



MICHIGAN FARM BUREAU

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Michigan's harvest rolls along with record yields



With soybean harvest nearing completion, the total amount of soybeans harvested will produce over 74 million bushel, breaking the 1995 record by over 1.4 million bushels. Warm weather in early October sped the bulk of the soybeans to maturity.

Global Climate Change Treaty

Economic analysis: Treaty threatens to impose severe impacts on farms

The higher energy prices that would accompany measures to limit greenhouse gas emissions would severely affect farmers and ranchers. According to an analysis by the American Farm Bureau Federation (AFBF), net farm income nationwide could be slashed by 24 percent if the equivalent of a 25-cent gas tax were imposed and by 48 percent if a 50-cent tax were enacted. (The 25-cent scenario comes from a recent Commerce Department estimate regarding the treaty's impact. The 50-cent scenario comes from several industry estimates. The AFBF analysis used both, calling them the "low" energy price increase scenario and the "high" increase scenario.)

"The high energy increase scenario has the potential for causing an economic downturn in the agricultural sector that would parallel the experience of the mid-1980s," notes Terry Francl, an AFBF senior economist.

Farm income would be sliced and land prices would fall, causing another "mini-depression" in the farm sector, Francl says. Increased production costs would eat into profits and jeopardize farm loan and mortgage repayments. The "low" energy price scenario would be less drastic, he says, but would probably induce stagnation in the farm sector, characterized by low profits and slowly declining land prices over an extended period.

Under both scenarios, the nation would see increased consolidation of agricultural production. Smaller-scale farmers, because of higher production costs, would be forced to sell to larger-scale producers. Younger farmers, or those who have taken on debt, "would probably find themselves in an unprofitable situation and be forced to abandon agriculture," says Francl.

The impacts of higher energy prices vary by commodity. While the increase, by percentage, of a 25-cent hike in fuel costs for wheat and cotton is similar, around 13 percent, it translates into a \$7.29-per-acre increase in production expenses for wheat and a \$35-per-acre increase for cotton.

For hog producers, an increase in production expenses from increased fuel costs seems relatively small, 4.9 and 10.3 percent for the two scenarios. However, that translates into slashed profits of 40 to 84.5 percent, depending on the fuel price hike.

"Livestock feeders and dairy farmers operate on a very thin margin," explains Francl. "Relatively small changes in the cost of

Continued on page 4

Fifteen growers unite to form Michigan Apple Packers Cooperative

It's a problem every farmer may one day face. What do you do if your equipment is becoming outdated and the cost of replacement equipment is so high you have to look for other ways to get the job done?

That's precisely the dilemma 15 apple growers faced two years ago along the fruit-growing ridge that lines northern Kent County. Their solution? Join forces to form Michigan Apple Packers Cooperative, pooling their resources to build a state-of-the-art packing facility and guarantee part of their production to operate it.

"They had to commit a certain amount of bushel per year to make this thing fly," explained Rob Steffens, president and grower-member of the cooperative. "We wanted to run at least a half-million bushel."

The \$2.1 million, 42,500-square-foot facility can handle up to 800,000 bushels a year and is the most technologically advanced packing facility east of Washington, according to Steffens. It began handling apples in early September from its member-growers.

"If you're putting in something new, you want



Facing the challenge of using outdated equipment or buying expensive replacements, 15 West Michigan growers pooled their resources to build a new state-of-the-art facility.

the best," Steffens added. "You don't want to put in anything that's outdated, and this was the best equipment out there at the time."

"The big difference between ours and another facility is we have 85 brushes that really polish the fruit up and do an excellent wax job on the fruit," he explained. "That is a standard washer/waxer in Washington state. That's what we wanted was something comparable to what they do, because they do such an excellent job out there."

The most advanced portion of the four-lane sorting line, which runs the span of the 400-foot-long

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COVER STORY

Warm temperatures help crops mature for record yields

Weather worries subsided somewhat for Michigan farmers in early October when warm temperatures prevailed helping most field crops reach maturity levels.

By now, Michigan's record soybean harvest is complete. Soybean production, at 74 million bushels, surpassed the 1995 record high. The yield averaged 39 bushels per acre, up 10.5 bushels from the previous year. This year's crop is estimated to be over 55 percent above 1996.

On the other hand, U.S. soybean production was forecast at 2.72 billion bushels, down slightly from the September 1 forecast but 14 percent above the 1996 production.

Dry bean yield averaged approximately 1,650 pounds per acre, according to the Michigan Ag Statistics Service (MASS), which was a 10 percent increase from 1996.

"Mid-September's cool and wet conditions dampened the dry bean yield prospects," explained MFB Field Crops Manager Bob Boehm. "This year, black beans yielded much better than navies. The recent weather pattern dramatically improved the quality of later-harvested beans; however, navy prices remain depressed due to the large carryover."

The warm weather was a real benefit to the corn crop, which has been two to three weeks behind the normal maturity all summer. The delay in the first killing frost relieved many concerns about a repeat to the 1992 disaster of high moisture and low test weight.

MASS estimates that Michigan corn yields

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News in Brief



From the President

Fast-track trading authority — good for agriculture, good for you

Congress is now considering legislation that is vital to the future prosperity of U.S. agriculture. The legislation, known as "fast-track" trade authority, would authorize the president and future administrations to begin new trade talks or negotiate expansion and improvement of existing trade agreements with other nations.

During the negotiations, the president is required to consult with Congress and industry as trade agreements are negotiated. Once a trade agreement is finalized, the president must submit it to Congress. Public hearings are also held before the U.S. House and Senate must vote to approve or disapprove it in its entirety.

Recognizing the tremendous economic benefits for U.S. agriculture, the American Farm Bureau Federation voted recently to support legislation authorizing fast-track negotiating authority for the president. But that support didn't come easily. Farm Bureau withheld its support until specific language was included to address agriculture. Farm Bureau insisted the language direct the president to do the following when negotiating trade agreements:

- Reduce or eliminate foreign tariffs, subsidies and other programs that decrease market opportunities for U.S. agricultural exports.
- Develop, strengthen and clarify rules for effective dispute settlement mechanisms to eliminate practices that unfairly decrease U.S. market access opportunities or distort agricultural markets. Special emphasis must be given to import-sensitive products, including unjustified sanitary or phytosanitary restrictions that are not based on sound science.
- Improve import relief mechanisms to recognize the unique characteristics of perishable agriculture.
- Take into account whether a nation participating in the trade negotiations has failed to adhere to the provisions of already existing trade agreements with the United States or has circumvented obligations.
- Ensure that countries joining the World Trade Organization have made meaningful market liber-

alization commitments in agriculture.

There is strong opposition by labor unions and environmentalists to renewing fast-track trade authority. Labor unions want to require trade agreements to impose high minimum-wage requirements and other strong labor provisions on businesses in foreign nations. Environmentalists want trade agreements to impose rigid environmental programs on foreign businesses. Unfortunately, these labor and environmental issues are not trade issues and only invite retaliation against the U.S. if included in trade agreements.

So why is renewing fast-track trading authority so crucial? Let's not forget two key points in the ensuing debate on fast-track. First of all, growth in international trade is going to happen, with or without U.S. participation. Secondly, the U.S. accounts for just 4 percent of all the world's consumers, meaning we must rely on exports to sell a growing share of our goods and services.

Agriculture depends on exports for one-third of all sales. U.S. agricultural exports have more than doubled from \$29 billion in 1984 to \$60 billion in 1996. Much of this growth has been attributed to efforts to open markets through trade agreements and multilateral trade negotiations, increasing per-capita income in the rest of the world, production shortfalls in key regions, a weaker U.S. dollar and greater exports of value-added products. To guarantee the continuation of this trend, international market expansion must continue.

Since 1992, our competitors have negotiated 20 regional trade pacts without us. In every region of the world, this process continues. The costs of inaction are high. Canada has reached a trade agreement with Chile that will provide an 11 percent tariff reduction on Canadian products. Every time an American company competes to sell to Chile, it will face an immediate 11 percent disadvantage.

Exports create American jobs. Today, more than 11 million American jobs are supported by exports, including one in every five manufacturing jobs — good jobs, paying 13-16 percent more than non-trade-related jobs. Over the last four years, one-quarter of our economic growth came from trade. If we are to raise our standard of living, we must continue creating jobs through exports.

The United States has enjoyed the longest period of sustained growth of all of our G-7 trading partners. Over the last four years, we have created 12 million new jobs, more than all the other G-7 countries combined; exports created 1.4 million of those jobs.

I would encourage you to contact your U.S. representative and senators and ask them to support renewal of fast-track trading authority. We would not simply be handing the president a blank check, as some critics would argue. What we would be giving this president, and future administrations, is the opportunity to negotiate trade agreements to make sure all of us benefit from future global trade and economic growth.

Sincerely,

Jack Laurie
Jack Laurie, President
Michigan Farm Bureau

MSU-Ag Tourism Conference set for November

How about vacationers playing you to help you do work on your farm? Or what would you think of perfecting grandmother's special breakfast sausage and selling it worldwide?

These possibilities will be discussed at a conference near Benton Harbor by people who are doing just that. Others will tell how their similarly unique agriculture and natural resource business is a part of the existing farm operation.

