will not be changed, therefore, as provided in Section 26 state revenue and spending limits may not be adjusted to accommodate such a change. This wording helps to clarify the fact that the state cannot use any of the additional revenue collected from the sales tax increase for expenses incurred by the state. It must be returned to local units of government.

Proposal A would amend the state constitution to provide an additional one and one-half percent increase in sales and use taxes. Part of Article 9, Section 8 would state:

"Beginning July 1, 1981, the Legislature shall impose additional sales and use taxes at a rate of one and one-half percent on the sale or use of tangible personal property, the revenue of which shall be used exclusively for purposes of reimbursing of local government for the revenues not collectible because of the exemptions provided in Section 3 of this article. The revenue from this additional sales tax shall not be included within the allocation made pursuant to Sections 10 and 11 of this article."

Sections 10 and 11 refer to the division of revenues, between governmental units, generated by sales and use taxes. The intent stated in Section 8 is quite clear.



How many farmers are enrolled in P.A. 116 and what kinds of benefits are they receiving?

Almost 20 percent of Michigan's farms have enrolled nearly two million acres of farmland into P.A. 116. The benefits they are receiving include: preserving farmland for a strong agricultural industry in the future; property tax relief through the state income tax rebate of all property taxes that exceed 7 percent of household income; an exemption on all nonfarm special assessments for public sewer, water, lights, etc.; and inheritance tax relief by providing qualified heirs with a 50 percent exemption and a 50 percent deferment of inheritance taxes on farm real property. The State Treasury Department estimates that farmers will receive \$30 million in P.A. 116 property tax credits this year, which is double the 1979 amount of \$15 million.

How will Proposal A provide property tax relief to farmers?

Proposal A will provide property tax relief in four ways: provides a 50 percent cut of operating taxes on a homestead up to a maximum this year of \$1,400; places a 6 percent cap on annual increases in tax revenues by class for agricultural property for each local unit of government; reduces the formula requirements on Homestead Circuit Breaker from the current 3.5 percent of household income down to 2.5 percent or lower, with the same current limit of \$1,200; and amends the state constitution to permit use-value assessment of farmland.

For the average farmer enrolled in P.A. 116, will Proposal A provide more or less property tax relief than is currently received?

Excluding the use-value assessment portion of Proposal A (because there's no legislation yet to implement it) we believe the average farmer will receive the same amount of property tax relief as in P.A. 116 under the proposal. His P.A. 116 credit will be reduced by an amount equal to the tax relief provisions in Proposal A.

Are there any economic benefits to farmers in P.A. 116 under Proposal A?

Yes, there are many benefits to P.A. 116 farmers. First, both the 6 percent cap savings and the 50 percent cut on operating property taxes take effect for farmers as soon as they receive their tax bill in December. P.A. 116 farmers who often must wait six to nine months to get their tax rebate check from the state will not have to wait to get Proposal A's property tax savings. This time-saving feature is also a money-earning feature because farmers could earn interest on the money. Most farmers should see assessments reduced under the use-value assessment provisions once legislation is adopted for this change. Second, since the P.A. 116 rebate check will be less, the amount added to taxable income the next year for both income and social security purposes will be less. Next, since farmers enrolled in P.A. 116 must eventually pay back to the state an amount equal to the last seven years of the property tax credits received from P.A. 116, Proposal A reduces the amount to be paid back. Finally, by cutting state government spending and by putting a limit on local government property tax increases, farmers will be implementing Farm Bureau policy to limit government spending and taxes.

Is there still an incentive for farmers to enroll in P.A. 116?

Yes, all of the benefits mentioned in the answer to the first question will still be available to farmers. Under Proposal A, the average farmer enrolled in P.A. 116 receives almost \$1,500 more by being in P.A. 116 than not. For larger commercial farmers, enrolling in P.A. 116 still will provide many thousands of dollars more in property tax relief.



**HELP SOLVE
MICHIGAN'S TAX
PUZZLE...**

**UNDERSTAND PROPOSAL A!
MAKE YOUR DECISION!**

VOTE "YES" MAY 19!

FB Supports Recovery Plan

AFBF National Affairs Director Vernie R. Glasson met with Washington Legislative Seminar participants March 30 for a legislative briefing.

Significant among the issues which were to be discussed with Michigan congressmen during the personal visits scheduled during the seminar, was the Reagan economic recovery package.

Glasson outlined the basic components of the administration's economic package: spending reductions, income tax reductions, regulatory reform and a stable monetary policy.

"There is virtually no segment of the federal budget that has gone untouched, except for the . . . programs for the truly needy," Glasson said.

He told the seminar participants that budget cuts in agriculture would account for nearly \$5 billion in the next fiscal year. The food stamp program would draw about \$2 billion in reductions; child nutrition about \$1.5 billion; and dairy price supports, nearly a billion dollars. Other programs, such as rural electrification, rural telephone and Farmers Home Administration would also experience cuts, he said.

"Spending reductions in these programs alone will have

a great deal of impact on agriculture across the board," Glasson said, "but other departments and agencies will be affected as well."

Farm Bureau support for the recovery program is predicated on the assumption that the cuts will be administered fairly among the various federal programs and agencies, he said.

"Farm Bureau views these cuts . . . as a serious effort to reduce federal spending; perhaps ultimately to eliminate deficit spending and reduce the current inflationary pressures," Glasson said.

He said the second part of the recovery plan, the Kemp-Roth proposal to reduce income taxes by 10 percent in each of three years, has Farm Bureau's endorsement because it represents a positive effort to try to promote savings and investments. He added that this reduction in the tax burden may lead to the demise of many of the social programs that were created during the Great Society days.

Glasson told the group that although less attention has been given to the recovery plan proposals to reform the federal government's role as regulator, farmers and ranchers have been very concerned about over regulation of their busi-

nesses and are very supportive of regulatory reform policies.

An executive order has made cost/benefit analysis by the Office of Management and Budget a requirement before a major federal regulation can be promulgated, Glasson said.

Effects of high interest rates charged on loans have impacted all segments of the economy, Glasson said, but particularly the producing segments, including agriculture.

"Farmers and ranchers have been hit hard by these high rates of interest, and certainly monetary policy plays an important part in the inflation problem we have experienced" he said.

Glasson said that no major or radical departures in farm programs is expected in the new Farm Bill.

"We have seen budget figures that indicate that there will not be a continuation of the current target price concept for grains and other commodities and only modest increases in price support loans," Glasson said. "For the dairy programs, Farm Bureau has been in favor of a flexible plan which would allow the secretary to reduce the price support below the 80 percent of parity minimum, based upon CCC purchases of dairy products."

USDA Streamlines Farm Bill

Deputy Secretary of Agriculture Richard Lyng and other USDA officials told MFB Washington Legislative Seminar participants that the new 1981 Farm Bill is a streamlined program designed specifically for agricultural business people.

The meeting with the MFB group at the USDA offices March 31 coincided with the introduction of the 1981 Farm Bill recommendations by Secretary of Agriculture John Block.

"The secretary wants to design programs for your flexibility and to provide you with the opportunity to work the marketplace to your advantage," they said. "The secretary is stressing that the programs of the USDA will carry a producer-oriented philosophy and thrust. We're not ashamed to say we're for higher prices."

USDA recommendations for the new Farm Bill presented to the House Committee on Agriculture included the following:

- Eliminate target prices for all commodity programs;
- Eliminate the call price from the farmer held grain reserve;
- Eliminate the disaster payment program;
- Eliminate Normal Crop Acreage (NCA) along with

cross compliance, offsetting compliance and set asides;

- Provide authority for the implementation of a paid land diversion for commodities;

- Modify the dairy program to allow the secretary to adjust support levels on an annual basis between 70 and 90 percent of parity;

- Eliminate acreage allotments for peanuts and reduce poundage quotas by 10 percent annually over the next four years;

- Increase by \$300 million the loan guarantee level for the CCC export credit program for fiscal year 1981;

- Renew the P.L. 480 program.

Farmers can look forward to increased USDA activity in research and expansion of international markets for U.S. agricultural products, Lyng said.

"There are 18 entitlements in the Farm Bill, ranging from dairy and peanut price supports to research," he said. "The largest single section will be for research and we are hoping for support and cooperation in that area."

He cautioned that there is never going to be enough research money and that priorities in agricultural research will have to be set by working with

farm groups such as the state and national Farm Bureau organizations.

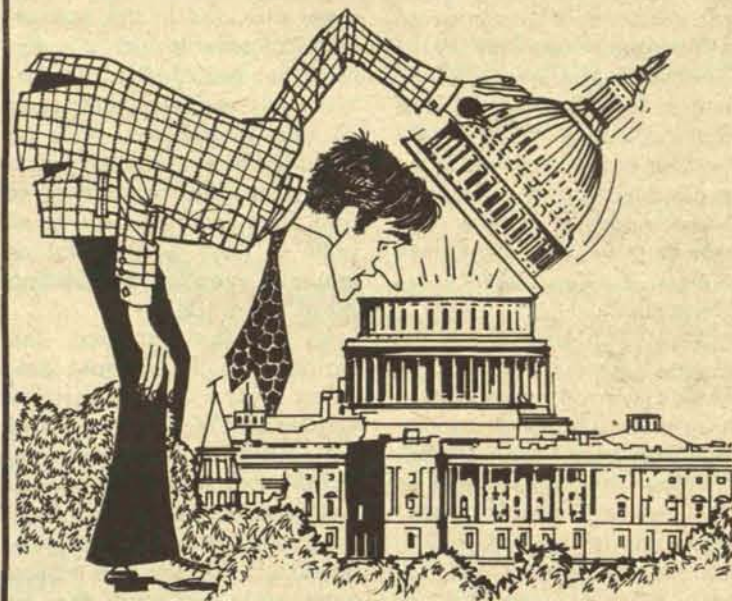
Although Lyng could not predict when the Russian grain embargo would be lifted, he said that he was optimistic about resumption of trade with the Soviet Union. He added that a continuation of the embargo action against the Russians would have to be accompanied by extensions of the embargoed trade to other segments of the economy.

"For example, we're selling farm tractors to the Russians," Lyng pointed out. "That doesn't make sense and it doesn't make sense to farm people."

He said that the United States must begin to negotiate a new grains agreement with the Russians soon if we are to continue to do business with them. The present grains agreement will expire Sept. 30, 1981. He reminded the farm group that the grains agreement was put into place as much for the protection of U.S. agricultural interests as for the Russians.

"It gives us a warning system and we would like to have minimum/maximum limits set on their grain purchases," Lyng said.

SEMINAR COMMENTS



Agriculture Shouldn't Take the Biggest Cuts

Carolyn Waterson, Benzie County, Fruit Grower

In our meeting with Congressman VanderJagt, he reported that President Reagan had signed the dairy price support limitation. When we told him that we accepted that and supported the move, he was surprised.

When we told him we backed Reagan's economic package, that surprised him too. Congressman VanderJagt did not expect agriculture's support because of the cuts that would take place in agricultural programs.

We told him that as long as there are equal budget cuts across the board and as long as agriculture will not bear the brunt of the reductions, we will support the Reagan plan.

We shouldn't have to take the biggest cuts, but we should be willing to take our share.

Estate Exemption Increases Maintain Status Quo

Ed Rodzos, St. Clair County, Grain and Cash Crops

Our group from St. Clair and Macomb counties talked with Congressman Bonier about proposals to amend the federal Estate and Gift Tax (SB 395). This proposal would increase the estate exemption level from \$175,000 to \$600,000 and the gift portion from \$3,000 per year to \$10,000 per year. We told Bonier that these proposed increases will really just maintain the status quo for the estate tax. The tax was set up in 1976 and the increases that have been offered barely compensate for inflation since that time.

We invited Bonier to contact our county Farm Bureau organizations to get information or to learn our position on agricultural issues.

Dairy Industry on the Cutting Edge

Jim Reilly, Lapeer County, Dairyman

We met with Congressman Traxler at the legislative breakfast and in his office later in the day. This gave us the opportunity to discuss the full gamut of issues pertaining to Michigan agriculture.

Of primary concern to me as a dairy farmer was the federal marketing order and the action to make the dairy industry the cutting edge on spending reductions. Actually this limitation (on the dairy price support system) is a one-time deal and does not jeopardize the federal order that allows dairymen to provide a quality product at the best price.

I believe that 90 percent of Michigan's dairymen agree with this price support action. We recognize that our economy is in jeopardy and everyone has got to take some bumps if we are going to get our economic house back in order.

Michigan Agriculture a Fundamental Strength in State's Economy, Says U.S. Sen. Riegle

U.S. Sen. Donald Riegle told Michigan Farm Bureau members participating in the 1981 Washington Legislative Seminar that our state is cornered by economic realities that are severe.

"The regional and sectional economic problems of the North and Midwestern states take their most serious form in our state," Riegle told the Farm Bureau group. He noted that in the state's depressed economic climate, agriculture has emerged as a fundamental strength in Michigan's economy and as a way of life.

"I wish that the state were not so reliant on the auto industry," he said, but added that the current 14 percent unemployment rate, largely due to the downturn in the automotive industry, has a rippling effect throughout the state.

Riegle told the farm group that Japanese imports currently take \$10 billion out of the U.S. economy and, he said, "Most of that comes out of our state's economy."

Riegle indicated that he was hopeful that the Japanese would voluntarily limit automobile imports during the next three years to allow the U.S. auto industry to rebuild. Riegle said that he would be reluctant to support congressional action to impose import quotas, saying that he feared trade

reprisals in the international market.

Riegle warned that finding a way out of the state's economic problems was a most complex issue involving federal trade, taxation and fiscal policies and incentives for growth and expansion.

"Unless we manage to re-establish fiscal discipline and responsibility, we will fall deeper into trouble," Riegle said. "Hard decisions and sacrifices will be necessary and because we are late in doing it, it will be more difficult."

He reported a recent vote of the Senate Budget Committee which had approved the federal spending cuts in the dollar amounts suggested by President Reagan in his budget proposal. Support among the committee members was unanimous, but Riegle added that he is not happy with all of the cuts under the spending ceilings.

But spending cuts are not a cure all, he said. Reductions in the tax bill for individuals and business are a necessary part of a recovery plan. Riegle said that he would support major tax cuts as they relate to business and "which recognize that the Germans and Japanese manufacturers have moved ahead in area after area."

He predicted a new era of cooperation between business,

government and labor. Riegle said the current adversary situation that exists between these economic sectors must be eliminated. "Government, business and labor must recognize their interrelationships in the economy," he said, "and begin to work together."

He would back the Reagan administration's plan to curb excessive government regulation, Riegle said.

"In recent years, regulation has gone wild. Too often regulations have been unrealistic and have been imposed with arrogance that ultimately hurt the country."

Turning to agricultural issues, Riegle said that many factors are exerting negative pressures on agriculture.

"Farming is under assault through high interest rates, land grabs by developers and speculators, tax laws designed to break up small farms, the cost of inputs, price pressures and the structure of agricultural marketing," Riegle said.

He told Farm Bureau members that he is currently supporting legislation which would grant an increased exemption on the Estate and Gift Tax. Senate Bill 392, introduced this session, would increase the allowable exemption to \$800,000 from the present exemption level of \$175,000.



Sen. Donald Riegle (D-Flint) received copies of the MFB and AFBF policy books from Donald Radewald of Berrien County (center) and Thomas Brodtke of Van Buren County following his remarks at a breakfast meeting during the four-day seminar.

Riegle also promised that he would oppose any attempts to dismantle the dairy price support system.

"The decision to target milk prices as the first cost cut was a hard one," he said. "I supported the cut as a one time spending limitation, but if there is an effort to dismantle the dairy system, my answer is 'no.'"

Riegle also expressed his support for expansion of the U.S. export market and additional spending for research

and education as the "best investment dollars we can spend."

"Our producing strength will maintain our own standard of living and assist other nations," he said.

The Soviet grain embargo, he said, does not make economic sense when you track the financial effects and see that it has cost us more than the Russians...and that the embargo has had a significant impact on only one sector of the U.S. economy.

Farmers Lead Discussions to Promote FB Policy



Following the congressional breakfast, Congressman Bob Traxler (D-8th District), right, and his aide, Roger Szemraj, second from right, discuss some areas of concern with one of his constituents, Grace Roedel of Saginaw County.



Congressman Donald Albosta (D-10th District) explains portions of the elevator bankruptcy legislation he is sponsoring in Congress as Doug Kostal of Gratiot County listens.

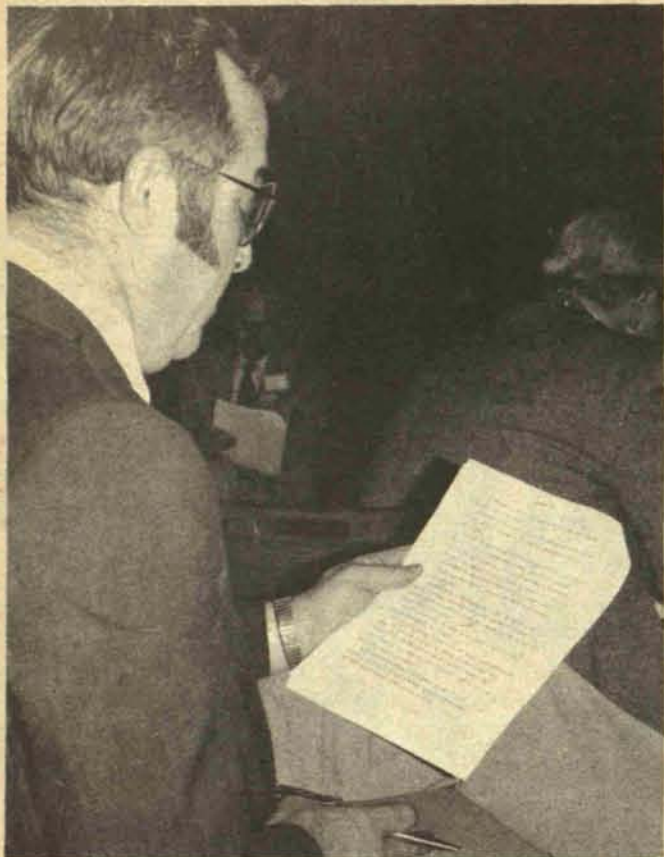


After admitting to MFB Washington Legislative Seminar participants that he did not have a current FB membership, USDA Deputy Secretary Richard Lyng accepted an invitation to join the Michigan Farm Bureau.



During the congressional breakfast, Congressman Jim Dunn (R-6th District) and Vivian Lott of Ingham County, who is chairman of the MFB Women's Committee, discussed the Reagan administration's economic recovery plan and 1981 Farm Bill.

Ag Conferees Write 'Gutsy' Script



In the Dairy Committee meeting, Elwood Kirkpatrick, Michigan Milk Producers Association president, follows the report.

They were outspoken, independent thinkers, hard-working, enthusiastic; most of them were optimistic. Even the few who thought "it was cut and dried already" didn't stay home.

They had a charge from the governor of Michigan to come up with a "Blueprint for Agriculture," a plan that would pave the way for the growth of their industry to its fullest potential.

They identified what they felt were deterrents to that growth and spelled out action to remove those roadblocks. They looked at today, tomorrow . . . and the day after.

They tapped their own and others' expertise, experience and knowledge. They broadened their horizons, looking beyond their own farm fences, their university, government agency and Extension office walls, their processing plant grounds. They "let it all hang out" and gave the governor even more than he bargained for. . . .

"They" were participants in the Governor's Conference on Agriculture at Long's Convention Center in Lansing on April 1 and 2. Even in terms of numbers, they were more than was bargained for - 1,200 strong - the highest attendance of any conference the governor has called.

There were eight committees at work developing recommendations to insure the growth of Michigan's agricultural industry: field crops, dairy, livestock and poultry, horses, food processing and distribution, forestry, horticulture/ornamentals/turf, and agricultural technology.

Michigan State University's College of Agriculture and Natural Resources and the Michigan Department of Agriculture, coordinators of the conference, fared well in the recommendations with nearly all of the committees emphasizing the need for increased funding for these two farmer support systems.

Other committees came out with contradictory recommendations: food processing and distribution asked for a moratorium on P.A. 344, Michigan's Marketing and Bargaining Act; the horticulture/ornamentals/turf committee supported P.A. 344 and asked for efforts to pass similar national legislation.



MFB President Elton R. Smith reports the recommendations of the Field Crop Committee, which he chaired.

Committee Recommendations

The voluminous package of recommendations included:

Cash Crops - Immediate elimination of MI-OSHA, passage of right-to-farm legislation, adoption of an economic development corporation for agriculture.

Livestock & Poultry - Further changes in Workers Compensation, a soybean processing plant in Michigan, retention of the state's meat inspection service.

Dairy - Immediate increase of funding for dairy inspection, a task force to study all Michigan labor laws, increased cheese production within the state.

Horticulture/Ornamentals/Turf - Formation of a Michigan Ag Council to provide a single organized voice, elimination of MI-OSHA, exploration of Michigan "Seal of Quality" identification for processed and fresh Michigan products.

Ag Technology - Adoption of an aggressive stance on transportation facility development and maintenance, including development of water transportation facilities to accommodate deep water shipping, an electronic marketing system for agricultural commodities.

Forestry - Prime forestland identification in all counties, Christmas tree growing included in provisions of right-to-farm legislation, recognition of the industry as an ag enterprise subject to same legislation such as P.A. 116.

Horses - Greater appreciation/attention toward improved structure and funding of Michigan Race Horse Revenue Program, discouragement of other forms of gambling in the state, repeal of withholding state and federal income tax on race winnings.

Processing & Food Distribution - Immediate moratorium on P.A. 344 until it can be re-evaluated and/or amended, enforcement of uniform labeling and standards, amendment of the federal Wholesome Meal Act.



LT. GOV. BRICKLEY

discuss the obstacles which may block that growth.

"No state has been harder hit by this recession and by the slump in the auto industry than Michigan," Brickley said. "Approximately 30 percent of the work force in our state is engaged, directly or indirectly, in the production of autos. It is natural, then, for people to talk about the need to diversify this state's economy.

"It should come as no surprise to you that one of the brightest prospects in diversifying and in finding new and higher growth industries is in the field of agriculture.

"I can assure you, on behalf of the governor, that your recommendations will be given serious review by the administration and the Legislature. Because more and more people are recognizing the tremendous potential for growth in agriculture, you have never had a more attentive ear in Lansing than you have today. Every effort will be made to act as quickly as possible on your suggestions," Brickley said.

Ag Needs Appreciation

Michigan agriculture must undertake a systematic and sustained effort to develop greater appreciation for agriculture and the management and utilization of its renewable resources, according to the president of the W. K. Kellogg Foundation.

Dr. Russell Mawby said that agriculture's significance and potential are generally underappreciated by governmental officials, leaders of business, industry and the financial community and by the general public.

"There once was a general appreciation for and an understanding of farming and the



MDA DIRECTOR PRIDGEON

PRESENTATION TO GOVERNOR

On May 5, MDA Director Dean Pridgeon and James Anderson, dean of MSU's College of Agriculture and Natural Resources, and the chairpersons of the eight conference committees, will present the recommendations to Gov. Milliken. At that time, they will provide him with an "executive summary" of what they believe are the top 10 issues which need priority attention.

Chairpersons of the various committees include: Cash Crops - Elton R. Smith, Caledonia; Dairy - Glenn Lake, North Branch; Ag Technology - Polly Diehl, Dansville; Processing & Food Distribution - Tom Angott, Detroit; Livestock & Poultry - Larry DeVuyst, Ithaca, and Marvin DeWitt, Zeeland; Horticulture/Ornamentals/Turf - Laura Heiser, Hartford; Forestry - Oswald Zeidler, Farmington Hills; and Horses - Orin Grettenberger, Lansing.

'Attentive Ear' Promised

Lt. Gov. James Brickley opened the two-day conference by encouraging participants to develop a blueprint for the future growth of Michigan agriculture and to candidly

Promised 'Attentive Ear' for Recommendations

production of food, feed, fiber and forest products. Today that dramatically is no longer the case. And though we recognize that success in agriculture is basic to all human progress and well-being, this fact is virtually ignored in our educational system," he said.

"In the process of education of future leaders... a leader is more likely to visit an urban ghetto, a Latin American finca or barrio, or an art museum in Rome, than a commercial Michigan farm," Mawby said.

"If we are to have citizen understanding and wise decisions related to land use, public support for agricultural research and Extension, sensible decisions in relation to workers compensation, occupational safety and health, and all the rest, we must have knowledgeable people who understand the facts and realities of farming and agriculture broadly defined."

Mawby recommended a broad program to reach decision-makers and the general public. "There are indeed 'Good Things Growing in Michigan' - and everyone should know that," he said.

Ag Land Must Be Saved

Dr. S. Leon Whitney, vice chairman of the Michigan Commission of Agriculture, told participants of the Ag Conference that Michigan cannot long exist as an agricultural power "if we are going to allow land developers to cover this state with concrete."

"If we are going to maintain a competitive agriculture economy, we must keep our productivity at a high and safe level," he said. "There are those who would use the argument that we could do both, farm and develop land for other uses... that we have the scientific technology to carry on both of these programs at the same time."

"The argument goes that we receive much more from the earth per acre than did our forefathers of yesteryear. The real question is, how can we do both?"

Whitney said Michigan landowners converted 900,000 acres of the state's farmland to some form of development or other use between 1974 and 1979, the second worst record in the nation.

"Michigan simply cannot afford to continue destroying its farmland resources at the current rate. Already total crop land in the state has declined from 11.2 million acres in 1945

to 8.9 million acres in 1974," Whitney said.

"To realize the full potential for agricultural production which the state's own population, growing energy needs, and rising world demand make possible, it will need considerably more farmland."



GOV. MILLIKEN

Task Important, Says Governor

How many parking places would it take to feed a hungry family in America or in one of the world's hungrier countries?

That question was posed to participants of the Conference on Agriculture by Gov. William G. Milliken as he outlined the need for expansion of the industry and some of the possible roadblocks to its growth.

"America's agriculture sets it above the rest of the world," he said. "It gives us a place in the world marketplace that not even OPEC can usurp. It helps keep a lid on our balance of payments deficit. And it gives the U.S. serious moral obligation to at least try to combat the starvation that is creeping across the world."

"We have so taken for granted the incredible bounty of God that in some parts of the country we are watching it blow away on hot, dry winds, thanks to careless farming practice and attempts to work marginal land."

"In other parts of the country we are laying down pavement where we should at this very moment be preparing to plant this spring's crops. I wonder how many parking places it would take to feed a hungry family here in our own country or in one of the world's hungrier counties."

"We have a precious resource. We are squandering it. That is what makes your task here so important," the governor said.

U.S. Ag Deputy Commends Milliken

Deputy Secretary of Agriculture Richard Lyng commended Gov. Milliken for convening an agricultural conference and focusing special attention on the importance of the industry to the economy of the state and nation.

Lyng told participants that America's agricultural system is the most productive in the world, with the highest productivity growth rate of any sector of the economy.

"Much of this incredible productivity can be attributed to the progress that was made over the past two decades in giving farmers greater freedom to decide what and how much to produce and when and how to market their crops," Lyng said.

"For grain and cotton we have moved from the rigid, inflexible programs of the 1940s and 50s to programs that are more closely geared to market performance and recognition that U.S. farmers can manage their destiny far better than can government."

"We seek to continue this thrust - further unleashing the production potential of America's agriculture," he said.