The Agriculture and Natural Resources Products Tourism Conference will be held Nov. 5-7, in the Mendel Center at Lake Michigan College, Benton Harbor. Conference registration is \$85.

The focus will be on getting people in agriculture and natural resources and interested in tapping into an industry with a 3 to 4 percent annual growth rate.

"This conference will show participants how recreation/tourism can diversify practically any existing farm or natural resource operation," said Edward Mahoney, MSU Extension specialist in the Department of Park and Recreation Resources. "We are not interested in being a part of a venture that will displace or replace

existing farms or natural resource operations. In fact, we're really interested in seeing how recreation/tourism can help preserve the state's agriculture and natural resource base."

Mahoney said several speakers will detail how they got started in their tourism/natural resource business and what steps they are taking to assure its continued operation.

"Just about anything a person needs to know about getting started in agricultural and natural resources tourism, and being successful at it over the long term, will be talked about at this conference," Mahoney said.

The program contains three tracts: getting into the tourism/recreation market, creating a market for a product or offered experience and guidelines on staying in business and remaining profitable.

For a conference brochure and registration form, write to Michigan Ag & NRP Tourism Conference, Southwestern Michigan Tourist Council, 2300 Pipestone Rd., Benton Harbor, MI 49022. For more information, call (517)353-5190.

CRP sign-up under way

The Agriculture Department is currently conducting the latest round of sign-ups for the conservation reserve program. Rules for land acceptance have been altered from the last round and USDA personnel are focusing efforts on instructing interested farmers on how to best apply for the program.

The sign-up, which will end Nov. 14, is focusing on land most vulnerable to soil erosion and land that is not ideal crop-producing ground. Farmers in the Pacific Northwest will be given greater consideration for proposing to idle land that is subject to wind erosion—the idea is that air quality would benefit. Producers who are willing to settle on "rent" payments below the maximum also will be more likely to

have their land accepted into the idling program.

"I think we have a more consistent program nationwide and we're open for business," said Agriculture Secretary Dan Glickman, who announced the revised program that is expected to rectify the last sign-up when more than 7.1 million acres were rejected by the program. Glickman said USDA will be more responsive this time around and will help educate producers about the application and land "rating" process.

"We were rather rushed" in the last sign-up, Glickman said, defending last spring's enrollment. "There was some belief out there that farmers did not get the information and technical assistance that they needed."

ORGANIZATIONAL BRIEFS

Volunteers needed for Traverse City outreach

Over 130 county Farm Bureau volunteers will be needed for the Traverse City School outreach coordinated by the State Promotion and Education Committee. The outreach will take place during the Michigan Farm Bureau state annual meeting on Dec. 11. The volunteers will teach a hands-on science based lesson to second-and-third-grade students. The 2nd grade lesson this year is "Understanding

Insects as Friends or Foes" and the third-grade lesson is called, "Where Would We Be Without Seeds?" Volunteers are provided with a kit of materials and training. The training takes place on Wednesday afternoon, Dec. 10. If you would like to help educate students at Traverse City, contact your county Farm Bureau office for a sign-up form or call Karen Stone-man at MFB, (800) 292-2680 ext. 3206.

Michigan Farm Bureau offering scholarships

Students enrolled at Michigan State University in a four-year or two-year agricultural major are eligible for two different scholarships from the Michigan Farm Bureau. One of those scholarships, funded by the Marge Karker Scholarship Fund, provides \$1,500 for a student enrolled in a two-year ag-tech program.

A \$3,000 scholarship, funded the MFB Young Farmer Trust Fund, is also available to students enrolled in a four-year program at Michigan State University in the College of Agriculture and Natural Resources who can meet the following requirements:

- The scholarship is to be given to a student enrolled at Michigan State University in the College of Agriculture and Natural Resources.
- This scholarship is available to a student after completing two terms in college and who has at least 25 credits left before completing their undergraduate degree.
- Students are encouraged to apply for this scholarship after their sophomore and/or junior year.
- The scholarship is to be applied toward tuition at Michigan State University beginning with the fall semester following receipt of the scholarship.
- The applicant should have a scholastic average, as indicated by Michigan State University, of 2.6 or above on a 4.0 scale.

To request an application, contact Julie Chamberlain, manager of Michigan Farm Bureau's Promotion and Education Department at (800)292-2680, ext. 3213. The Scholarship Committee of Michigan Farm Bureau will interview top applicants. Applications must be completed by the Dec. 1, 1997 deadline.

MFB Thanks Rep. Smith for income averaging bill



MFB President Jack Laurie met with U.S. Rep. Nick Smith (R-Addison) recently at Farm Bureau Center. Laurie thanked Smith on behalf of Michigan farmers for introducing a bill into the House allowing for income averaging. The income averaging legislation presented in H.R. 86 was adopted.

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Capitol Corner

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

NATIONAL

Fast-track legislation

President Clinton has formally requested Congress to pass so-called fast-track legislation that will allow the president to negotiate trade agreements. Previous authorization for the president to negotiate new trade agreements expired in 1994. Without such authority, the United States will be left sitting on the sidelines while other nations negotiate trade agreements and capture export markets that American farmers could otherwise supply.

Under fast-track legislation, the president has authority to negotiate trade agreements. During the negotiations, Congress and interest groups are kept informed of progress and have the opportunity to make input. Following completion of the negotiations, the agreement is presented to Congress for review, public hearings and approval or disapproval. Congress cannot amend the agreement.

Farm Bureau policy has supported fast-track authority for many years. In the current debate by Congress over reauthorizing fast-track authority, Farm Bureau withheld its support unless specific language was included to address agriculture. Farm Bureau insisted the language direct the president to do the following when negotiating trade agreements:

- Reduce or eliminate foreign tariffs or other programs that decrease market opportunities for U.S. agricultural exports.
- Reduce or eliminate subsidies that decrease market opportunities or unfairly distort agriculture markets to the detriment of the United States.
- Develop, strengthen and clarify rules and effective dispute settlement mechanisms to eliminate practices that unfairly decrease U.S. market access opportunities or distort agricultural markets to the detriment of the United States. Special emphasis must be given to import-sensitive products, including unjustified sanitary or phytosanitary restrictions that are not based on sound science.
- Improve import relief mechanisms to recognize the

unique characteristics of perishable agriculture.

- Take into account whether a nation participating in the trade negotiations has failed to adhere to the provisions of already existing trade agreements with the United States or has circumvented obligations.
- Ensure that countries joining the World Trade Organization have made meaningful market liberalization commitments in agriculture.

On Oct. 8, the House Ways and Means Committee approved the fast-track legislation and sent it to the floor for consideration by the full House of Representatives. The committee included the above agricultural language. Agriculture is the only segment of the economy that received this special emphasis in the fast-track legislation.

The importance of exports to agriculture and future export opportunities are very closely linked to trade agreements. In 1996, U.S. exports of agricultural commodities set a new all-time record at \$60 billion. The export market provided outlets for the following percentages of U.S. commodities: 22 percent of the corn crop, 54 percent of the wheat crop, 49 percent of the soybean crop, 7 percent of the beef production, 6 percent of the pork production, 17 percent of the poultry production, 45 percent of the cherry crop, and 23 percent of the apple crop. Agricultural exports provide jobs for 1 million Americans and 23 percent of the U.S. agricultural economy is dependent on exports.

In 1996, Michigan ranked 18th among all 50 states in the value of agricultural exports at \$1.2 billion. These exports provide 19,000 jobs in farming, food processing / marketing / transportation and 34 percent of the Michigan agricultural economy is dependent on exports.

Farm Bureau supports passage of fast-track legislation and is encouraging members of the Michigan congressional delegation to support it with their votes.

MFB Contact: Al Almy, ext. 2040

STATE

Electric restructuring and deregulation

Rep. Tom Alley (D-West Branch) introduced H.B. 5245 on Oct. 8, 1997, and it was referred to the Committee on Public Utilities.

The bill would restructure certain aspects of the electric utility industry, specifically the generation, transmission and distribution. The purpose of the bill is to increase the competitive aspects of electric pow-

er generation and allow retail customers the ability to shop the market for competitive rates.

MFB Position: Require that all retail customers enjoy any rate reductions. Analysis not completed as of this writing.

MFB Contact: Ron Nelson, ext. 2043

Action Needed: None at this time.

STATE

Passengers in the back of a pickup

Rep. Deb Cherry (D-Burton) introduced H.B. 4255, which is currently in the House Transportation Committee.

The bill would prohibit anyone under the age of 16 from riding in the back of a pickup

truck, with detailed specific exclusions for military, emergency, parades, agriculture and construction.

MFB Position: Neutral

MFB Contact: Ron Nelson, ext. 2043

STATE

Meat inspection — repeal

Sen. Philip Hoffman (R-Horton) has introduced S.B. 126 which passed the Senate and was considered in the House Agriculture Committee on Oct. 9.

The bill repeals the Meat Inspection Act which is administered by the Department of Agriculture.

MFB Position: Neutral

MFB Contact: Ron Nelson, ext. 2043

Special Notes: There has been discussion and

concern that the Department of Agriculture does not have the funding or staff to inspect meat at this time. The USDA inspects commercial facilities except those that slaughter and process for personal use where the meat is not inspected and cannot be sold. Discussion regarding inspection of non-traditional meats, e.g., cervids (deer and elk), raptures (ostrich and emu), and if there is a need to revise or repeal the meat inspection law. A discussion is anticipated on the repealer bill.