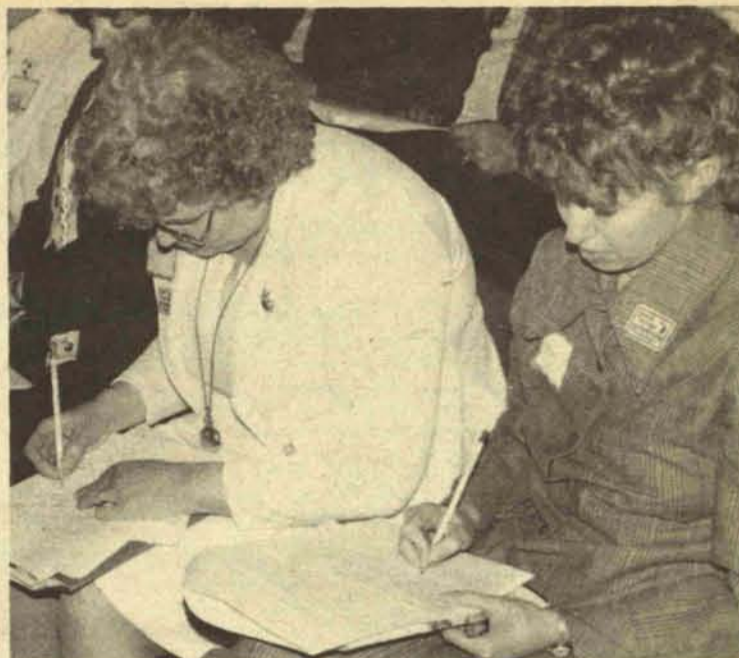
The deputy secretary said that one farmworker today produces enough food and fiber for 68 people - almost triple the number he could supply just 20 years ago.

"What's more," he said, "the American farmer's efficiency makes the difference between starvation and survival for more than 40 million people around the world."

Lyng said the Reagan administration wants to end the grain embargo against the Soviet Union but fears such action would send a "wrong signal" to the USSR regarding the



USDA DEPUTY SECRETARY LYNG



Sharon Steffens of Kent County and Terry Peabody of Livingston County make notes of points for clarification in the horticulture report.

"very delicate situation" in Poland.

He did, however, predict that the U.S. will be doing business with Russia in the future.

Awareness Important

Dr. Paul Kindinger, chief of MDA's Marketing and International Trade Division and one of the conference coordinators, said the conference marked a beginning and not an end in itself.

"However," he said, "the conference itself was impor-

tant. It made all the participants aware that they are part of the most important industry in the state, and, indeed, even the world.

"That awareness will be a vital tool as we undertake the task of implementing the recommendations to assure the future growth of this great industry of ours. I believe we took a giant step forward in reaching the governor's objective in calling the conference - to design a plan to develop our food and fiber capabilities to their fullest," he concluded.

Oil and Gas Leasing



Confused by the sudden demand of petroleum companies to buy your oil and gas leases? Concerned about what to look for and how to negotiate when you are approached by a leasing salesman?

If you are, you are not alone! Many landowners have been approached in the last few months. Because of the increased leasing activity and the dozens of different leases offered, Michigan Farm Bureau has prepared a brochure entitled, "A Landowner's Guide to Oil and Gas Leasing." The brochure suggests various terms that should be considered by a landowner when leasing his oil and gas rights.

The brochure is available free of charge by sending this order form to Local Affairs Specialist Ron Gaskill, Michigan Farm Bureau, P.O. Box 30960, Lansing, Mich. 48909.

Please send me "A Landowner's Guide to Oil and Gas Leasing" free of charge.

Name _____

Address _____

Zip _____

AGRINOMIC UPDATE

Report of the Commodity Activities & Research Department

Editor's Note: Farm Bureau policy opposes the present Federal Crop Insurance Program because it allows the federal government to compete unfairly with the private insurance industry in the crop insurance marketplace.

The Federal Crop Insurance Program has been revised under provisions of the Federal Crop Insurance Act of 1980. The new legislation provides for an expanded multiple-peril crop insurance program that will likely replace the Agricultural Stabilization and Conservation Service's disaster payment program in 1982. Within the next five years, the Federal Crop Insurance Corporation will extend available crop insurance to more agricultural counties and will consider underwriting insurance on additional agricultural products.

Federal crop insurance started in 1938. The first act created the FCIC as an agency of the USDA and authorized insurance programs for unavoidable crop losses due to adverse weather, insect infestations, diseases and other risks. Losses due to neglect, poor farming practices, theft or low prices

foreseen catastrophes. Payments for claims were limited to a portion of the value of crops rather than the full value.

In recent years farmers could also obtain additional protection against crop losses by participating in the various commodity programs - such as wheat and feed grains - administered by the ASCS. Those programs partially compensate farmers who suffer crop losses due to prevented planting or subnormal yields resulting from flood, drought or natural disaster. To be eligible for payments, farmers had to set aside acres or operate within their normal crop acreage (NCA) as determined by the ASCS. Payments were made from federal monies.

The latest federal crop insurance program, passed by Congress in 1980, allows a nationwide, all-risk crop insurance program to become

New Federal Legislation Provides for Expanded Crop Insurance

be extended to all agricultural counties. At the same time the number of crops eligible for coverage will be expanded if sufficient actuarial data - history of losses in an area - can be established.

The new act incorporates several major provisions. Participants can elect one of three levels of yield protection and one of three levels of price protection. The options on yield protection are 50 percent, 65 percent, or 75 percent of the historical average yield in the participant's county or risk area within a county.

The options on price protection are determined annually by the FCIC and apply to all areas. The highest price option is at least 90 percent of the annual price projected by the FCIC, based on trends, forward contracts and judgemental factors. For the 1981-82 crop year, price options were set at \$1.70, \$2.00 and \$2.70 for corn and \$4.50, \$6.00 and \$7.00 for soybeans. Options for wheat were \$2.50, \$3.00 or \$3.50, but new price options will be established soon for the wheat crop year beginning in July.

The premium paid by a participant will depend on the combination of yield and price protection (coverage) that is selected. The premium schedule is based on the loss experience in the participant's county or risk area. A premium subsidy of 30 percent is available for those who select the 50 percent or 65 percent yield coverage. Participants who purchase hail and fire coverage from a private insurance firm will lower their FCIC premium costs by up to 30 percent. The act also permits other premium subsidies to be paid by a state or an agency of the state so as to further reduce the farmer's portion.

The FCIC, to the maximum extent feasible, is to use the delivery system of the private insurance industry to market and service federal crop insur-

ance. Farmers may apply for policies at designated local insurance agencies or use ASCS and FCIC offices. Private insurance companies may even provide an all-risk crop insurance plan to farmers and, if acceptable, reinsure it with the FCIC.

cause of the overlap in the insurance and disaster payment programs. During 1981 producers of the six major crops - corn, wheat, barley, grain sorghum, rice and cotton - may choose insurance, disaster payments, or both. Producers of those six crops, who pay the

How Federal Crop Insurance Works

A farmer wants to insure 100 acres of soybeans in Farmer County, Michigan. The FCIC has determined the average county soybean yield is 40 bushels per acre. The farmer can choose one of three yield coverages:

- 50 percent or 20 bushels per acre
- 65 percent or 26 bushels per acre
- 75 percent or 30 bushels per acre

He can also choose one of the three price level coverages offered by the FCIC: \$4.50, \$6.00 or \$7.00 per bushel.

If he selects the 65 percent yield coverage and the \$7.00 price protection, the premium according to a schedule of rates would amount to \$4.70 per acre. However, since the FCIC will subsidize 30 percent, his net premium is \$3.30 per acre for multiple risk crop insurance.

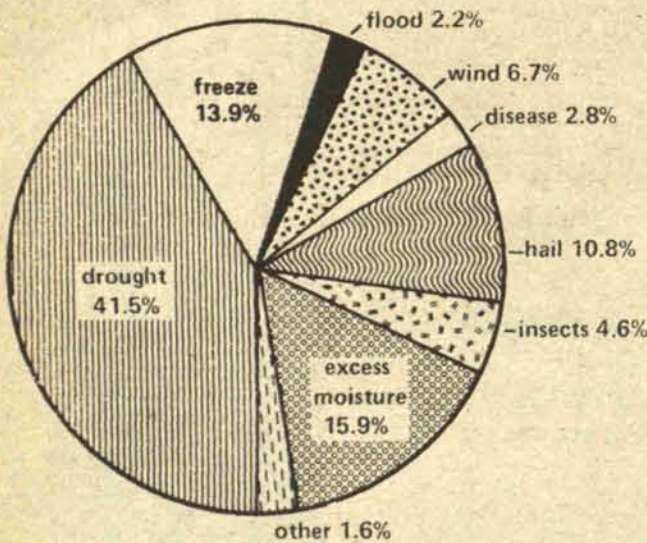
If drought conditions reduce his yield to 10 bushels per acre on the 100 acres, he would be eligible for an \$11,200 payment (16 bushels loss/acre x \$7.00 x 100 acres). His cost for this protection was \$330 (\$3.30 x 100 acres).

In the event premiums and reserves available to the FCIC are inadequate to meet farmers' claims for losses, emergency funding may be sought. Commodity Credit Corporation funds may be used for up to one year to supplement payments for farmers, or monies may be borrowed, if authorized, from the U.S. Treasury at prevailing interest rates.

The new program is somewhat complicated this year be-

cause of the overlap in the insurance and disaster payment programs. During 1981 producers of the six major crops - corn, wheat, barley, grain sorghum, rice and cotton - may choose insurance, disaster payments, or both. Producers of those six crops, who pay the full insurance premium established for the crop, may also qualify for disaster payments as long as ASCS requirements are met. Otherwise these farmers may rely solely on the disaster payment program or use the federal crop insurance program, taking advantage of a subsidized premium rate. Producers of 22 other crops must use the federal crop insurance program exclusively where available.

Portion of FCIC indemnities paid by type of loss, 1939 to 1978



were not included. Operating and administrative costs were covered by government appropriations, while premiums covered claims for losses and provided reserves against un-

the primary form of disaster protection for farmers. The ASCS's disaster payment program is scheduled to expire in 1982, and within the next five years, the FCIC's program will

Timber Market Report Available

What's That Tree Worth?

Would you like to know what the trees in your woodlot are worth? A new timber market report available at county Cooperative Extension offices can help.

Each county office now has an up-to-date Timber Mart-North price report covering

prices being paid for standing timber and delivered forest products. This includes sawtimber, veneer, pulpwood, firewood, Christmas trees and other products.

This new information should greatly assist private forest landowners assess the value

and importance of their timber resource. However, woodlot owners should still seek assistance from professional foresters, since actual prices paid to landowners will vary depending on the size of the woodlot, quality and quantity of timber, accessibility and other factors.

Attention Landowners

Join the Public Access Stamp Program

P.A. 373 authorizes the Department of Natural Resources to lease lands for hunter use. The state will pay from 50 cents up to \$4.00 per acre to landowners, depending upon the land available. Applications to sign up for the program are available from county ASCS offices, county Farm Bureau offices or the DNR district offices listed below:

Grand Rapids District Office
6th Floor, State Office Bldg.
350 Ottawa Street, NW
Grand Rapids, MI 49503
Phone: 616-456-5071

Plainwell District Office
621 N. 10th Street
P.O. Box 355
Plainwell, Michigan 49080
Phone: 616-685-6851

Imlay City District Office
715 S. Cedar Street
P.O. Box 218
Imlay City, MI 48444
Phone: 313-724-2015

Jackson District Office
3335 Lansing Avenue
Jackson, Michigan 49202
Phone: 517-784-3188

Pontiac District Office
2455 N. Williams Lake Road
Pontiac, Michigan 48054
Phone: 313-666-1500

Deadline for Filing Applications is July 1

MICHIGAN'S FARM BEST



SUPERIOR QUALITY PRODUCTS AVAILABLE THROUGH THE FARM BUREAU DIRECT MARKETING PROGRAM

Direct Marketing is a program intended to provide you, the Farm Bureau member, with the finest quality food products available.

- 1981-82 TENTATIVE SALE SCHEDULE -

MAY 1981

SPRING ASPARAGUS SALE

ITEMS OFFERED:

Fresh Michigan asparagus in 10 and 20 lb. cartons; Florida orange, lemonade and grapefruit concentrate; Michigan ham, bacon, hot dogs, hickory sticks and grape juice

ORDER DEADLINE:

May 8, 1981

DELIVERY DATE:

Week of May 18

AUGUST 1981

FROZEN FRUIT SALE

ITEMS OFFERED:

Michigan frozen fruits - red tart pitted cherries, dark pitted sweet cherries, blueberries, apple slices, sliced and whole strawberries; frozen vegetables - asparagus, broccoli, cauliflower and peas; apple cider concentrate; Florida orange, lemonade and grapefruit concentrate; Wisconsin cheese - sharp, medium, colby and Monterey Jack

ORDER DEADLINE:

August 14, 1981

DELIVERY DATE:

September 1-3, 1981

DECEMBER 1981

CHRISTMAS CITRUS SALE

ITEMS OFFERED:

Florida navel oranges, grapefruit, tangelos, skinless peanuts, pecans and orange and grapefruit concentrate; Wisconsin cheese - sharp, medium, colby and Monterey Jack; Illinois gourmet popcorn; Michigan apple cider concentrate, ham, bacon, hot dogs and hickory sticks

ORDER DEADLINE:

November 12, 1981

DELIVERY DATE:

Week of December 7, 1981

FEBRUARY 1982

MID WINTER SALE

ITEMS OFFERED:

Michigan frozen fruits and vegetables, apple cider concentrate; Florida Temple oranges, grapefruit and orange and grapefruit concentrates; Wisconsin cheese - sharp, medium, colby, Monterey Jack

ORDER DEADLINE:

February 12, 1982

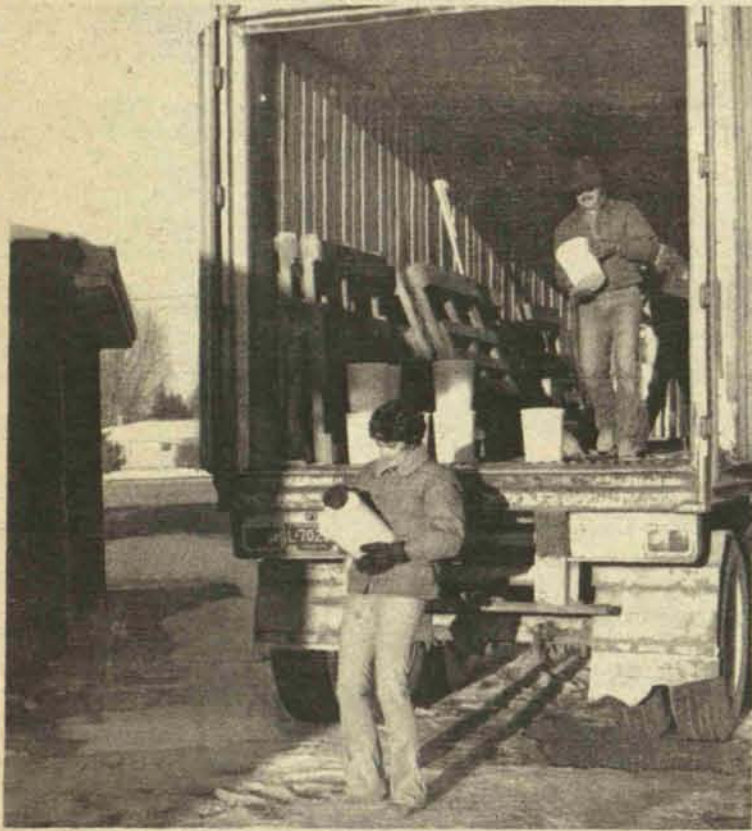
DELIVERY DATE:

Week of March 15, 1982

DIRECT MARKETING - A "Service to Member" Program Designed To Benefit You!

MACMA MEMBER-TO-MEMBER PROGRAM

Member Benefit . . . Community Service



Members of Wyoming Farm Bureau unload a shipment of Michigan frozen fruits and vegetables which were delivered last fall. Wyoming's director of field services, Steve Genz, says, "The direct marketing concept has changed the image of county Farm Bureaus in the state by giving members an opportunity to participate in the true agricultural aspect of the organization."

An idea generated nearly 22 years ago to help Michigan cherry growers market excess cherries has evolved into a full-time direct marketing program, providing a member service to Farm Bureau members in Michigan and several western and northern states.

A bumper crop of cherries in 1969 stimulated the idea of marketing cherries direct from the cherry-producing counties of western Michigan to other counties in the state.

According to Bob Eppelheimer, manager of the Michigan Agricultural Cooperative Marketing Association's Direct Marketing Division, MACMA initiated the program, when it contacted a packer and developed a slush pack.

"They took cherries that would normally be in a 30-pound tin and froze them down to a temperature of about 25 degrees Fahrenheit. With the natural sugar content in the cherries, a slushy pack of half frozen cherries resulted," he said.

"The cherries were then put on a truck and shipped to county Farm Bureaus. It was a minimal type of participation, but it really got members excited about the direct marketing concept."

In the early 1970s, Florida Farm Bureau initiated a similar program with fresh citrus fruit and later with concentrates. In 1972 Michigan began offering the Florida products through a

direct marketing program to MFB members. Within a year, Eppelheimer said, the response from members was so favorable that a program for direct marketing Michigan frozen fruits and vegetables was developed.

Today MACMA's direct marketing program sells Michigan fruits and vegetables in nine states, while offering commodities from Florida, Illinois and Wisconsin to MFB members.

Sales Aid Other States

Reciprocal sales have been established, particularly with Wisconsin and Florida. "We're a heavy promoter of Wisconsin cheese, offering it year round in Michigan. In turn, Wisconsin used to offer Michigan products once a year, but have now tripled their participation in our program through fall, mid-winter and asparagus sales," he said.

"The high quality Florida citrus and concentrates have been extremely successful in Michigan sales, providing a good market for Florida growers. We send Florida Farm Bureau a full line of Michigan frozen fruits and vegetables, including blueberries, cherries, apples, strawberries and raspberries."

Instate sales of Michigan products through the direct marketing program are increasing annually.

"Nebraska, Wyoming, North and South Dakota and Wisconsin

are promoting it as a service to members. We started our first sales last fall in Kentucky and Montana. Nevada will have their first sale this June," Eppelheimer said.

The direct marketing of Michigan frozen fruits and vegetables to Wyoming since May 1979 has resulted in a two-fold advantage for the Wyoming Farm Bureau according to Steve Genz, director of field services.

"One of the things the direct marketing concept has done for county Farm Bureaus in Wyoming is to change the image of Farm Bureau by giving members an opportunity to participate in the true agricultural aspect of the organization. We've had people become involved in Farm Bureau just because of the direct marketing program and now they're involved in other aspects of Farm Bureau because they have become conscious of the other programs we offer," Genz said.

"Second, our members find it very encouraging to see Farm Bureau involved in the direct marketing concept by bringing quality products to the people of our state. This program has proven that if we go to a direct marketing concept, the producer receives an equitable return on his investment and the consumer receives a quality product at a competitive price.

"This is one of the services that has gone over big with our members; they appreciate it and they're staying with it. Also, it has now made our people more conscious and aware of the fact that we can do some of these very same things ourselves with our products. Our members like to see their farm organization doing things in the marketing area and we're going to try some ideas," Genz said.

Members Assume Marketing Responsibility

The basic philosophy of the direct marketing program is to offer members a high quality product at a competitive price. To accomplish this, Eppelheimer said, the member must assume some responsibility in the marketing chain.

"There are no middlemen. I contact the packer and bargain with him for a competitive price, then put the information on the sale together for distribution to the counties. The counties in turn distribute it to the membership on the county level and then the chain is reversed. The orders all come into the county, then to our office. We compile all the orders statewide, put the trucking together, using independent



Michigan blueberries were a big hit among the delegates to the AFBF annual meeting in New Orleans in January. Over 1,200 pounds of Michigan fruit was distributed by the MACMA Direct Marketing Division during the convention. In addition to the fruit, apple cider and grape concentrates were enjoyed by the delegates. The booth provided an opportunity to promote Michigan products and the direct marketing program to all states represented at the convention.



truckers, and ship the orders back to the counties.

"Once the orders are back in the counties, the member assumes some of the marketing responsibility by coming to the distribution point and picking up his order. That essentially equates with the idea that he is the retail grocer, and the MACMA Direct Marketing Division acts as a wholesaler," Eppelheimer said.

"The majority of the products we buy come from Coloma Frozen Fruits, Inc., a southwestern Michigan packer. We go to them because they give us a very competitive price for high quality commodities and they see the potential of our program and its value to Michigan growers."

Four Sales Coming Up

During MACMA's 1980-81 sales year, six sales were con-

ducted as an experiment. "We found that, in general, we're working with volunteer people and we don't want to tax that volunteer labor to the maximum, so during the 1981-82 sales year, we will have only four sales," Eppelheimer said.

The sales will be held in fall, at Christmas time, in mid-winter and in spring.

Objectives Remain

Though the direct marketing program has grown dramatically since the initial cherry slush sale in 1969, the objectives of the program remain the same. "Our objectives are to expand the markets for Michigan growers and provide a service to the Farm Bureau membership by offering high quality products at an extremely competitive price," Eppelheimer said.

Michigan Ag Product Promotion Tool

IRON RANGE

Program Attracts Members

"I have had people call me and ask for a membership application just so they could be sure to receive the fruit," says Wendy Honkala regarding the MACMA member-to-member program in Iron Range.

Honkala and Joan Jarvis serve as co-chairpersons of the program for the Upper Peninsula county Farm Bureau, which last year received statewide recognition at the MFB annual meeting.

"Last year our member-to-member sales were \$161 per member," reports Honkala. "Our members enjoy being able to buy quality citrus at a reasonable price, especially since we don't have the stores or groups of young people selling these products here in the U.P."

The member-to-member program started in Iron Range just prior to 1972 and has enjoyed success ever since.

"Members have been very responsive to this program. They come as far as 80 miles,

one way, to pick up their orders. All of the products have been of excellent quality. As member Frank Tuchowski says, 'You just can't beat that orange concentrate,'" said Honkala.

"The state office has been very cooperative in working with us on scheduling or any other problems that arise," she said. "When we run into shortages or spoilages occasionally, Bob Eppelheimer and Sharon Moon always do their best to correct the situation as quickly as possible. We know we can count on these people to help us.

"We look forward to continued growth and much success with this program in the coming years," she said.

ANTRIM

A Community Service

The Antrim County Farm Bureau found that the member-to-member program can be

State Farm Bureaus Share Expertise, Direct Marketing Product Promotion

MACMA Direct Marketing Division staff participated in a statewide coordinators' conference, last fall sponsored by the Wisconsin Farm Bureau Direct Sales Division.

They provided us with an opportunity to promote Michigan products, compare direct marketing programs and answer questions on our products and the distribution system," said Sharon Moon of Michigan's Direct Marketing Division.

During meetings in Tomah, Eau Claire, Appleton, and Waukesha, Wisconsin, county coordinators were updated on program changes and new products offered. They were given a progress report and were involved in discussions of future needs and objectives of the program.

Participants in the Wisconsin meetings included county secretaries and/or coordinators, state board members, county presidents, field supervisors, and direct sales marketing staff from Wisconsin, Michigan and Florida.

Wisconsin and Michigan presently have a reciprocal pro-

gram with Wisconsin offering a statewide sale of Michigan frozen fruits and vegetables and apple cider concentrate twice a year. This year, for the first time, Wisconsin will also be promoting a statewide Michigan fresh asparagus sale with delivery scheduled for late May.



Promoting Michigan apples and Wisconsin cheese at the statewide coordinators conference last fall in Wisconsin are Sharon Moon of the MACMA Direct Marketing Division, left, and Debbi Sutton of the Wisconsin Farm Bureau's Direct Sales Division.

Information, Please

For further information, contact the following counties:

Alcona	517-736-8337	Kalkaska	616-369-2369
Allegan	616-673-6651	Kent	616-784-1092
Alpena	517-727-2392	Lapeer	313-664-4551
Antrim	616-588-6011	Lenawee	517-443-5780
Arenac	517-846-4185	Livingston	517-546-4920
Barry	616-945-3443	Mac-Luce	906-477-6854
Bay	517-879-2324	Macomb	313-781-4241
Benzie	616-882-4110	Manistee	616-723-4047
Berrien	616-473-4791	Mason	616-757-2270
Branch	517-278-5106	Mecosta	616-796-2038
Calhoun	616-781-2849	Menominee	906-753-6639
Cass	616-445-3849	Midland	517-631-6222
Charlevoix	616-547-2066	Missaukee	616-839-2125
Cheboygan	616-627-9220	Monroe	313-242-2342
Chippewa	906-647-5569	Montcalm	517-831-4094
Clare	517-386-9517	Montmorency	517-742-4048
Clinton	517-826-5608	Muskegon	616-773-9416
Copper Country	906-482-4487	Newaygo	616-924-6677
Eaton	517-543-5565	N.W. Michigan	616-947-2941
Emmet	616-526-5945	Oakland	313-334-4725
Genesee	313-732-3770	Oceana	616-861-5855
Gladwin	517-435-7322	Ogemaw	517-345-3229
Gratiot	517-681-5073	Osceola	616-832-9093
Hiawathaland	906-446-3508	Otsego	616-546-3879
Hillsdale	517-437-2458	Ottawa	616-677-3670
Huron	517-269-9911	Presque Isle	517-733-8238
Ingham	517-655-2909	Saginaw	517-792-9687
Ionia	616-527-4503	St. Clair	313-384-6910
Iosco	517-362-2974	St. Joseph	616-467-4325
Iron Range	906-822-7825	Sanilac	313-648-2800
Isabella	517-644-2209	Shiawassee	517-625-3428
Jackson	517-569-2595	Tuscola	517-673-4155
Kalamazoo	616-342-6485	VanBuren	616-657-5561
		Washtenaw	313-663-3141
		Wayne	313-729-0799
		Wexford	616-775-0126

a community service project as well as a member benefit.

Julie Veliquette, information chairperson, reports that their local sixth grade class takes an annual trip to Greenfield Village, financing it through various fundraisers.

"The past three years they have sold citrus during the Christmas holiday season. This past year, they contacted us about purchasing their citrus from Farm Bureau, since they had heard from various parents that the fruit was reasonably priced and superior in quality," she said.

"Our county board approved their participation in the sale in August, their order for over 500 cases of citrus was placed with our member-to-member chairman in November and the fruit was delivered to the school the first week in December.

"This was really a positive experience for all of us involved. The school was really pleased with the quality of the fruit, the reasonable price and the prompt arrival of the truck with the fruit, the paperwork was very simple and they paid us for the fruit as the truck was being unloaded.

"It took about 45 minutes to unload, with about 50 sixth graders doing the carrying from the truck into the school - and loving it!

"They plan to order from us again next year, and we appreciate the volume that it adds to our sale," she said.

"The direct marketing program is a very valuable service to our membership and we put great faith in this program. It has broadened the scope of our membership and has added one more service to the benefits they receive. We are very pleased with the quality of the Michigan products and are looking forward to a continued relationship with Michigan Farm Bureau."

- Frank Chambers, Director of Field Services
Nebraska Farm Bureau

(Nebraska Farm Bureau received a direct marketing shipment of Michigan frozen fruits and vegetables in mid April.)

Asparagus Festival Set

The 8th Annual National Asparagus Festival will be held in Oceana County June 12 through 14, with events taking place in Hart and Shelby.

Two of the most popular events are the Asparagus Royale Parade and the Asparagus Smorgasbord. The parade will be held in Hart starting at 2 p.m. on June 13. The smorgasbord will be served at the Shelby High School Cafetorium beginning at 5 p.m. that same day. Tickets are \$5.50 for adults and \$3.00 for children. They can be reserved in advance by writing the National Asparagus Festival, Box 117S, Shelby, Mich. 49455.

Mrs. Asparagus 1981, Mary Ann Carey, will reign over the festivities. She is a part-time asparagus picker. Her husband, Tom, is an industrial arts teacher in Shelby.

Other activities during the festival are farm tours and a square dance. Write the address above for more information on the festival.

Michigan Asparagus



EVERY INCH EDIBLE

It's Time for MACMA's Member-to-Member May Asparagus Sale

Order Deadline: May 8 Delivery: Week of May 18

Name _____ Address _____
Phone _____

Quantity	Item	Price	Amount
_____	Fresh Pack Michigan Asparagus, 20 lb. carton	\$17.35	_____
_____	Fresh Pack Michigan Asparagus, 10 lb. carton	\$10.85	_____
_____	Michigan 100% Concord Grape Juice, 6 half gallons/case	\$13.80	_____
_____	Hi-D Orange Concentrate, 24/12 oz. cans/case	\$32.00	_____
_____	Hi-D Grapefruit Concentrate, 24/12 oz. cans/case	\$25.50	_____
_____	Lemonade Concentrate, 24/12 oz. cans/case	\$15.05	_____
_____	MACMA Vintage Ham, 4/4 lb. halves/case (\$2.19/ lb.) Approximately	\$35.04	_____
_____	Thick-Cut Smoked Bacon, 8/1 1/2 lb. pkgs./case	\$17.37	_____
_____	Hot Dogs, 5 lb. box	\$7.60	_____
_____	Hickory Stick, 4 lb. average	\$9.95	_____
_____	Michigan Asparagus Cookbook	\$3.50	_____
	TOTAL		_____

'Happy Hooker' Farmer Beats Handicap

By Dave McClelland, Farm Bureau News Service

Corrine Peck is unique.