STATE

Prescribed burning

Rep. David Anthony (D-Escanaba) has introduced H.B. 4049 dealing with prescribed burning. The bill has passed the House and is now in the Senate and Natural Resources Committee.

The bill requires that the Department of Natural Resources not conduct a prescribed burn in any geographic area of this state unless the department:

- Conducts at least one public meeting in that year in a county where the prescribed burn is to occur.
- Notifies each local fire department with jurisdic-

tion over the projected burn area.

- Publishes a notice in a local weekly newspaper.
- Provides for at least a 100-foot buffer zone between a proposed burn area of over 40 acres between adjoining privately owned property unless the owner agrees to have all or a portion of his land included in a prescribed burn.

MFB Position: Farm Bureau is supporting H.B. 4049.

MFB Contact: Scott Everett, ext. 2046

STATE

Firearm deer hunting

Sen. Leon Stille (R-Spring Lake) has introduced Senate Resolution 96, which urges the Natural Resources Commission to permit deer

hunting with a firearm from a tree stand.

MFB Position: MFB supports Resolution 96.

MFB Contact: Scott Everett, ext. 2046

STATE

Oil and gas lease post-production costs

Bills H.B. 5261 and H.B. 5262, sponsored by Larry DeVuyst (R-Ithaca), have both passed the House Forestry and Mineral Rights Committee.

H.B. 5261 requires:

1. A person who has entered into a gas lease as a lessee shall not deduct from the lessor's royalty any portion of post-production costs unless the lease explicitly allows for the deduction of post-production costs.
2. If a lease explicitly provides for the deduction of post-production costs, the lessee may only deduct post-production costs for the following items, unless the lease explicitly and specifically provides for the deduction of other items:
 - A. The reasonable costs of carbon dioxide (CO₂), hydrogen sulfide (H₂S) and molecular nitrogen (N₂) removal.
 - B. Transportation costs after the point of entry into an independent, nonaffiliated, third party-owned pipeline system; a pipeline system owned by a gas distribution company or any subsidiary of the gas distribution company, which is regulated by the Public Service Commission (PSC); or an affiliated pipeline system, if the rates charged by the pipeline system have been approved by the PSC or if the rates charged are reasonable, as compared to independent pipeline systems based on the location, distance, cost of service and other pertinent factors.
3. If a person who has entered into a gas lease as a lessee plans to or does charge the lessor for any portion of post-production costs, the lessee shall do both of the following:

A. Provide the lessor with detailed information in writing regarding all operations related to the property.

B. Prior to assessing any post-production costs, provide the lessor in writing with a specific itemized accounting of all post-production costs proposed to be assessed.

H.B. 5262 requires:

A person who has entered into a gas lease as a lessee shall provide the lessor with monthly revenue statements written in plain English that provide all of the following:

1. The price received by the lessee and the name of the purchaser.
2. Specific itemized list of all deductions taken from the lessor's royalty.

In addition, the bill requires that the lessee contract with a certified public accountant for preparation of an annual audit. The audit would be required to disclose tax credits received by the lessee for operations on the leased property and a list of all purchases and purchase prices of gas by the lessee or by a subsidiary or affiliate of the lessee and the name of the seller. The audit prepared would be provided to all lessors of the audited property.

MFB Position: Farm Bureau supports both H.B. 5261 and H.B. 5262.

Action Requested: These bills may be before the House of Representatives in the near future. Farm Bureau recommends members immediately contact their state representative and ask them to support both H.B. 5261 and H.B. 5262.

MFB Contact: Scott Everett, ext. 2046

Study shows stronger CJD and mad cow link

A study by British scientists gives stronger backing to the once-suspected link between mad cow disease and the human brain disorder Creutzfeldt-Jakob Disease. In a study performed at the University of Reading in England, researchers said laboratory studies show the same strain of germs that cause mad cow cause the similar CJD in humans.

The study and another corroborating study

found that the same infectious proteins, called prions, are to blame in both CJD and mad cow. In one study, researchers injected laboratory mice with ground-up brain samples of persons who died from mad cow-associated CJD and injected others with another CJD variant. Mice with the mad cow-like injection exhibited symptoms similar to cattle with the disease while the other batch did not exhibit the same symptoms.

Methyl bromide bill introduced in House

H.R. 2609, an AFBF-supported bipartisan bill to permit continued use of methyl bromide, has been introduced in the House by Reps. Dan Miller (R-Fla.) and Gary Condit (D-Calif.).

The Miller/Condit bill permits the use of methyl bromide until safe and cost-effective alternatives are found, or until all nations, including developing nations, agree to ban methyl bromide on a set date.



MICHIGAN FARM

MFRN

RADIO NETWORK

Serving Michigan farm families is our only business

Since its beginning in 1971, Michigan Farm Radio Network's only objective has been to serve Michigan's farm families. This dedication to serve agriculture is shared by 27 local radio stations in Michigan. Through these stations, Michigan Farm Radio Network provides the latest in market analysis, weather and news to Farm Bureau members daily on the following stations:

Station	City	Frequency	Morning Report	Noon Report
WABJ	Adrian	1490	5:45 am	11:05-12:00 pm
WATZ	Alpena	1450	5:30 am	11:30 am
WTKA	Ann Arbor	1050	6:05 am	12:00-1:00 pm
WLEW	Bad Axe	1340	6:30 am	12:50 pm
WKJF	Cadillac	1370	5:45 am	11:10 am
WKYO	Caro	1360	6:15 am	12:10-1:00 pm
WTVB	Coldwater	1590	5:45 am	12:00-1:00 pm
WDOW	Dowagiac	1440	6:05 am	12:15 pm
WGHN AM	Grand Haven	1370	5:45 am	12:15 pm
WGHN FM	Grand Haven	92.1	5:45 am	12:15 pm
WPLB	Greenville	1380	6:15 am	11:50 am
WBCH	Hastings	1220	6:15 am	12:30 pm
WCSR	Hillsdale	1340	6:45 am	12:45 pm
WHTC	Holland	1450		12:15 pm
WION	Ionia	1430	6:45 am	12:30-1:00 pm
WKHM	Jackson	970	5:45-6:00 am	12:30-1:00 pm
WKZO	Kalamazoo	590	5:00-6:00 am	12:00-1:00 pm
WPLB FM	Lakeview	106.3	6:15 am	12:15 pm
WOAP	Owosso	1080	7:15 am	12:40 pm
WHAK	Rogers City	960		12:15 pm
WMLM	St. Louis	1520	6:05 am	12:20 pm
WSGW	Saginaw	790	5:55 am	11:30-12:30 pm
WMIC	Sandusky	660	6:15 am	12:45 pm
WKJC FM	Tawas City	104.7		12:40 pm
WLKM	Three Rivers	1510	5:45 am	12:15 pm
WTCM	Traverse City	580	5:45 am	11:10 am

Visit our web site at: www.mfn.com

Fifteen growers unite to form Michigan Apple Packers Cooperative

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building, revolves around a large metal cube occupying the center of the line — an electronic color sorter. In one pass, it measures 6,000 levels of color in an apple and matches these to a preset level and then mechanically grades the apple as it continues down the line, assuring the buyer of the fruit's quality.

"Today's consumer demands that level of precision when it comes to their food supply," explained Ken Nye, director of MFB's Commodity and Environmental Division. "These growers realized that to continue in the apple packing business they needed the very best and most expensive equipment. Only by combining forces with their fellow

growers through a cooperative could they afford an investment of this nature and still maintain an ownership position in this exciting venture."

"We want this to become as efficient as possible," Steffens said. "We've got automatic baggers that we want to be able to get up and running so we can become efficient as possible to eliminate labor."

According to Steffens, the 15 growers with committed apples will pack their apples at separate times, reducing the potential conflicts of differing fruit quality. The fruit will be paid for by evening out the highs and lows of the product. "Obviously, not everyone can run their fruit at one time, so in order to keep it fair, the highs and lows are going to have to be averaged out

and pooled together to make it work," he explained.

Currently, the cooperative's marketing efforts are being handled through Traverse City-based North Bay Produce. "We're not selling anything here, we just pack it right now," Steffens said.

The individual growers also provide their own storage space for their own apples, but Steffens indicated that eventually adding space for apple storage was part of the original design of the building.

"You're talking about a pretty huge, long-term commitment and a lot of money," Steffens concluded. "We need to run good quality fruit out there, and we've got some good growers in this group to do just that."

Michigan's harvest rolls along with record yields

Continued from page 1

will average 113 bushels per acre, an increase of 19 bushels from 1996. That compares to U.S. corn production forecast at 9.31 billion bushels, up fractionally from 1996, the third highest corn production on record. Based on conditions as of early October, yields were expected to average 125.8 bushels per acre. ■

Global climate change treaty

Continued from page 1

production can result in very significant changes in the resulting profits."