And not just because she is an amputee and a woman running a dairy farm near Dakota in Stephenson County, Illinois.

She's unique because she is what she is and she makes no pretense at being something else. You like her for what she is or you don't. Most do.

Corrine Peck is a salty-talking, never-married dairy and grain farmer who has a good right hand and a hook that serves as her left hand.

She once contemplated suicide, had two marriage engagements which ended unhappily, and what seemed at the time to be insurmountable bills resulting from nursing home care for her mother and father. She loves big-band music and dancing, once played classical violin and had aspirations of making a career of it. She is reverent of her late father, abhors laziness, and cannot tolerate those who abuse farmland.

At age 56, with a weather-beaten visage that testifies to her many hours on a tractor, Corrine Peck seems at peace with herself.

"I'm a hick. I like to feel the wind in my face, and plow a

straight furrow. If I didn't like to farm, I wouldn't be involved in it."

She has taken one vacation in recent years and didn't care for it. "I got so homesick for Stephenson County soil that I couldn't stand it."

Her farming operation consists of slightly more than 200 acres which she plants to sod, alfalfa, oats and corn. Soybeans are out, she said, because they permit too much soil erosion. Much of her corn is planted on the contour to slow soil erosion and the farm contains eight acres of waterways.

"This land is here to use, not abuse. It horrifies me on some occasions to see the way the land is abused."

Corrine's career as a farmer spans many years. She had always done chores on her father's farm and from 1948 to 1972, she worked on a cash-rent basis with her father. In 1972, she purchased the farm from her father's estate.

Her Holstein dairy herd (the third herd she has had) consists of more than 100 animals with about 42 cows being milked twice daily.

She sold her first herd after

losing her hand in a cornpicker accident in November 1967, and the second herd because she could not get competent hired help.

Corrine's left hand was lost in what she calls a stupid accident. It became entangled in a moving part of the machine when she stopped to make repairs and did not shut down the picker. "It was no one's fault but my own. These machines come from the factory perfectly safe; it's dingbat operators who don't think that causes problems."

After an understandable bout with depression, Corrine decided to get back among the living. That, to her, meant getting back in the farming and dairy business.

"I wanted to put a milker on a cow so bad I could taste it."

So bad, in fact, that she lugged a milking machine down Chicago's Michigan Avenue enroute to show doctors the types of tasks she needed a prosthetic device to perform.

She's now become adroit with the device, can tie her shoes, and does much of her own repair work. "I love to carpenter. I can do anything on

(continued on page 16)



Corrine Peck went to a lot of trouble to make doctors understand the type of prosthetic device she needed to operate a milking machine, but her efforts paid off.



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CAPITOL REPORT

By
Robert E. Smith

Task Force to Report Tax Recommendations



Members of the newly appointed MFB Rural Tax Task Force met recently at Farm Bureau Center in Lansing to review the overall tax structure in Michigan. The task force is charged with determining special problem areas pertaining to agriculture and to develop recommendations to solve those problems. Pictured above (left to right) are task force members Ruth Johnson of Kent County, Barbara Trolz of Washtenaw County and task force chairman Bill Spike of Shiawassee County.

FB Holds Tax Meetings



Ron Nelson, MFB legislative counsel, was one of the speakers at the multi-county tax information meetings that provided members with a better understanding of the state's current tax structure. Meetings were held in Grand Rapids, Gaylord and Flint. The meetings were called by MFB to provide information needed to make judgments on the tax proposals under consideration. Special emphasis was placed on the property tax structure and evaluation of how a change in one tax affects other taxes.

Spring Legislative Update

Department of Agriculture Budget: Meat inspection was finally retained, however, the budget was cut 25 percent in preparation for phasing out state inspection and turning it over to federal authorities. During the 1981-82 year, arrangements are to be made with federal officials including "grandfathering" in small meat plants and methods of maintaining Michigan's animal health program.

Grain Dealers Act was also funded for next year. Had it been funded for the present year, it is likely that some of the bankruptcies could have been avoided. The act will also be amended to require more financial data from licensed grain dealers, along with monthly reports in the "price later" provisions.

Right to Farm: This Farm Bureau priority legislation has passed the House 94-0. This is a good indication that legislators are serious about the need for farmers to be relieved of harassing nuisance suits. Farm Bureau promoted the idea; Rep. Dodak (D-Montrose) and 42 others introduced it. Gov. Milliken and Speaker of the House Crim endorsed it.

Bankruptcy and Prompt Payment: Sen. Hertel (D-Harper Woods) has had four public hearings around the state on his four bills: SB 110, potatoes; SB 111, milk; SB 112, grain dealers; and SB 113, food processing. It is evident that each bill will require extensive changes to be as effective

as possible. However, Sen. Hertel has provided strong leadership as chairman of the Senate Agricultural and Environmental Affairs Committee to pass legislation. Farm Bureau is working on all four bills.

Rep. Dressel (R-Holland) has introduced similar legislation in the House on grades A and B milk (HB 4188 and 4363).

Water Surveillance Fee: Farm Bureau has finally reached a written agreement with the DNR to exempt farmers from water surveillance fees, providing they agree to an Agro-management plan that such waters are applied to the land and do not go into lakes or streams.

Farm "Use Value" Assessment: Two bills, SB 33 (Welborn, R-Kalamazoo) and HB 4596 (N. Smith, R-Addison) provide for assessment of farmland based on "use value."

They will serve as "vehicles" if Proposal A passes on May 19. Proposal A will make "use value" possible by permitting it in the state constitution.

Job Development: HB 4298 (Alley, D-West Branch) would carry out one of Gov. Milliken's State of the State proposals. It would allow the state to issue bonds, the revenue from which would be used for lower interest loans for agricultural developments, such as processing facilities and possibly loans direct to farmers.

Implied Warranty: HB 4337 (Alley, D-West Branch) has been reported out of committee and is on the House floor. It amends the Uniform Commercial Code to eliminate responsibility for "implied warranty" in the sale of cattle, hogs or sheep, providing the seller has met all state and federal animal health laws.

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- Investment Adviser: THE FIRST NATIONAL BANK OF CHICAGO
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A prospectus containing more complete information including management fees and expenses, will be sent upon receipt of the attached coupon. Send the coupon to Michigan National Bank, Trust Department, at 77 Monroe Center, P.O. Box 2804, Grand Rapids, Michigan 49501. Read the prospectus carefully before you invest or send money. For current yield information call toll free 800/621-2550.

Mail to: Money Market Fund Program
for Michigan Farm Bureau Members
Michigan National Bank, Trust Department
P.O. Box 2804, 77 Monroe Center
Grand Rapids, MI 49501

Please send me a prospectus.

Name (as it appears on membership records)

Address

City

State

Zip

Membership no.

Salomon Brothers

'Happy Hooker'

(continued from page 15)

this farm but dig a posthole."

She does most of her own field work, and she still uses a cornpicker. "What I can do myself I do. I don't hire any more help than I have to."

She admits that "wonderful neighbors and great friends" helped her through some trying times, but she reciprocates when the need arises.

Hard times and misfortune might have dimmed the spirits of a lesser person, but Corrine Peck has endured with her sense of humor intact.

She smiles as she relates that a friend once jokingly called her the "happy hooker." And in giving directions to her farm, she's likely to say, "If you get lost, just ask for me. I'm the only one-handed, old maid farmer around."

Corrine Peck. Handicapped, yes. Disabled, no. Contented, yes.

"I wouldn't trade this life for anything you could set under my nose."

Bill Aimed at Assisting Young Farmers

Terming the young, beginning farmer "an endangered species," Iowa Congressman Berkley Bedell has introduced legislation designed to assist young farmers in acquiring the necessary resources to purchase their own farms.

Bedell's bill, the Beginning Farmers Assistance Act of 1981, authorizes the secretary of agriculture to provide federal loan guarantees in support of direct loans made by states under state programs to assist farmers seeking to purchase a family farm.

According to Bedell, the bill is intended "to encourage states to establish their own programs to provide loans or

other incentives to beginning farmers who wish to purchase their own farms." The bill will augment efforts of the Farmers Home Administration to provide loans to beginning farmers.

In a statement accompanying the introduction of the legislation, Bedell quoted USDA statistics which show that "69.5 percent of all farmland is owned by farmers age 50 or older, farmers who will be retir-

ing throughout the 1980s. Only 5.9 percent of the total farmland acreage is owned by farmers age 35 and under."

"If present trends continue," said Bedell, a member of the House Agriculture Committee,

"as older farmers retire, their land will be sold primarily to existing farmland owners who will consolidate their holdings, thus increasing average farm size and limiting the number of total farms and farmers."

Working Together ... For A Better Future

DONNA

Dirty Sock

(continued from page 2)

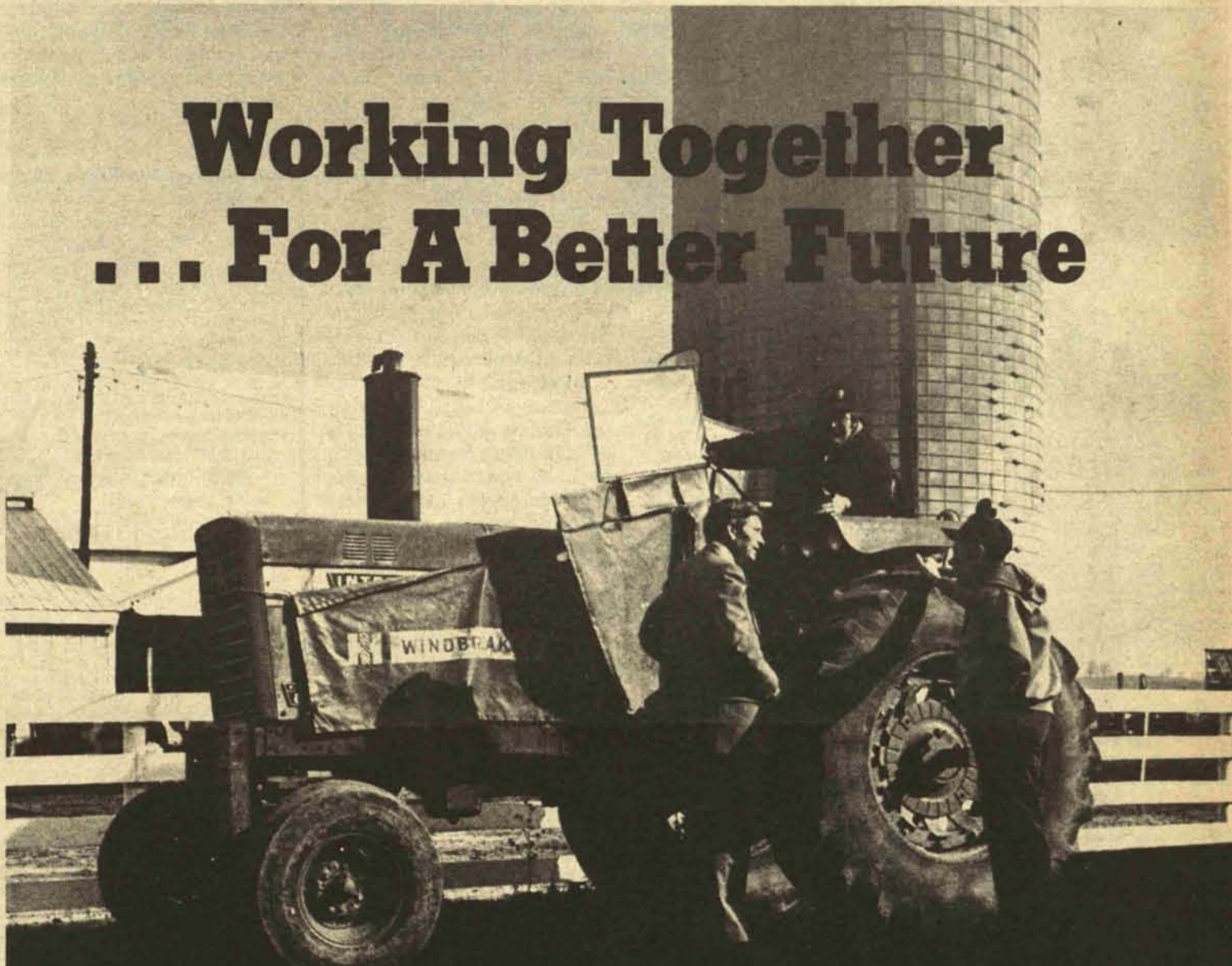
of the press is awesome, and power is heady. I know. I've felt it - discovering that your finely-tuned words can change an opinion, a vote, a commitment, can stimulate action.

The responsibility involved, thus far, has always balanced the power scale for me. When someone tells me they did thus-and-so because of my words, I feel humble and swear that never will that power be abused. And I'm not unique; all responsible journalists feel that way, whether or not you happen to agree with what they're saying.

The *Michigan Farm News* would probably get higher readership if we went to the obviously successful style of the publication Burnett sued, both within and outside the organization. Tucked in between exposes of "Who was that woman whose funeral kept the governor from opening the Conference on Agriculture?" and "Do bald men really make better lovers? A day (and night) in the life of MFB's powerful lobbyist," we could run membership benefit ads.

Can hardly wait for next month's edition? Forget it! It will be the same factual, FB philosophy/policy based, sometimes dry and dull, information you always get.

But... your editors never poke their eyes out plucking their eyebrows (I couldn't say knick their chins shaving!) because they can't look at that person in the mirror. And you won't have to tuck this publication in the bottom of your grocery bag for fear the person behind you in the check-out line will question your reading habits.