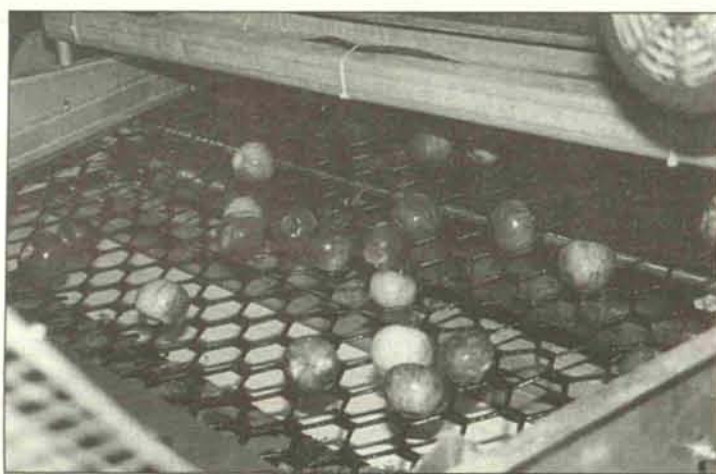
An analysis of six commodities illustrates the impact of higher energy prices:

- **Corn:** Production costs would rise 15.5 percent under the "low" increase scenario and 31.7 percent under the "high" scenario. Returns, or net profits, to producers would be cut by 23 and 51.6 percent, respectively.
- **Soybeans:** Production costs would rise 13.7 percent under the "low" increase scenario and 27.3 percent under the "high" scenario. Returns to producers would be cut by 10.3 and 20.5 percent, respectively.
- **Wheat:** Production costs would rise 13.4 percent under the "low" increase scenario and 26.7 percent under the "high" scenario. Returns to producers would be cut by 28.6 and 57.2 percent, respectively.
- **Hogs:** Production costs would rise 4.9 percent under the "low" increase scenario and 10.3 percent under the "high" scenario. Returns to producers would be cut by 40 and 84.5 percent, respectively.
- **Milk:** Production costs would rise 3.8 percent under the "low" increase scenario and 7.5 percent under the "high" scenario. Returns to producers would be cut by 26.9 and 53.1 percent, respectively. ■



The 400-foot-long cement building located in Sparta provides an affordable structure for the growers to build their \$2.1 million facility. It also provides the ability to expand by adding on to the existing facility.

There's nothing high-tech about how the apples are initially sorted by size after they are washed. As they head to the washer/waxer filled with 85 brushes they must pass over a sizing sheet with 2 1/4" or 2 1/2" holes. If they don't make it past here, they simply fall through and make their way to the cider mill.



Standing next to the state-of-the-art color sorter, Michigan Apple Packers Cooperative President Rob Steffens explains how the machine sorts the apples based on the color level and how it automatically kicks back any apples that don't fit the preset color levels.

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Hiring employees? Here's what you'll need to know

The basic survival pack for hiring

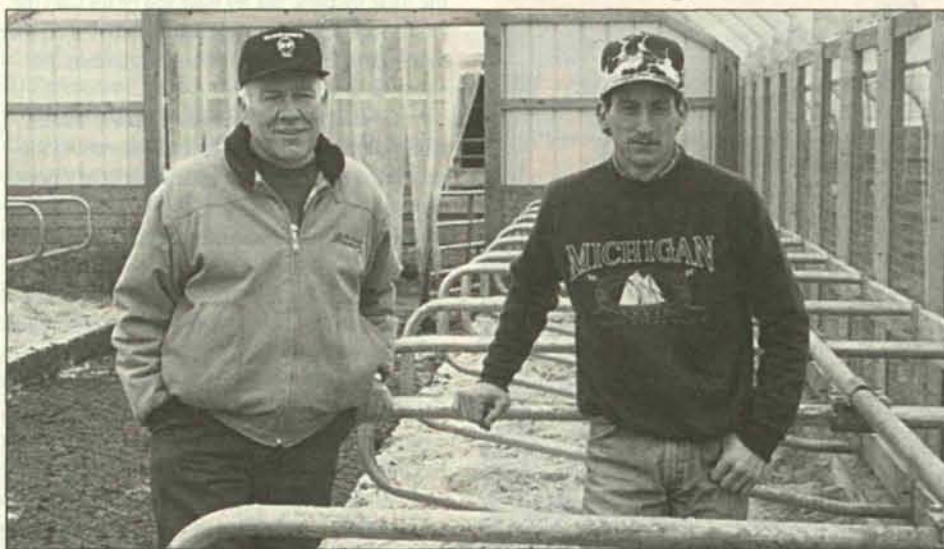
The first in a series of articles to clear some of the clouds surrounding the "employment" of workers on the farm

Many farming operations could not survive without hiring outside labor — be it one employee or 50, many of the rules regarding the basic employment of individuals remains the same.

"Two essential premises to understand are the concept of 'to permit or suffer to work' and how each law can contain a different definition of 'farming,' explains Craig Anderson, Regulatory Compliance Assistance Program manager. "In the broadest sense, the law defines employment as 'to permit or suffer' a person to work. In real terms, this means any person who does any work regardless if there is any payment for that work, can be considered an employee. Under this structure the casual help for haying and caretaking can be considered employees. Normally this becomes an issue when a person is injured while not an employee but it also occurs when there was a promise for future favors that do materialize. In either case the prudent path to follow is every pair of hands gets a paycheck."

What is farming?

According to Anderson, "farming" can not be defined with a one-size-fits-all statement with any accuracy. "With that said, in relation to employment, the factors used in determining if an employment relationship exists include in part: the right to control the actions of a person, the family relationship of the person to the owner of the operation, the business structure of the operation, the Standard Industrial Classification code of the operation, whether or not there is any non-agricultural work done, and the types of compensation used," he added. How to understand these differences will be covered in future articles. For now, assume every person who performs any work on your farm will be



Finding good employees and keeping the correct information on them protects your farming operation. A few basic recordkeeping requirements apply to all farm operations.

considered an employee.

What do you need when you hire an employee?

There are basic requirements covering all employees. Yes, there are certain exceptions, exemptions, and qualifications relating to farm employment; however, if you don't fully understand the scope of these as they could be applied to the specifics of your operation, it is in your best interest to assume the person is an employee and at a minimum have these basic items in place.

1. Immigration and Naturalization Service Form I-9

This form must be completed for all new hires after November of 1986. The prospective employee must provide the employer with documentation showing the person's eligibility to work in the United States. **This applies to all workers including cousins, neighbors, and friends.**

Do not ask to see any employment or identification documentation until after the I-9 process is completed!

2. Social Security number

Employers must ask to see each new employee's actual Social Security card and record the number. Note: Though the employer must ask to see the card there are no provisions requiring the employee to provide the card. If the employee refuses to show you the actual card record the number they provide you.

3. State and federal W-4s

The limited exemptions are difficult to defend and if the W-4s are not taken, and proper taxes are not withheld, the employer may be held responsible to pay for all unpaid taxes, **not the employee!**

4. State and federal posters

There are a possible 17 different posters farm operations may be required to post when they employ people. Even though there are numerous qual-

ifications provided for in the requirements many attorneys recommend you simply post them all regardless of a possible exemption because of the difficulty in maintaining the exemptions during "emergency" conditions that are likely to occur in typical farming operations. A two-panel poster pack including all 17 postings is available from the Regulatory Compliance Assistance Program (RCAP).

5. Basic recordkeeping

There are many statutory and regulatory recordkeeping requirements applicable to farm operations. From an employee standpoint, these are the minimum records necessary regarding the person:

- a. Name in full, as used for Social Security
- b. Home address and zip code
- c. Date of birth, if under 19
- d. If under 16:
 1. Name in full
 2. Place where minor lives and his or her permanent address
 3. Date of birth
 4. Evidence in writing of any required parental consent
 5. Keep the minor employee's age or employment certificate on file
- e. Gender and occupation.

Managing the employment relationship is as critical to farm operations as the proper selection of any other production inputs. The value contributed to your operation, or costs created by employment problems, is directly attributable to sound management. Management begins with a firm understanding of the rules. Successful management strategies find the opportunities within the requirements to improve productivity and profit through the effective use of personnel.

Comprehensive labor management information and services are available from RCAP, a Michigan Farm Bureau-affiliated program, by calling (800)782-6432. ■

New-hire reporting forms required for all new employees hired since Oct. 1, 1997

New report intended to reduce incidence of unemployment fraud and missed child support payments

If you've hired any new employees since October 1 of this year, then you may be surprised to learn that you also have to fill out a new reporting form as mandated by the state of Michigan. According to Michigan Farm Bureau Labor Specialist Howard Kelly, the New-Hire Reporting Program is intended to accomplish several things.

"The objective of the New-Hire Reporting Program, quite frankly, is to find people that may be abusing the system," Kelly said. "Some of them might owe child support, and the state will do a match with backlogs of child support payments. They will also do a

match with unemployment compensation that they might be receiving as well, even though they are now a new employee at a new occupation."

Unfortunately, says Kelly, employers were not notified of the new reporting requirement until this past week by the state of Michigan's Family Independence Agency and the Department of Treasury. Irregardless, the New-Hire Reporting Form, officially known as the MI W-4, is still required, retroactively, for all employees hired since Oct. 1.

Normally, employers will have up to 20 days to report new hires. Reporting forms are required of all new employees, including part-time and seasonal laborers. "There is no exclusion for the number of hours worked or the

compensation amount," Kelly explained.

Employers can opt to meet the reporting requirement through regular mail or electronically. Kelly says state officials prefer that the reports be completed electronically, especially in situations where employers will be hiring more than five new employees each month. "There is free help for employers to set up the procedure," Kelly explained. "Those interested in the electronic reporting option are encouraged to contact the technical support staff at 800-524-9846."

Employers using the paper-reporting option can obtain copies of the form, which can then be photocopied, by calling 800-FORM2ME and requesting the Michigan New-Hire Reporting Form, MI W-4.

Required Information for New-Hire Reporting

Employer Information	Employee Information
Federal Employer Identification Number (FEIN)	Social Security Number
Company Name	Name
Address	Address

Take early precautions now for protection against harvest dust and molds

Fall harvest always carries the potential for dust and mold-laden working conditions — sometimes both — when the crop is taken out of the field and handled into and out of storage.

Howard Doss, Michigan State University Extension agricultural safety specialist, says farmers should be prepared to provide themselves and workers with protection from both conditions.

Dusty conditions usually develop from small particles (fines) that arise during a normal harvest and may intensify when immature, overly dried coarse grains are harvested.

Molds can develop when immature crops have had prolonged exposure to moisture. Some molds, particularly those that can develop in corn, can produce spores that are dangerous when inhaled, Doss relates.

Plant pollen, chaff, dust and other fine material can also be a human hazard when dried forages and grains are put into or taken out of storage and when grains are ground or dried forages are fed to livestock, he points out.

The risk of respiratory damage to any worker increases when these materials are handled in an enclosed area — such as a grinding

room, silo or grain bin — that does not have sufficient ventilation to move dust and mold away from the worker.

"Watery eyes, coughing, wheezing, and irritation of the nose, throat or lungs are possible signs that a person is working in conditions that could cause a potentially serious, perhaps chronic health ailment," Doss says. "People who experience two or more of these reactions would be wise to take steps to protect themselves."

Protection includes wearing a dust mask capable of filtering out mold and dust to 5 microns. Painter's masks do not provide adequate respiratory protection. Disposable mold- and dust-filtering respirator masks can be bought from most farm supply centers or farm supply catalogues. Special respirators, which may offer increased protection from molds, dusts and pollens, are also available.

When in severe dust-laden working conditions, workers should also consider wearing goggles to protect the eyes from accumulating dust or pollen that could cause eye irritation or injury.

Among the respiratory ailments caused by overexposure to dust, pollen and mold is toxic

organic dust syndrome (TODS). Depending on a person's susceptibility, TODS can develop after a single exposure to dust or mold or after repeated exposure.

TODS can start as a flu-like illness that begins two to six hours after exposure and is characterized by coughing, chills, fever, fatigue, muscle aches and, sometimes, shortness of breath. When these symptoms develop, obtain medical attention immediately.

Among the masks suitable for working in dusty and moldy conditions are the 3-M 8710, the C-M 9920 and Moldex 2300 or equivalents, which can be ordered from Gemplers in Wisconsin by calling 800-382-8473. (Mention of trade names and companies is for information only — it is not a product or a company endorsement.) Also check "safety" in the yellow pages of phone books from metropolitan areas for safety equipment.

"It is important to know under which circumstances these filters can be safely used, so be sure to read the instructions on the container," Doss says. "When the masks are matched to the working conditions, this type of personal protection can significantly reduce respiratory health risk." ■

Michigan agricultural land values up

The value of farm real estate, including land and buildings, in Michigan averaged a new high of \$1,600 per acre on Jan. 1, 1997. This is up \$130 per acre or 9 percent above the value from a year ago, according to the Federal/State Michigan Agricultural Statistics Service. The estimates for 1996 and prior years were previously published by the Economic Research Service of the USDA. Farmland value continues to increase in Michigan, the latest number represents a 59 percent increase from 1990 when the average per-acre value of farm real estate in Michigan was \$1,005. The value of farmland in bordering states was also on the rise in 1997 with Ohio, leading the way, at \$2,110 per acre, Indiana at \$1,970 per acre, and Wisconsin at \$1,250 per acre. All three states' values were up 6, 9, and 6 percent, respectively. Since 1990, farmland values have increased 66 percent in Ohio, 57 percent in Indiana, and 56 percent in Wisconsin. Michigan also increased in the average cash rent per acre to \$57.30, up \$5.10 or 10 percent above 1996. Cash rents in neighboring states range from \$55.00 per acre in Wisconsin to \$99.50 per acre in Indiana.

U.S. farm real estate values averaged \$942 per acre as of Jan. 1, 1997, 6 percent above a year earlier. The largest increases occurred in the Corn Belt and the Lake States, up 8 and 7 percent respectively from 1996. All states show increases from the previous year except for Florida, which remained virtually the same. Cash rents for agricultural cropland increased for most states while a few states showed small declines. ■

Market Outlook



by Dr. Jim Hilker,
Department of
Agricultural Economics,
Michigan State
University

CORN

Nothing like a nice jump in prices right at harvest time! Hopefully, folks are and have taken advantage of them. It appears use will be a little stronger than previously expected and supply a little smaller than many had projected. This is insight the market gleaned from the Oct. 10 release of the USDA's latest *Crop Report* and Supply/Demand Balance Sheet Reports.

While the USDA did raise the projected corn yield six-tenths of a bushel, it was less than the trade and the markets had been expecting. And, when coupled with the lower-than-expected beginning stocks figure released at the end of September, the projected supply actually went down 13 million bushels. The updated supply/demand numbers can be seen in column 3 of Table 1 below.

However, the bullish changes in expectations were not left only to the supply side. The USDA raised their feed use number 75 million bushels to account for the high feeding rates seen last year. The bottom line showed a tight projected ending stocks figure of 781 million bushels, only 8.3 percent of use. Fundamentally, this would suggest an average annual price of around \$2.85.

These numbers would suggest December futures at around \$2.95 after adjusting for the basis and seasonality. Possible explanations for the market balking at going quite that high include some doubts about feeding rates and the slow rate of

Seasonal Commodity Price Trends

Corn	↔ ↑
Soybeans (explosive)	↔ ↓
Wheat	↔ ↔
Hogs	↔ ↔
Cattle	↔ ↔

Index: ↔ = stable prices; ↑ = higher prices; ↓ = lower prices; TP = topping; BT = bottoming; ? = unsure

export sales to date. So overall, the market is giving us pretty good prices and we need to decide how much risk we want to take.

The basis and spreads continue to suggest they will pay for on-farm storage, but not commercial storage. Consider having 40-70 percent of your corn crop sold now, depending on your ability and desire to handle risk. For those with on-farm storage, use it for the remaining corn production, and for those who don't have on-farm storage, consider delivering all of your corn using a basis contract to remain in the market on some portion of your production.

WHEAT

There were no major changes in the bottom line for wheat. The ending stock projection was lowered slightly, but projected supplies relative to use remain more than adequate. However, there were some significant offsetting changes within the 1997-98 projections. Projected production was raised 20 million bushels due to the Oct. survey. Projected feed use was raised 25 million bushels when the September *Stocks Report* indicated more wheat was fed this summer than previously thought. The new supply/demand numbers for wheat are shown in Table 2 below.

Wheat futures are pretty much where supply/demand fundamentals would suggest. There is not a whole lot of reason to hold onto any remaining 1997 wheat. If you have some remaining on-farm, and don't need the storage space, the market indicates it will pay for on-farm storage into the new year. However, predicting the direction of the wheat basis is much less reliable than for the corn or soybeans.

SOYBEANS

What a ride! While the roller coaster may still go over a higher peak, there is reason to believe we may be at, or just over, one of the high-

est peaks we may experience. The latest USDA report indicated that we not only have less beans than the trade thought, but we have less beans than the September report showed. And, on top of that, they raised export projections. The new numbers are shown in Table 3 below.

Does all of this mean we are on our way to higher prices? My fundamental analysis would suggest not. As shown below, ending stocks as a percent of use is projected to be 10.3 percent. This would indicate an annual average price of around \$6.55. We are delivering soybeans for higher than that at harvest. Somewhere the market disagrees with my numbers — hard to believe. My hypothesis is the market feels the crush number will grow as we go through the year, and so might the export number if El Nino hits South America this winter. To support that, they point to large livestock numbers and huge exports sales of soy meal to date.

So while the market may be right, I feel that not only are prices good now, but there is downside risk. Consider having over half of your soybeans sold outright and use a basis contract on the remaining portion. Spreads between contract months have widened up a little, but not enough to pay storage. The one possible hitch here is trying to predict the basis this spring given the Zeeland processing facility.

CATTLE

The USDA Oct. 1 *Cattle-On-Feed Report*, released Oct. 17, showed the inventory on feed at 114 percent of last year. Placed in September was up 2 percent, compared to September 1996, and marketed in September was 15 percent above year ago numbers. The first and third of these numbers were very close to trade expectations, but the placement number was on the higher side of expectations.

These numbers indicate that we will have plenty of cattle through the rest of 1997. It now appears the long-awaited turnaround in prices may not arrive until February. The more cattle on feed now, the less left for later. Eventually, the 1 percent decrease in the 1996 calf crop and the 2 percent decrease in the 1997 calf crop will have to show up in placement numbers. Continuing to look down the road, cow slaughter remains relatively high and heifers on-feed continue to run above year ago numbers.