Newton Allen, Executive Vice-President and Chief Executive Officer of Farm Bureau Services & Farmers Petroleum with Wayne & Rodney Pennock on their 120 year old Holstein Farm — Mari-way. Three generations of Pennocks including Rodney have been county Farm Bureau Presidents.

We don't take your patronage lightly. We've worked hard to lessen the problems of today's economy by offering you quality products and services. And, we're going to continue to earn your business by pooling our resources to meet the challenges of a changing economy. We've developed long range plans to guarantee the continuing success of Michigan Agri-Business in the decades ahead. We're improving products and services, making our facilities more efficient, and implementing marketing plans to serve you better. Agri-Business, it's our future... together.

Farm Bureau Services, Inc.
7373 West Saginaw Highway, Lansing, MI 48917

Farm Bureau Insurance Group, Michigan Farm Radio Network Honor 'Farmers of the Week'

The Farmer of the Week Award, sponsored by the Michigan Farm Radio Network and Farm Bureau Insurance Group, recognizes Michigan farmers for their contributions to the agriculture industry and the community.

In addition to recognition from the local news media, award winners receive a plaque and award buckle and belt from the local FBIG agent.

The Farmer of the Week Award recipients for March 1981 were:



ELGIN DARLING

Week of March 2 - Elgin Darling, 44, a cash crop and dairy farmer from Willis who farms 860 acres and milks about 45 cows in partnership with his son, Doug. Darling is Monroe County ASCS vice chairman; trustee at the local United Methodist Church; Township Planning Commission secretary; Monroe County Fair 4-H dairy superintendent; 4-H dairy leader; Michigan Corn Growers Association vice president; Monroe County Farm Bureau member and past president; township clerk for 10 years; and he participated in the Kellogg Farm Study program which took him around the United States and the world to study farming methods. He is a member of the Milan FFA Advisory Council and has earned the FFA State and American Farmers Awards. Darling and his wife, Joanne, have three children.



JACK HOLMAN

Week of March 9 - Jack Holman, 48, a fruit grower from Traverse City who is the fifth generation of his family in that occupation. He farms 100 acres, raising sweet and sour cherries on a farm that has been in the family for over 100 years. Holman is a Grand Traverse Fruit Growers Council board member; Peninsula Township Board of Review member; cherry committeeman for the Michigan Agricultural Cooperative Marketing Association; alternate member of the Cherry Administrative Board; Ogdensburg United Methodist Church member; Northwest Michigan Farm Bureau member and past board member; American Legion member and past director of the local post; past member of the Peninsula Township Volunteer Fire Department; past township park board chairman; and past ASCS committeeman. Holman and his wife, Georgia, have two children.



DALE TREMBLE

Week of March 16 - Dale Tremble, 37, a livestock farmer who farms 2,000 acres and processes about 2,000 cattle a year. Tremble, who farms near Jeddo in St. Clair County, is a CPR instructor-trainer for the Michigan Heart Association; volunteer fireman with the Grant Township Fire Department; and St. Clair County Farm Bureau member. He served as an officer in the local Little League program for five years, including two years as president. Tremble and his wife, Carol Ann, have four children.



ERIC BAILEY

Week of March 23 - Eric Bailey, 32, who farms 1,300 acres near St. Louis in partnership with his father where they primarily raise beans. Bailey was recently appointed by the governor to the Michigan Bean Commission. He is on the Breckenridge Schools board of education and the advisory board of the Breckenridge-Wheeler Elevator. He is vice president of the Breckenridge Senior Citizen Housing Project; advisory board member for the Breckenridge Schools FFA chapter; and served on the Wheeler Township zoning board. Bailey, an active member of the Gratiot County Farm Bureau, was the organization's youngest president and currently heads the FB committee on campaigns and political affairs. He and his wife, Carol, have two children.

PATRICK GRUEHN

Week of March 30 - Patrick Gruehn, 26, of Owendale who farms 600 acres in partnership with his father and brother. They raise beef steers, feeder pigs, corn, beans and wheat. Gruehn is a Sebewaung Jaycees board member and served as president in 1979-80. He is active in the Holy Family Parish of Sebewaung, church ushers' club member and past member of the parish social committee. A Huron County Farm Bureau member, he is active in the young farmer program, is serving on the livestock committee and is a membership worker. In 1978 he was selected Distinguished Young Farmer by the county FB. He was active in 4-H and received the Premier Sugar Beet Grower Award. Gruehn and his wife, Amy, have two children.

Farm Bureau Insurance Doubles Member Life Benefits for Renewals

Insurance benefits for Farm Bureau members who renew their Member Life policies will increase 125 percent at no additional cost, effective throughout the policy year of April 1, 1981 to March 31, 1982.

This means that benefits for renewing members are now more than double the amounts listed in the original policy schedule, while the premium costs remains at just \$25 a year. This low cost provides protection for the member, spouse and children.

Since the inception of the Member Life Program seven years ago, the original schedule of insurance benefits has been increased by 10 percent, 20 percent, 40 percent, 75 percent, 100 percent and now, 125 percent.

Here is an example of what the increase would mean for a 34-year-old Farm Bureau member and spouse. If the coverage applies to the member and spouse only, the original policy schedule shows a \$4,057 benefit for the member and a \$1,000 benefit for the spouse. With the 125 percent increase, these benefits jump to \$9,128 on the member and \$2,250 on the spouse.

And, if the coverage is for the named member only, the amount of life insurance protection on a 34-year-old member jumps from \$5,057 to \$11,378 with the increase. Coverages on members vary, depending on the member's age and family situation, but the cost is the same for all Farm

Bureau members - just \$25 a year.

Members enrolling for the first time will receive benefits as listed in the original policy schedule, although they will be eligible for any benefit increases when they renew their policies.

"In the face of inflation, the Member Life policy is an excel-

lent value," said Walter P. Lander, vice president and general manager of Farm Bureau Life. "Because of the benefit increases, inflation doesn't erode the value of Member Life."

Nearly 7,000 member families are insured through the exclusive Member Life program.

HOMELITE[®] MAY SPECIAL

MODEL ST-100

- Full 20" cutting swath
- Weighs only 8 1/4 lbs.
- Fuel tank built into handle for better balance
- Exclusive Softone[®] muffler directs engine noise down into ground for quieter operation
- Optional blower attachment has 100 MPH wind velocity
- Installs in seconds, without tools



\$129⁹⁵

Resists corrosion from farm chemicals. 8400 GPH capacity.

NOW \$189⁰⁰
REG. \$274⁰⁰



MODEL ST-200

- Full 20" cutting swath
- Weighs only 13 1/4 lbs.
- 19 oz. fuel tank allows up to an hour of uninterrupted working time

\$179⁹⁵

FREE BLOWER ATTACHMENT with purchase of new ST-100 or ST-200 trimmer. Retail value of \$19.99.

Where Your Farm Comes First
Farm Bureau
FARM BUREAU SERVICES, INC.

County Boards to Consider AgriPac, Dues Option Plan

At the April meeting of the Michigan Farm Bureau board of directors, a plan requested by the delegate body in 1980 was approved. It will provide members with the opportunity to voluntarily contribute to AgriPac when they pay their dues.

All county Farm Bureau boards of directors are being asked to authorize a 1982 annual dues notice for their counties which contains language giving members the voluntary option of adding \$1.00, earmarked to AgriPac, to their 1982 dues.

This option will be included only on those county dues notices where it has been authorized by the county board of directors.

County boards will consider this proposal at their May meetings.

Available through the following:

Bay City	Farm Bureau Services, Inc.	517-893-3577
Breckenridge	Farmers Petroleum Cooperative, Inc.	517-842-3575
Caro	Farmers Petroleum Cooperative, Inc.	517-673-7714
Carrollton	Farm Bureau Services, Inc./Saginaw Supply Center	517-753-3457
Carson City	Farm Bureau Services, Inc.	517-584-6631
Cassopolis	Farmers Petroleum Cooperative, Inc.	616-445-2311
Chesaning	Chesaning Farmers Co-op, Inc.	517-845-3040
Coldwater	Farm Bureau Services, Inc.	517-279-8491
Comstock Park	Farmers Petroleum Cooperative, Inc.	616-784-1071
Ellsworth	Ellsworth Farmers Exchange	616-588-2300
Emmett	Farmers Petroleum Cooperative, Inc.	313-384-1350
Gagetown	Farm Bureau Services, Inc.	517-665-9975
Hart	Farm Bureau Services, Inc.	616-873-2158
Highland	Farmers Petroleum Cooperative, Inc.	313-887-4109
Jonesville	Farmers Petroleum Cooperative, Inc.	517-849-9502
Kalamazoo	Farm Bureau Services, Inc.	616-381-0596
Leslie	Leslie Co-op, Inc.	517-589-8248
Linwood	Farmers Petroleum Cooperative, Inc.	517-697-5761
Marcellus	Farm Bureau Services, Inc.	616-646-5115
Marion	Marion ITCO	616-743-2831
Mendon	St. Joseph County Farm Bureau Services	616-496-2385
Midland	Cohoons Elevator	517-835-7724
Mt. Pleasant	Farm Bureau Services, Inc.	517-773-3670
Petoskey	Farmers Petroleum Cooperative, Inc.	616-347-3260
Pinconning	Farm Bureau Services, Inc.	517-879-3411
Remus	Farm Bureau Services, Inc.	517-967-3511
Rothbury	Rothbury Hardware & Farm Supply, Inc.	616-894-8590
Sandusky	Farmers Petroleum Cooperative, Inc.	313-648-3032
Schoolcraft	Farm Bureau Services, Inc.	616-679-4063
Scottville	Farm Bureau Services, Inc.	616-757-3780
Stanwood	Burden's ITCO Farm & Home Center	616-823-2607
St. Johns	Farmers Petroleum Cooperative, Inc.	517-224-7900
Traverse City	Farm Bureau Services, Inc.	616-946-5836
Yale	St. Clair County Farm Bureau Services, Inc.	313-387-2202

*For participating dealers in your area, call toll free 1-800-292-2639, Ext. 673 or 675.

(Some items may not be stocked at all participating dealers, but are available and may be ordered.)

Kronemeyer Receives Award



John and Julia Kronemeyer received the 1981 Dairyman of the Year Award from Michigan State University during Farmers' Week. The presentation, made by Dr. Ronald Nelson (left), MSU Animal Science Department chairman, was part of the Michigan Dairy Awards Luncheon activities at Kellogg Center March 23. Kronemeyer was cited for his professional dairy management and his contributions to Michigan's dairy industry.

A Farm Bureau member who owns a 155-cow dairy herd near Pickford was named the 1981 Dairyman of the Year

by the Michigan State University Department of Animal Science on March 23.

John Kronemeyer was hon-

ored at the Michigan dairy awards luncheon during Farmers' Week at MSU. The award is made on the basis of the recipient's managerial ability, as well as his contributions to his community and the dairy industry.

The Kronemeyer farm is a 1,200-acre family operation that used progressive practices to increase milk production from 14,441 pounds on 90 cows in 1975 to 18,324 pounds on its present herd for 1980. Butterfat increased from 546 to 671 pounds during that same period.

Kronemeyer is active in his local church and is chairman and supervisor of the township zoning board, was president of Chippewa Farm Bureau for five years, and is chairman of the county DHIA. He has also been active with the state and national DHIA and Farm Bureau. He was a Kellogg farmer, was nominated as chairman of the Growing Upper Peninsula Committee and was appointed to the Michigan Agriculture Commission by Gov. Milliken in 1980.

Kronemeyer and his wife, Julia, have six children.

St. Clair Youth Wins

'What Will Farm Life Be Like in Year 2000?'



Capac FFA member Bill Schoneman won first place in the state FFA extemporaneous speaking contest sponsored by Farm Bureau Insurance Group.

Bill Schoneman, a member of the Capac Schools chapter of the Future Farmers of America, has earned first place in the state in the FFA extemporaneous speaking contest, sponsored by Farm Bureau Insurance Group.

Schoneman was among eight finalists who competed in the

state level competition held March 26 during the State FFA Convention at Michigan State University.

In the competition, contestants were given a brief time to prepare speeches on agricultural topics drawn from a hat. Schoneman's topic was "In Your Opinion, What Will Farm Life Be Like in the Year 2000?"

Schoneman, the son of Mr. and Mrs. Russell Schoneman of Capac, will represent Michigan in the next level of competition at the National FFA Convention in Kansas City, Mo., in November.

Receiving gold awards in the recent state competition were Ken Tribbley, Byron FFA; and Todd Hazel, Marshall FFA. Recipients of silver awards on the state level were Scott Hobart, Cass City FFA; Sue Dalley; Caledonia FFA; Ruth Cline, Alpena FFA; Daryl Johnson, Lakeview FFA; and Bob Shimp, Waldron FFA.

FBIG sponsored all eight state awards and also sponsored the 30 awards given on the regional level prior to the state competition.