HOGS

The hog market continues to be a disappointment. While we know we are in a period of expansion that will lead us to production increases of 6-8 percent next year, at this point year-to-year expansion has been marginal. It appears just as supply fundamentals for this fall look positive, demand disappears. Where is the Japanese demand? Or, does the market feel hogs are coming soon, and just haven't gotten here yet?

Until the second week of Oct. we saw little to none of the 2-3 percent increase that the September *Hogs and Pigs Report* indicated. Then, we saw a 5 percent year-to-year increase in weekly numbers. My guess is we will see the 2-3 percent increase in numbers for the fall as a whole. Again, the question is demand. At this point there is little to do other than to keep current. My analysis would suggest that the projected production increases are already built into the market. ■

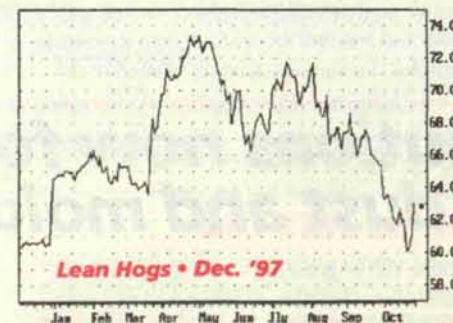
Senators question source of ESA incentive funding

A bill approved by the Senate Environment and Public Works Committee that promotes incentives — rather than government regulations — to protect endangered species sounds good to many lawmakers. But several senators have expressed concern over how the incentives to landowners will be financed.

Private habitat reserves and cost-sharing programs for property owners are included in the bill, introduced by Sens. Dirk Kempthorne (R-Idaho), John Chafee (R-R.I.) and Max Baucus (D-Mont.). Backers of the bill say the incentives would be more effective in protecting species than government regulations that prohibit private landowners from utilizing land where threatened or endangered species live. But, they realize the money has to come from somewhere.

"There is widespread support for these new incentive programs in both the environmental and landowner communities," a group of senators said in a letter to Franklin Raines, director of the White House Office of Management and Budget. "There is also legitimate concern that the bill provides no assured funding mechanism." The senators asked Raines to help them find the money before the bill reaches the Senate floor for a vote. ■

COMMODITY PRICE TRENDS



Source: Knight Ridder Financial

COMMODITY SUPPLY/DEMAND BALANCE SHEETS

Table 1 — Corn

(Million acres)	1995-1996	Estimated 1996-1997	Projected 1997-1998
Acres set-aside/diverted	6.2	0.0	0.0
Acres planted	71.2	79.5	80.0
Acres harvested	65.0	73.1	74.0
Bu./harvested acre	113.5	127.1	125.8
Stocks (million bushels)			
Beginning stocks	1,558	426	884
Production	7,374	9,293	9,312
Imports	16	13	10
Total supply	8,948	9,732	10,206
Use:			
Feed and residual	4,696	5,368	5,625
Food/seed & ind. uses	1,598	1,690	1,775
Total domestic	6,294	7,058	7,400
Exports	2,228	1,790	2,025
Total use	8,522	8,848	9,425
Ending stocks	426	884	781
Ending stocks, % of use	5.0	10.0	8.3
Regular loan rate	\$1.89	\$1.89	\$1.89
U.S. season average			
Farm price, \$/bu.	\$3.24	\$2.70	\$2.85

Table 2 — Wheat

(Million acres)	1995-1996	Estimated 1996-1997	Projected 1997-1998
Acres set-aside & diverted	5.2	0.0	0.0
Acres planted	69.1	75.6	70.8
Acres harvested	60.9	62.9	63.5
Bu./harvested acre	35.8	36.3	39.7
Stocks (million bushels)			
Beginning stocks	507	376	443
Production	2,182	2,285	2,527
Imports	68	92	95
Total supply	2,757	2,753	3,065
Use:			
Food	883	892	900
Seed	104	103	100
Feed	153	314	325
Total domestic	1,140	1,309	1,325
Exports	1,241	1,001	1,100
Total use	2,381	2,310	2,400
Ending stocks	376	443	665
Ending stocks, % of use	15.8	19.2	27.7
Regular loan rate	\$2.58	\$2.58	\$2.58
U.S. season average			
Farm price, \$/bu.	\$4.55	\$4.30	\$3.45

Table 3 — Soybeans

(Million acres)	1995-1996	Estimated 1996-1997	Projected 1997-1998
Acres planted	62.6	64.2	70.9
Acres harvested	61.6	63.4	69.8
Bu./harvested acre	35.3	37.6	39.0
Stocks (million bushels)			
Beginning stocks	335	183	132
Production	2,177	2,383	2,722
Imports	4	10	5
Total supply	2,516	2,576	2,859
Use:			
Crushings	1,370	1,436	1,495
Exports	851	882	960
Seed, feed & residuals	112	126	134
Total use	2,333	2,444	2,589
Ending stocks	183	132	270
Ending stocks, % of use	7.8	5.4	10.4
Regular loan rate	\$4.92	\$4.97	\$5.26
U.S. season average			
Farm price, \$/bu.	\$6.72	\$7.38	\$6.55

Source: USDA and Jim Hilker

Marketbasket prices climb 28 cents

The American Farm Bureau Federation's Marketbasket Survey reveals an overall 28-cent increase on food items since last quarter. The third-quarter average is the highest since the survey began in 1989.

Americans paid \$32.92 for the 16 select items during the period. It marks the third straight quarter the average price increased.

"Many of the increases (this quarter) could reflect Labor Day demand," said David Miller, policy specialist with the American Farm Bureau Federation. "Labor Day marks a transition. It affects the dairy market. It can also affect the beef market. Also, because of the end of the garden season, more consumer demand is returned to the stores."

Prices tend to increase during the year's third quarter. Since 1989, prices during that period have jumped an average 15 cents.

Potatoes contributed the most to the 28-cent increase in the overall average. A five-pound bag increased 31 cents to \$1.77. Miller said the sharp increase could represent an adjustment from last year's dismal potato market. Bacon and ground beef also saw increases. A pound of bacon jumped 12 cents to \$2.48. Ground beef, at \$1.75 a pound, climbed 10 cents. Of the 16 items on the survey, 10 increased in price. A pound of sirloin fell 13 cents, the sharpest decline on the survey. ■

New tax checkoff

A House Resources subcommittee on national parks has approved a bill that would allow federal taxpayers to set aside some of their overpayment for operation and maintenance of national parks.

Taxpayers would be able to direct a portion of their refund toward all national parks or any specific park. The money would only be used for operations and improvements at existing parks, and would not be used to acquire new park land.

Currently, taxpayers only have one checkoff option on federal tax returns, which directs federal funds to presidential campaigns. The bill also must be approved by the House Ways and Means Committee, which has jurisdiction over income tax issues. ■

Duyck named 1997 Conservationist of the Year

Bay County farmer receives second annual award

At an Oct. 22 ceremony, Bay County Farm Bureau President David Duyck received the 1997 Conservationist of the Year award from Michigan's Senate Republicans for his work conserving the natural resources on his diversified farming operation located in the Saginaw Bay watershed.

In the second year of the award, Duyck was cited by Sen. Joel Gougeon (R-Bay City) as an example for others to follow when practicing proper stewardship of the land. He cited examples of Duyck's leadership within different environmental groups and practices he used on his farm that promoted superior environmental stewardship.

"Honoring a farmer not only recognizes the importance of the relationship between agriculture and the environment," explained MFB President Jack Laurie, "it demonstrates the respect farmers like Dave have for the land on which they make their living and raise their families."

Duyck worked with the Saginaw Bay Water Quality Initiative and volunteered his time for the water quality demonstration program building a model chemical storage facility as an example for other farmers.

"Through the Water Quality Initiative we were able to build a chemical storage facility that cost over \$8,000," he said. "Without the 75 percent cost-share incentive we would not have been able to do that."

"I was asked to use my farm to demon-

strate Integrated Pest Management, soil residue trials and best management practices for MSU Extension," Duyck explained. "Our county Extension Agent Mike Staton received a grant to test a vacuum device for pest removal on our potatoes as an alternative to chemical usage. Although it didn't work as expected, it was worth trying."

He also was a driving force behind receiving a groundwater protection grant for Bay County, which initiated a study to expand farmers' management practices to protect both soil and water.

"Through the Michigan Groundwater Stewardship Program, Bay County Farm Bureau sent a questionnaire out to our farmer members asking them what cost-share programs they would be interested in," he explained. "For one, we learned of their interest in nitrate testing from that survey, which is crucial to Bay County since we are at the center of the Saginaw Bay."

"If it wasn't for the other environmental groups I worked with I never would have been able to do the things that the award was for," Duyck concluded. "The thanks should really go to them."

Duyck and his wife, Barb, and their two children live in Essexville on their 555-acre farm raising sugar beets, corn, soybeans and alfalfa.

Last year's Conservationist of the Year award went to the late Michigan United Conservation Club Executive Director Tom Washington. ■



As part of the ceremony during Michigan's second annual Conservation Day, Bay County Farm Bureau member David Duyck received a proclamation from the Michigan Senate from Sen. Joel Gougeon (R-Bay City) (left) and had a chance to speak on the floor to explain how he worked to correct erosion and sedimentary problems on his farm.