<h3>SPECIAL SAVINGS</h3> <h4>TARPS</h4> <p>BY BROWN & BROWN</p> <p>#710 Vinyl-Fitted Gravity Box Cover \$58.78 REG. \$67.15</p>  <p>#14 Vinyl Truck Cover for 14' Bed \$103.94 REG. \$121.07</p> <p>8'x10' 12 oz. Cotton Canvas \$23.85 REG. \$27.68</p>	<h3>BARNYARD BARGAINS</h3> <table border="0"> <tr><td>Bay City</td><td>Farm Bureau Services, Inc.</td><td>517-893-3577</td></tr> <tr><td>Breckenridge</td><td>Farmers Petroleum Cooperative, Inc.</td><td>517-842-3575</td></tr> <tr><td>Caro</td><td>Farmers Petroleum Cooperative, Inc.</td><td>517-673-7714</td></tr> <tr><td>Carrollton</td><td>Farm Bureau Services, Inc.</td><td>517-753-3457</td></tr> <tr><td>Carson City</td><td>Farm Bureau Services, Inc.</td><td>517-584-6631</td></tr> <tr><td>Cassopolis</td><td>Farmers Petroleum Cooperative, Inc.</td><td>616-445-2311</td></tr> <tr><td>Coldwater</td><td>Farm Bureau Services, Inc.</td><td>517-279-8491</td></tr> <tr><td>Comstock Park</td><td>Farmers Petroleum Cooperative, Inc.</td><td>616-784-1071</td></tr> <tr><td>Conway</td><td>Drayton Farm & Garden Supply</td><td>616-347-8360</td></tr> <tr><td>Emmett</td><td>Farmers Petroleum Cooperative, Inc.</td><td>313-384-1350</td></tr> <tr><td>Engadine</td><td>Engadine Feed & Supply</td><td>906-477-6273</td></tr> <tr><td>Flushing</td><td>Rusty's Farm Supply</td><td>313-659-3256</td></tr> <tr><td>Grand Ledge</td><td>The Deer Barn</td><td>517-627-8451</td></tr> <tr><td>Hart</td><td>Farm Bureau Services, Inc.</td><td>616-873-2158</td></tr> <tr><td>Herron</td><td>Wolf Creek Farm Bureau</td><td>517-727-2391</td></tr> <tr><td>Highland</td><td>Farmers Petroleum Cooperative, Inc.</td><td>313-887-4109</td></tr> <tr><td>Jonesville</td><td>Farmers Petroleum Cooperative, Inc.</td><td>517-849-9502</td></tr> <tr><td>Kalamazoo</td><td>Farm Bureau Services, Inc.</td><td>616-381-0596</td></tr> <tr><td>Kent City</td><td>Kent City Farm Bureau</td><td>616-678-5021</td></tr> <tr><td>Linwood</td><td>Farmers Petroleum Cooperative, Inc.</td><td>517-697-5761</td></tr> <tr><td>Marcellus</td><td>Farm Bureau Services, Inc.</td><td>616-646-5115</td></tr> <tr><td>Mendon</td><td>Farm Bureau Services, Inc.</td><td>616-496-2385</td></tr> <tr><td>Mt. 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OPEN LETTERS

Andrea Hofmeister
Michigan Farm Bureau
1980 Outstanding
Young Farm Woman

Dear Mom and Dad,

Ken and I enjoyed our trip to Washington, D.C. Many thanks for staying with the kids. It is an exquisite city and more gorgeous on this trip than ever before. The cherry blossoms and blue skies made it so romantic, so exciting and so compelling.

As I returned on the plane and the houses disappeared into the steamy haze, I wondered how it would feel to be at the top of agricultural politics.

As I stride authoritatively down the halls of the Russell Senate Office building, tourists stare and point. "There is the Secretary of Agriculture," they whisper, as the echos bounce off the Carrara marble pillars. Elegantly attired in my Christian Dior suit and Gucci shoes, I am serenely confident and invigorated. I am about to present the new farm program which I have slaved over for months. I know I have strong supporters in the Agricultural Committee and announcing the details is merely a formality - a courtesy.

As I arrive, the press begins snapping shots and focusing the television cameras. I pretend not to notice. "Mr. Chairman, esteemed members of the committee . . ." I begin.

We are all so polite, so generous with our introductions and obviously amiable. This is a great job and I reflect briefly on all those poor souls who are still at the mercy of the elements and hard labor to make a living.

"And in conclusion gentlemen, I am sure you'll agree that the programs I have just underscored are in the best interests of agriculture and the nation." Perfect delivery. I take time to sip the hot tea my secretary has set in front of me and adjust my newly designed coiffure.

The chairman announces the questioning procedures. "Ten minutes of inquiry is allowed for each senator on the committee," he decrees. Ten minutes per senator? That is a lot of questioning. But surely they won't need any clarification of such a straight forward bill.

"Madam Secretary, with all do respect, this is a do-nothing bill. It contains nothing of substance and I can't support it in its present form. . . ." Oh well, he's only one senator.

"Madam Secretary, as you know I supported your nomination for this position but my constituents will never accept a budget cut in this area." That was a low blow. Just wait until you need a favor.

"Madam Secretary, this bill gives you tremendous discretionary power. Are you sure you want that much authority?" Good question. After this session I may not want any authority.

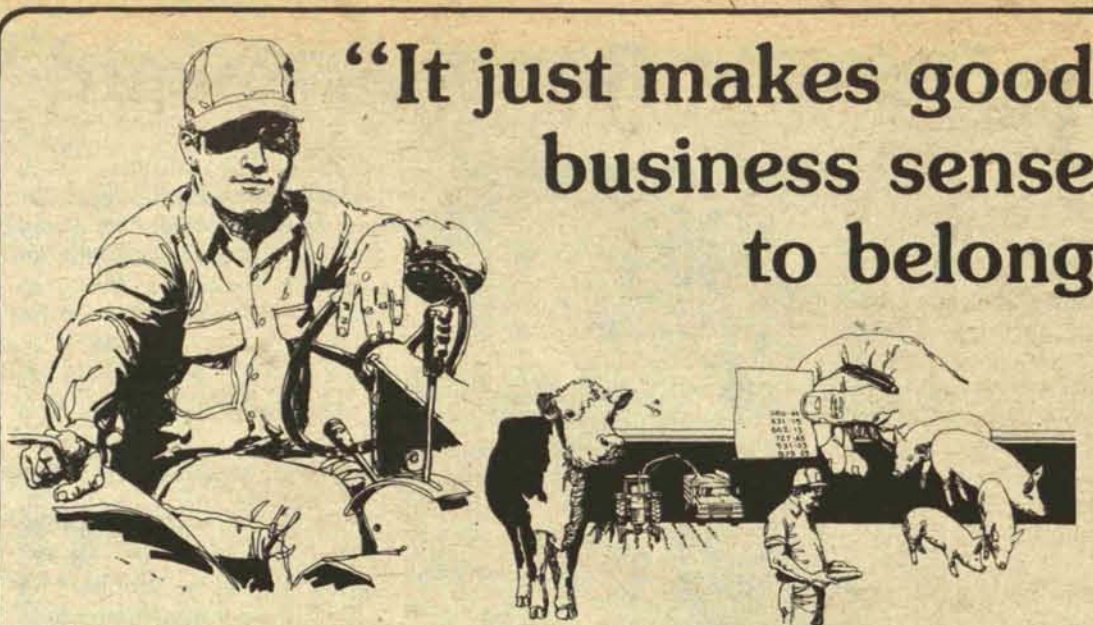
After the committee adjourns, an irate delegation from the purple pineapple lobby accosts me in the hall.

"I see no mention of purple pineapple hearts in the new farm bill. Aren't we as good as the feed grain producers?"

By now the popping flash cubes and the smell of styrofoam cups has given me a migraine. I burst through the 10 foot mahogany doors and begin to fall down, down, down. . . .

"Ugh, that was quite a down draft," says the woman occupying the seat next to mine in our 727. "You don't look well," she says. "Do sudden descents bother your stomach?"

I smile through the rising nausea. I'd like to tell her that sudden ascents can be even more uncomfortable, especially in imaginary politics. But she wouldn't understand, she wasn't there. "It will be good to get back to earth," I reply. An echo comes back from some Carrara marble pillar. "In more ways than one," it says.



"It just makes good business sense to belong

for my farm

INSURANCE COVERAGE TO FIT MY FARM NEEDS: Farmowners, Ag Work Comp, Safety Group

AG LABOR SERVICES: information, consulting services, legal services

FARM ESTATE PLANNING to help keep our farm in the family in the future

SUPPLIES AND SERVICES through a dealer network of farmer-owned cooperatives

MARKET INFORMATION/PROGRAMS: current market conditions via a hotline, commodity newsletters, development of marketing programs to meet my needs

FARM RECORDKEEPING: complete, easy to use, inexpensive computerized farm records

AN EFFECTIVE LOBBY in Lansing and Washington, D.C., to fight laws and regulations that would be detrimental to my farming operation

GROUP PURCHASING PROGRAM to save money on top quality tires and batteries

WHEAT MARKETING PROGRAM: a "pool" to store, handle and sell my wheat

for my family

MONEY MARKET FUND: an opportunity to invest as little as \$1,000 in the Michigan Farm Bureau Money Market Fund

OPPORTUNITIES for the entire family to participate in programs of interest to them - Women, Young Farmers, Local Affairs, Community Action Groups; involvement in developing and executing the organization's policies

HEALTH CARE PROTECTION through one of the finest group health care programs in Michigan

EYE CARE PLAN: special discounts on glasses, lenses and frames

ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE: automatic coverage for my family

GUARANTEED AUTO INSURANCE assures us our policies won't be cancelled

SUPERIOR FOOD PRODUCTS through member-to-member sales

...It PAYS to belong to FARM BUREAU."

Lt. Governor to Speak at Citizenship Seminar

Plans have been finalized for the 1981 Michigan Farm Bureau Young People's Citizenship Seminar at Albion College June 15 through 19.

"Over 200 high school juniors and seniors will attend the 18th annual Citizenship Seminar to learn more about the

American free enterprise market system, democracy and freedom," said Bob Craig, Citizenship Seminar Committee chairman.

"We have many outstanding speakers lined up, with Lieutenant Governor James Brickley heading the list," Craig said.

Other speakers are Dr. John Furbay, noted lecturer and world traveler; Dr. Charles Van Eaton, head of economics at Hillsdale College; Dr. Clifton Ganus, president of Harding University; Maria Schultz, Ukrainian refugee; and William S. Ballenger, state director of

licensing and regulation.

"County Farm Bureaus sponsor and select seminar students who must possess leadership ability and be interested in our economic and political system," Craig said.

Cost of this year's seminar is \$110 per student for room,

meals, enrollment and furnished materials. Students must provide their own transportation; bus transportation is available to students from northern Michigan for \$25 each.

Reservations are on a first come, first serve basis.

Farm Machinery Experts Say:

Keeping Good Records Can Boost Fuel Use Efficiency on Farm

Many growers are using fuel records to boost their fuel-use efficiency. Besides showing which tractor is practical for which job, good fuel records can spot an engine in need of repair, tell you how much fuel can be saved by combining two field operations, or determine the most energy-efficient tillage scheme for your soil.

Farm machinery experts at Massey-Ferguson cite sound reasons for keeping your own fuel records, since fuel-use varies widely from farm to farm. For example, one university study shows that diesel fuel consumption for moldboard

plowing ranged from .91 to 3.64 gallons per acre.

Factors that influence fuel consumption include the tractor's age, size and condition; ground speed; slippage; soil type and condition; tillage depth; and condition and adjustment of the implement.

It takes only a few minutes each day to keep accurate fuel records. Start with a fuel meter for each storage tank on the farm; they're available from your fuel dealer for about \$85. And you'll need one notebook for each tractor, combine or power unit.

Provide for at least six entries in your tractor notebooks: type

of operation, tillage depth, speed, acres, fuel used and hours. You might also want to add columns for soil condition or other influencing factors. Make entries each time you fill the fuel tank so that you can figure the amount of fuel used per acre.

For cars, trucks and pickups, you'll only need to keep track of miles traveled and fuel used.

With these figures in hand, you can evaluate where each gallon of fuel went and why. Then you can more effectively match equipment to field work, and trim back or eliminate inefficient operations.

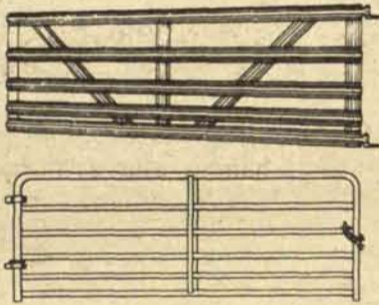
Big Red Visits Open Houses



Farm Bureau Services' new dog food, Big Red, is making quite a splash at co-op open houses around the state, thanks to personal appearances by Big Red himself. Big Red, alias Doug Nelson of the FBS Feed Department, is pictured at his most recent appearance, Sebawaing Co-op's open house. Big Red's line of dry dog foods, High Energy, Nuggets, Spunky and Puppy, are unconditionally guaranteed to satisfy every dog's taste buds and nutrient needs.

Corral cattle gains with Universal gates.

Universal panel and tubular gates are designed for long-life...and minimum maintenance. Universal panel gates are constructed with rust-resistant rivets—instead of spot welds—and 23 gauge "spring" steel panels for added durability.



Universal tubular gates are made of 16 or 18 gauge galvanized steel tubing with sturdy vertical bracing to hold the largest cattle. And they swing a full 270°.

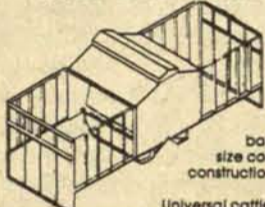
See your local dealer for Universal gates.

Be Sure...Buy Universal.

14 foot 1 1/2 inch 18 gauge

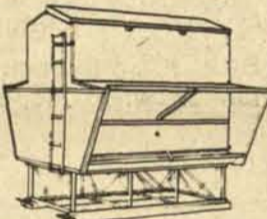
\$66⁹²

Keep cattle on feed with Universal feeders.

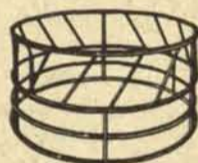


Get calves gaining fast with Universal's broad line of creep feeders. Three-position front creep bar allows maximum size control and heavy duty construction ensures durability.

Universal cattle feeders are designed for portability. And they're large, too. Bin capacity holds several days feed supply...to reduce fillings. Built for maximum strength, these feeders provide adequate feeding space with minimum waste.



Universal has a complete line of hay feeders for stacks, loose hay, big bales or regular bales, with a variety of features. For example, two hay ring models come with optional separator bars that form individual stalls. And bottom panels are available as an option on all models, too. All are designed of top-grade materials for a longer than normal life-span.



Be Sure...Buy Universal.