MDA awards \$3 million in groundwater protection grants

Michigan Farm Bureau to receive over \$41,000

Michigan Farm Bureau (MFB) has been awarded nearly \$42,000 in a grant from the Michigan Department of Agriculture (MDA) to help prevent the contamination of groundwater throughout Michigan. The grant was one of over \$3 million in grants to 55 programs in 78 Michigan counties, announced by MDA this past week.

According to MFB Environmental Department Manager Jeff Edgens, the grant will be used in a collaborative statewide outreach effort with MDA, MSU Extension, Natural Resources Conservation Service and the Michigan Agri-Business Association. The primary focus, he says, will be on groundwater educational supplements, which will be delivered to over 46,000 farmers via the *Michigan Farm News* on a monthly basis over the next 12 months.

"Solutions to groundwater issues, such as well-head closings and buffer strips, will be compiled to help farmers practice good stewardship," Edgens said. "We also are going to focus on the development of locally based groundwater stewardship teams that will identify local groundwater priorities and then implement volunteer programs to meet those needs, whether it's well-head closings or pesticide storage facilities."

The competitive grants, awarded through MDA's Groundwater Stewardship

Program, are designed to help farmers evaluate their farming practices and provide technical assistance for individuals dealing with pesticide or fertilizer spills. In addition, grants will provide groundwater monitoring for private well owners who are interested in their drinking water quality, a pesticide disposal program and recycling of plastic pesticide containers.

"While the focus of the program is on groundwater resources alone, it has a wide scope and addresses the many uses of these materials, including agricultural, turfgrass and household applications," said MDA Director Dan Wyant. "Since it began in 1995, the Groundwater Stewardship Program has issued \$6,594,626 in grants. This program is a wonderful example of public and private agencies working in a cooperative spirit toward a common goal."

Local Groundwater Stewardship Teams determine local needs, apply for project funding and ensure the coordination of local resources to achieve the community's groundwater stewardship goals. The teams are made up of pesticide and nitrogen fertilizer users, representatives from commodity organizations and government agencies, agribusiness owners, as well as interested citizens.

Funds for the program come from industry-supported pesticide and fertilizer

registration fees on household and agricultural products. Registration fees are paid by companies that register their products for use in Michigan. A tonnage fee on bulk fertilizers is also a source of funding. Nitrogen tonnage fees are paid directly by bulk fertilizer users.

The Michigan Groundwater Stewardship

Program is a cooperative effort between the Michigan Department of Agriculture, Michigan State University Extension and the Natural Resources Conservation Service. Close coordination is also maintained with Michigan Farm Bureau, Michigan Agri-Business Association, and the Michigan Association of Conservation Districts. ■

Soybean Association seeks nominees for DuPont Young Leader Program

Nomination forms are available for the Michigan Soybean Association's DuPont Young Leader Program. Sponsored by the Soybean Association and DuPont Agricultural Products, the Young Leader Program is designed to help identify soybean farmers with innovative and assertive leadership qualities who are not currently involved in soybean association leadership roles.

Young Leaders will be selected from Michigan and 25 other soybean producing states. The group will receive in-depth education on soybean issues, have the opportunity to meet state and national soybean association farmer-leaders, and have an increased opportunity to provide future soybean association leadership.

The Michigan DuPont Young Leader will be recognized at the Commodity Classic in Long Beach, Calif., Feb. 19-25, 1998. They will also participate in a farm technology and marketing seminar in Chicago, Ill. in the summer of 1998.


"This marks 15 years the DuPont Young

Leader Program has identified new farmer-leaders," Herb Smith, president of the Michigan Soybean Association, says. "I would encourage anyone with an interest in working with the soybean association to apply. The term Young Leader only refers to experience with the soybean association. Actual age doesn't matter."

Applicants for the DuPont Young Leader Program need not be Michigan Soybean Association members, but must be involved in soybean production and interested in providing solid leadership to guide the soybean association into the future.

Young Leader applicants will be critiqued by an in-state panel of farmer-leaders based on participation in community affairs, innovation in farming methods and leadership ability.

To receive a nomination form, contact the Michigan Soybean Association office, P.O. Box 287, 140 W. Tuscola, Frankenmuth, MI 48734. Phone: (517)652-3294. ■




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Tax management tips for farmers

M.P. Kelsey, Michigan State University
1997 end-of-year tax planning

The basic management guideline is to avoid wide fluctuations in taxable income because a relatively uniform income from year to year results in the lowest income tax and largest homestead and farmland preservation credits over time. However, even in a low-income year, plan to utilize personal exemptions and the standard deduction.

Significant tax changes from both 1996 and 1997 tax legislation that are applicable starting with the 1997 tax year include:

- New capital gains rates for sale of capital assets sold after May 6, 1997, and held for 18 months or longer (24 months for breeding cattle and horses). (A 12-month holding period is applicable until July 28.) Tax rate is 20 percent if taxable income is in the 28 percent bracket or higher and 10 percent for that portion of capital gain between taxable income and the top of the 15 percent bracket (\$24,650 single and \$41,200 married). Items held 12 to 18 months will receive the same treatment as assets sold prior to May 6, 1997, a maximum rate of 28 percent. To the extent of depreciation on depreciable real estate, it will be recaptured like 1245 property (i.e., farm personal property such as machinery), but at a maximum rate of 25 percent.
- The self-employed health insurance deduction is 40 percent in 1997 and increases to 100 percent over a 10-year period.
- The sale of principal residence after May 6, 1997, is tax-free up to \$500,000 of gain for joint return files (\$250,000 single).
- The alternative minimum tax inclusion of farm property in installment sales in AMT reporting for tax years after Dec. 31, 1987, was repealed.
- An increase from \$250 to \$2,000 for the annual unemployed spousal IRA contribution.
- Penalty-free IRA distributions may be taken to pay for medical expenses and/or health insurance premiums to the degree expenses exceed 17.5 percent of adjusted gross income.
- The section 179 (direct expense) deduction for capital purchases increases from \$17,500 in 1996 to \$18,000 in 1997, with a gradual annual phase-in to \$25,000 in 2003.
- Several special items, such as a new work opportunity credit; a deduction for long-term health care, including insurance, but only to the degree medical expenses exceed 7.5 percent of adjusted gross income (AGI); and an adoption credit and exclusion.

Depending on your tax situation, you may wish to reduce or increase net income for 1997. Following are some of the best income eveners:

- Buy or delay purchase of supplies such as fertilizer, seed, farm supplies, small tools and repairs (tax shelters can only deduct items when used). These expenses cannot exceed 50 percent of your total Schedule F expenses for the year for which economic performance has occurred. In most cases, it will be hard to reach that level of expenditure.
- Pay in 1997 or delay payment to 1998 on real estate taxes and other annual bills. (Insurance premiums, real estate rental for 1998 and interest cannot be paid in advance to obtain an earlier tax deduction, but 1997 expenses of insurance, rentals and interest can be deferred to 1998 if income is low this year.)
- Watch the timing of sales of livestock and crops ready for market near year-end. Possibly they can be held for sale next year at little cost or sold earlier to even out taxable income.
- Some expenses are deductible as current-year business expenses even though not made every year. These include minor repairs on improvements and machinery, painting of buildings, purchase of small tools and supplies, and, within limitations, cost of approved soil and water conservation expenses. Get these jobs done and paid for before year end if you wish to reduce net income.
- Where capital purchases have been made, or can be made, study the depreciation alternatives carefully. The direct expense deduction of up to \$18,000 on personal property can be taken on current year capital purchases. Its use, however, cannot reduce your taxable income from farming (plus other earned income) below zero. Taxable income includes net farm profit plus gains on the sale of business assets such as breeding livestock. Where pre-productive expenses are not a consideration, there are four choices for depreciation: Modified Accelerated Cost Recovery System (MACRS), which is a seven-year, 150 percent declining balance on machinery; MACRS straight line; the Alternative Depreciation System (ADS), which

is a 10-year straight line on machinery; and 150 percent declining balance using the ADS guideline. For the first year, the mid-year convention is used (half-year's depreciation) unless 40 percent or more of your capital purchases are made during the last three months of the year. In that case, the mid-quarter convention is used (87.5 percent of a year's depreciation for purchases made during the first three months, 62.5 percent for purchases in the second quarter, 37.5 percent for the third quarter, and 12.5 percent in the final quarter).