\$107⁶⁴

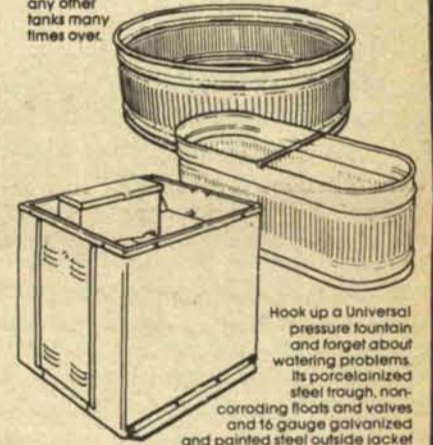
HA-8RS

Bay City	Farm Bureau Services, Inc.	517-893-3577
Breckenridge	Farmers Petroleum Cooperative, Inc.	517-842-3575
Caro	Farmers Petroleum Cooperative, Inc.	517-673-7714
Carrington	Farm Bureau Services, Inc.	517-753-3457
Carson City	Farm Bureau Services, Inc.	517-584-6631
Cassopolis	Farmers Petroleum Cooperative, Inc.	616-445-2311
Coldwater	Farm Bureau Services, Inc.	517-279-8491
Comstock Park	Farmers Petroleum Cooperative, Inc.	616-784-1071
Conway	Drayton Farm & Garden Supply	616-347-8360
Emmett	Farmers Petroleum Cooperative, Inc.	313-384-1350
Engadine	Engadine Feed & Supply	906-477-6273
Flushing	Rusty's Farm Supply	313-659-3256
Grand Ledge	The Deer Barn	517-627-8451
Hart	Farm Bureau Services, Inc.	616-873-2158
Herron	Wolf Creek Farm Bureau	517-727-2391
Highland	Farmers Petroleum Cooperative, Inc.	313-887-4109
Jonesville	Farmers Petroleum Cooperative, Inc.	517-849-9502
Kalamazoo	Farm Bureau Services, Inc.	616-381-0596
Kent City	Kent City Farm Bureau	616-678-5021
Linwood	Farmers Petroleum Cooperative, Inc.	517-697-5761
Marcellus	Farm Bureau Services, Inc.	616-646-5115
Mendon	Farm Bureau Services, Inc.	616-496-2385
Mt. Pleasant	Farm Bureau Services, Inc.	517-773-3670
Petoskey	Farmers Petroleum Cooperative, Inc.	616-347-3260
Pinconning	Farm Bureau Services, Inc.	517-879-3411
Remus	Farm Bureau Services, Inc.	517-967-8358
Rothbury	Rothbury Hardware & Farm Supply, Inc.	616-894-8590
Sandusky	Farmers Petroleum Cooperative, Inc.	313-648-3032
Sault St. Marie	Chippewa County Co-op	906-632-3751
Schoolcraft	Farm Bureau Services, Inc.	616-679-4063
Scottville	Farm Bureau Services, Inc.	616-757-3780
Snover	Snover Cooperative	313-672-9221
St. Johns	Farmers Petroleum Cooperative, Inc.	517-224-7900
St. Johns	St. Johns Cooperative	517-224-2381
Traverse City	Farm Bureau Services, Inc.	616-946-5836
West Branch	Farmers Petroleum Cooperative, Inc.	517-345-0428
Yale	West Branch Farmers Co-op Farm Bureau Services, Inc.	313-387-2202

For other participating dealers in your area, call toll-free 1-800-292-2639, ext. 673 or 675. (Some items may not be stocked at all participating dealers, but are available and may be ordered.)

Keep cattle profits flowing with Universal tanks, fountains.

Universal double-life stock tanks are built to last—even under the most severe environmental conditions. These tank bottoms have a coating of 2 oz. zinc over 20 gauge steel. Bottoms are tightly locked and soldered and will outlast any other tanks many times over.



Hook up a Universal pressure fountain and forget about watering problems. Its porcelainized steel trough, non-corroding floats and valves and 16 gauge galvanized and painted steel outside jacket provide minimal maintenance and extended life expectancy.

See your local dealer for Universal cattle waterers.

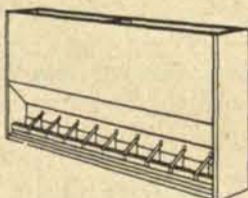
Be Sure...Buy Universal.

RE 224

\$47⁵⁷

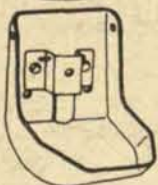
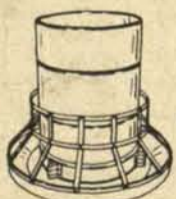
Good gains start with Universal feeders, waterers.

Universal's rectangular and rotary feeders are designed to give the best results possible in tight confinement quarters. Like undercut



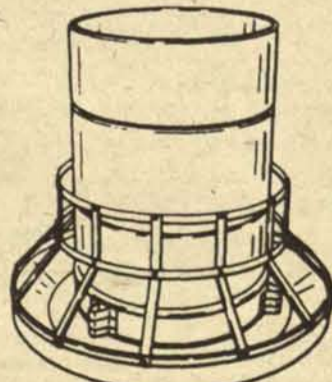
trough design in rectangular feeders to save floor space. And the rotary feeders are so well made that even newly-weaned pigs can rotate the drum to get their full ration of feed. They're both available in galvanized and...stainless steel.

Do you prefer nipple or bowl waterers? No matter... Universal has them both. The Universal nipples provide a gentle flow of water...without excessive waste and mess. Universal's water cups



come in porcelainized steel or cast iron, and utilize either pressure or gravity flow. And like all Universal products, they come with a full-year warranty. See your local dealer for Universal feeders and waterers. Be Sure...Buy Universal.

All That Glitters Isn't Stainless Steel.



Try the Universal Magnet Test to make sure you're getting real stainless steel hog equipment that's durable. What some people refer to as "stainless steel"...really isn't. Use a magnet to tell what you're getting. High-quality stainless steel does not attract a magnet.

Universal stainless feeders are made of the best grade of stainless steel used in hog equipment today. And, unlike competitive stainless steel products, Universal's feeders won't attract a magnet...they will give you maximum durability. Try the Universal Magnet test. Before you buy.

Be Sure...Buy Universal.

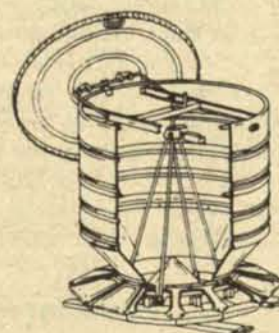
Get 'double-life' with Universal feeders.

Universal understands the problems hog feeders face when set out in an open lot. That's why Universal builds its 12-door "BB" feeder bottoms with 12 gauge steel galvanized with 2 oz. of durable zinc coating—to provide protection against the elements.

These Universal feeders have a "double-life" capability. And they're built with an array of convenience features second to none.

See your local dealer for your Universal hog feeders.

Be Sure...Buy Universal.



BB 40

\$232⁰⁴

Rugged, long-life features built into Universal hog waterers.

Be sure your hogs always have water—summer or winter—with Universal pressure waterers. These time-saving waterers are designed with non-corroding valves and floats for minimum maintenance and extra long-life.



Universal's 70-gallon pasture waterer keeps plenty of water available for your hogs—without piping it in. Constructed of durable galvanized steel, this waterer has recessed drinkers, and can be heated in the winter to assure a year around water supply. Also available with porcelainized troughs for even longer wear. See your local dealer for Universal waterers.

Be Sure...Buy Universal.

G80S

\$155⁸⁴

Where Your Farm Comes First

Farm Bureau
FARM BUREAU SERVICES, INC

P.A. 116 Benefits Landowners

The conversion of essential agricultural and open space lands in Michigan for tourist parks, commerce, industrial development and living space has become alarmingly high. To alleviate this rapid and often premature conversion of lands uniquely suited for agriculture and open space to more intensive use, Gov. Milliken signed into law the "Farmland and Open Space Preservation Act" (P.A. 116) on May 23, 1974.

This act enables a landowner to enter into a development rights agreement (for farmland) or a development rights easement (for open space) with the state. These agreements or easements are designed to ensure that the land remains in a particular use or uses for an agreed upon period. In return for maintaining the land in a particular use, the landowner is entitled to certain income or property tax benefits.

There are two general classes of land eligible under the act - farmland and open space land:

Farmland eligibility is governed by the size of the farm and in two instances by the income from the farm - a farm of 40 or more acres, a farm of from 5 to 40 acres with a minimum per acre income of \$200 per year, or a specialty farm with gross annual income of \$2,000 or more. At least 50 percent of the land in the application must be under cultivation or grassland.

Open space land has been divided into two categories under the act. The first deals with historic, river front and shore land areas. This type of land requires the property be undeveloped and either historic in nature and recognized as such by appropriate federal or state laws, be river front on a river designated under Act 231, the Natural Rivers Act of 1970, or be designated as an environmental area under Act 245, the Shore Lands Protection and Management Act of 1970.

The second category, open space land, is more general in definition and includes lands which conserve natural or scenic resources, enhance recreation opportunities, preserve historic sights and idle potential farmland of not less than 40 acres. The designation of this particular type of open space is primarily the responsibility of the local government body and the interpretation of qualified lands may vary from location to location, depending on local circumstances.

Procedures for Entering the Program

A landowner who is interested in applying files an application with the local governing body, i.e. city, village, township (if the township has adopted its own zoning ordinance) or county (for those townships which have not adopted a zoning ordinance). The local governing body then has 45 days to approve or reject the application. With this time, the governing body must seek the comments of the county or regional planning commission, the soil conservation district, the city (if the land is within three miles of the city), or the village (if the land is within one mile of the village). These agencies are allowed 30 days from the day of notification to forward their comments to the clerk of the local governing body. If approved, the application is forwarded to the Department of Natural Resources. If rejected or if no action is taken by the local governing body, the applicant may appeal directly to the DNR within 30 days.

The application is for the entire calendar year. However, eligibility for various tax benefits of the act requires that the agreement or easement be executed and registered in the year for which the landowner claims the benefits, i.e. by December 31. Filing of an application before December 31 does not guarantee that a landowner will be eligible for that year.

Development Rights

Agreements or easements are the names given to the legal documents through which the state and a

landowner agree not to develop or change the use of the land in return for certain income or property tax benefits.

Under the act, the agreement or easement must contain certain provisions: that non-farm structures not be built on the land; an improvement shall not be made or any interest in the land sold except for a scenic access or utility easement which would not change the character of the land without first receiving state approval. There are provisions for those structures or improvements which are necessary for and consistent with a farm operation or any other use agreed upon by the landowner and the state. The minimum time period for a development rights agreement or easement is 10 years. However, it can be for a longer period or may be renewed if the owner so desires. Public access can only be provided if both parties, the state and the landowner, agree and set forth the provisions in the development rights agreement or easement.

Benefits to the Landowner

There are three general benefits to a landowner for enrolling property in P.A. 116. These are:

Lands that qualify and are approved and registered for either a farmland agreement or an open space easement are exempted from special assessments for sanitary sewers, water, lights, or non-farm drainage unless the assessments were imposed prior to the signing of the agreement or easement. Land which is exempt from the special assessment will be denied use of the improvement until the agreement or easement is terminated and the amount of the exemption has been paid.

Under a farmland development rights agreement, the exact benefits would depend upon the property tax assessed against the property and the income of the landowner. The landowner is entitled to claim as a credit on his Michigan income tax the amount by which the property taxes on the farmland covered by the agreement exceed 7 percent of his income. Roughly speaking, if a landowner had an income of \$10,000 and property taxes against the farm of \$1,200, he would subtract \$700 (7 percent of \$10,000) from the \$1,200 property tax for an income tax credit of \$500. This is in addition to the homestead property tax credit for which the landowner may already qualify.

For those lands under an open easement, the direct tax benefits are in the actual taxes paid by the landowner. This is done by reappraising the land calculating the difference between the current market value of the unrestricted property and the value of the property if the right to develop the land was restricted through a use easement. This difference in the value of the development rights indicates the direct tax savings to the landowner.

Procedures for Withdrawal

Early withdrawal from the program requires that the landowner follow essentially the same procedure as for application with the local governing body stating his reasons and need for seeking withdrawal from the program. The local governing

body must either approve or reject the application. The application is then forwarded to the state for approval or rejection. Natural termination when the agreement or easement runs its full course, does not require an application by the landowner. The landowner will be contacted two years before his contract expires and asked whether he wishes to renew his contract.

The act provides that the state, in agreement with the owner, may terminate that development of the land if it is in the public interest. In this case, an application is not required.

A landowner is free to sell his land, however, the nature of the agreement or easement is such that it remains with the land, that is, the agreement or easement must appear in the deed or conveyance and the purchaser must agree to carry out the balance of the agreement or easement unless the land is withdrawn as outlined. Any change in ownership or use of the land requires the state be notified.

In the event of death or total and permanent disability, the heirs or successors of the owner of record may choose to continue the agreement or easement and continue to receive the tax benefits. However, the heirs or successors may apply to the state for release from the program. Under the provisions of the act, they would be required to pay back the last seven years of benefits, or a prorated amount if the agreement or easement had not run seven or more years, accrued under the act. The amount due would be in the form of a lien against the property and would be due at the time the property or any portion of it is sold or the use is changed to one prohibited by the agreement or easement. A family may choose to continue the agreement or easement and continue to receive the tax benefits.

Penalties

If the landowner requests, and is granted an early termination of his agreement or easement, he is required to repay the total amount of all tax benefits granted him under the act with interest at 6 percent per annum compounded. This penalty is in the form of a lien due when the property or any portion

QUESTIONS

Were you aware that undeveloped, non-agricultural real property (e.g. woodlots) can be included in P.A. 116 contracts? Yes No

Check the following if you feel it applies urban pressure on farmland in your community?

- Building of homes on scattered, individual parcels in the countryside
- Requests to sell farmland for development
- Subdivisions or residential complexes
- Trespassing by recreationalists and sportsmen
- Increasing prices of land
- Expanding industry

Do you feel that P.A. 116 needs more time and participation to test its effectiveness in preserving Michigan's farmland? Yes No

Do you feel information about P.A. 116 is readily available in your community? Yes No

DISCUSSION TOPIC

by **KEN WILES**
Manager, Member Relations

YOUR FARM IS OUR OFFICE



FOR FARMOWNERS INSURANCE THAT WORKS...

You can't work a farm from a rocking chair. We can't insure a farm from a downtown office. Annual insurance reviews, new equipment updates, new building evaluations, workers compensation analysis; agents with the farm insurance knowledge you need are there. At your farm. When you need them.

**THAT'S WHY
FARM BUREAU MUTUAL
IS MICHIGAN'S LARGEST
FARM INSURER.**

**FARM BUREAU
INSURANCE
GROUP** 

FARM BUREAU MUTUAL • FARM BUREAU LIFE • COMMUNITY SERVICE INSURANCE • FB ANNUITY