- Pay your children wages for work actually performed for the farm. If the child is under 19 or regularly enrolled in school, they can earn any amount and the parent can still claim an exemption for them if the parents pay over half the child's support. The parents must use the dependent exemption. The child must file a tax return only if they earn over the standard deduction (\$4,150). A return, usually a 1040A, must be filed by a child under 14 if investment income is greater than \$500. Children under 14 will have unearned income (over \$1,000) taxed at the parents' rate. Form 8615 is used to calculate the tax.
 - For Michigan income tax, an individual who is eligible to be claimed as a dependent on someone else's return and has an adjusted gross income of \$1,500 or less is entitled to a refund of all Michigan tax withheld. If they have an adjusted gross income of more than \$1,500, they are entitled to only a \$1,000 exemption allowance.
 - Frequently unrecorded and forgotten expenses include:
 - Educational expenses that maintain or improve your skills, such as magazine subscriptions, books, fees at Extension or other agricultural organization meetings
 - Travel expenses connected with your business, particularly if it includes meals and lodging
 - Entertainment expenses when hosting others where the "predominant purpose" is the furthering of your farm business operation.
- Social Security and hospital insurance rates for the self-employed are 12.4 percent and 2.9 percent for a total of 15.3 percent on 0.9235 of net farm profit up to \$65,400 for 1997. One-half of the Social Security tax will be deducted as an adjustment to income. In addition, the 2.9 percent hospital insurance tax continues on income over \$65,400.
- Long-range tax planning**
- Maintain a good set of records to ensure that all expenses are taken. Small cash purchases are easily forgotten. A good recordkeeping system is essential for end-of-year tax planning, as well as working with credit agencies.
 - Where income is high enough, plan the purchases of machinery to fully utilize the direct expense deduction.
 - Plan your personal deductions. Many medical expenses and contributions formerly spread over two years can be paid in one year and itemized as deductions. In the next year, the standard deduction may be taken. Changes in itemized deductions include medical expenses in excess of 7.5 percent of AGI, no personal interest is deductible, moving expenses are now an itemized deduction, and most miscellaneous deductions are deductible only to the degree they exceed 2 percent of AGI.
 - If your medical insurance and medical expenses are not currently deductible, explore the medical benefit alternatives for the self-employed and choose an alternative that best fits your situation.
 - Investigate a Self-employed Retirement Plan. There are four potential tax-deferred retirement plans available. A defined contribution Keogh and

Simplified Employee Plan (SEP) require that certain employees also be covered. Tax-deferred contribution limits "to a profit-sharing plan" are an effective 13.0435 percent (15 percent of net income less the contribution). A new, simple plan replaces SEPs for 1997. The fourth alternative is an Individual Retirement Account (IRA). Employees do not have to be covered if a self-employed person utilizes an IRA; however, the maximum contribution is \$2,000 per year, with an additional \$2,000 in an unemployed spousal IRA. An IRA deduction cannot be utilized if either spouse is eligible to participate in another retirement plan where the AGI exceeds \$50,000 for a married taxpayer, or \$35,000 for a single taxpayer with reduced contribution limits for AGI down to \$40,000 and \$25,000, respectively. These phase-out levels increase after 1997 and additional retirement programs will be available.

- Your farm business is a built-in deferred-compensation and tax-loss program. Investments and current expenses are made that substantially improve the value of the business property, which can be sold at a later date, frequently at capital gains rates. Establishing a fruit orchard and increasing the size of a breeding livestock herd, for example, fit this situation. "Crops" that fit this category are timber, fruit trees and Christmas trees, as well as the build-up in year-end inventories.
- Use installment sales of capital items to spread income over a number of years. However, with fewer and wider tax brackets and depreciation recapture considerations, an installment sale may not be advantageous.
- If approaching retirement, keep in mind the new \$500,000-per-couple (\$250,000 each) exclusion of gain from tax for that portion of a farm sale attributed to your residence. Also, plan for more of your income from rent, dividends, interest and pensions rather than ordinary income so that income will not be taxed as self-employment income for Social Security or reduce Social Security benefits. Earned-income levels that will decrease Social Security benefits for 1997 are \$8,640 per year for those under age 65 and \$13,500 for persons age 65 to 69. The decreases are \$1 for every \$2 of excess earnings for those under 65 and \$1 for every \$3 excess earnings age 65 through 69. For age 70 and over, there is no reduction, but Social Security taxes are still paid on earned income.
- Be sure to deduct as large a portion of business-personal expenses as is justified in your situation. Frequently, considerably more than 50 percent of the electricity and phone costs can be considered business. Also, choose the method for auto deductions that is best for you. The standard mileage rate for 1997 is 31.5 cents per mile for all business mileage. Mileage for charitable purposes can be itemized at 12 cents per mile; for medical purposes, 10 cents per mile (after 1997, 14 cents per mile).
- Be aware of the Alternative Minimum Tax in tax planning. Alternative Minimum Taxable Income (AMTI) includes tax preference items such as the difference between MACRS and ADS depreciation, and tax-free interest, as well as regular income. There is a single \$45,000 exemption for those filing joint returns (\$33,750 single) and a tax rate of 26 percent on the first \$175,000 of AMTI and 28 percent on AMTI in excess of \$175,000. It is paid to the degree the tax exceeds your regular tax, which for farmers is likely to occur when investment tax credit carryover reduces the regular tax, or when MACRS depreciation deductions are very large and taxable income is low. ■

Conferees approve \$40 million Plant Genome Initiative

Corn growers thank Senator Bond for his leadership

To date, most of the federal investment in biotechnology has been in the medical field. But Congress took a major step toward bringing the power of biotechnology to bear in the agricultural sector when a conference committee voted recently to provide \$40 million for a national Plant Genome Initiative during the 1998 fiscal year.

The initiative, funded through the National Science Foundation, will focus on deciphering the genetics of corn and other economically significant crops. Such research will eventually enable scientists to locate individual genes that control important traits such as stress tolerance, pest and disease resistance, yield, and nutritional value. These genes can then be incorporated into improved crop varieties that address a diverse range of producer and consumer needs.

Genetic research is critical to farmers' future success in the world marketplace, according to National Corn Growers Association (NCGA) President Byland Utlaut, who grows 3,500 acres of corn, soybeans and wheat in Grand Pass, Mo.

"To continue to compete globally, we must improve our production capabilities here at home. We have to be able to farm in an efficient and economical manner. We have to maximize yields while minimizing the environmental impacts of our farming practices. And we have to combat serious threats from disease, pests and weather," Utlaut said.

"But by mapping the genomes of major crops and allowing biotechnology to work, we believe that we can address the majority of economic and environmental concerns that farmers face," Utlaut noted. "And the same research can ultimately lead to the development of a host of new uses for corn and other crops in the food, feed and industrial sectors."

The Plant Genome Initiative, which is supported by a broad coalition of farm groups, agribusinesses and research institutions, has been shepherded through Congress by Senator Kit Bond (R-Mo.).

"Senator Bond has worked closely with NCGA and the Missouri Corn Growers Association to build congressional support for plant genome research and we are grateful to him for sharing our vision," Utlaut said. "We are pleased to see this vision come to fruition through the Plant Genome Initiative and we look forward to the many rewards and advances that this initiative will yield." ■

AgriLand Exchange opens real estate office in Indiana

AgriLand Exchange, a division of Michigan Livestock Exchange (MLE) and Indiana Livestock Exchange (ILE) is pleased to announce the opening of a location in Tipton, Indiana, in an effort to better serve the agricultural community. AgriLand Exchange, a full service agricultural real estate and auction company, currently has locations in East Lansing, Michigan and Archbold, Ohio. AgriLand Exchange has focused its attention toward the agricultural real estate industry and offers a wide spectrum of services including, Conventional Agricultural Real Estate Sales, Real Estate Auctions, Personal Property Auctions, a Buyer Brokerage Service, and Real Estate Appraisals.

Stan Williams, Broker, Brings a vast knowledge of the Agricultural Real Estate industry to AgriLand Exchange. After having grown up on a dairy farm in Indiana, Williams graduated from Principia College in Elsah, Illinois. Williams and his wife Joan, currently operate a crop/livestock operation in Tipton County, Indiana and also instructs real estate classes at R.E.C.P. of Bloomington, Indiana and Ball State University.

Jill Cameron, Associate Broker, has been active in the Agricultural Real Estate Industry for 21 years. Cameron has been involved in the farm equipment business and operated a crop/livestock operation until 1996. Cameron remains active as a member of the American Legion, Lions Club, Indiana Beef Association and the National Cattleman's Association.

AgriLand Exchange provides you with a team of experienced and knowledgeable professionals, capable of assisting you in realizing your agricultural real estate goals. You may contact Stan Williams or Jill Cameron at (765) 947-5010 or on the world wide web at www.agrilandexchange.com. ■



Managing your input costs such as fertilizer, feed and seed can be an important tax management strategy.

Good news — potato consumption is up

No surprise ... it's the fries

What did you have for dinner last night? The night before? How would you like to record what you and your family ate for dinner every night? That's how National Eating Trends (NET) gathers data on what families are eating. For a two week period families record every meal eaten, what they ate and how it was prepared.

NET presented a report on in-home and restaurant potato consumption trends for the year ending November 1996 to The National Potato Promotion Board at its summer administrative committee meeting.

Research shows that potato consumption increased after three years of stability. Restaurant consumption is driving the growth specifically with fries. Quick-serve restaurants like McDonald's and Arby's, dominate restaurant potato consumption. Midscale restaurants are 19.2 percent of potato eatings, and upscale restaurants are 8.5 percent.

Mashed, baked and specialty potatoes continue to lead at home potato consumption. However, baked potatoes are at an all time low. NET attributes the baked potato's at home decline to decreased use of the microwave. Mashed potatoes hold steady, and specialty spuds continue to grow. Boiled and steamed potatoes are declining, while fries gradually inch up.

Traditionally the potato is thought of as a side dish to accompany a protein and a vegetable. The traditional three-part meal is declining, giving way to quick, one-dish meals. Protein-based dinners have been gradually declining since 1991.

Research shows that today's consumers want quick, easy, casual meals, like soups, sandwiches and macaroni and cheese. The board developed an



National Eating Trends (NET) reports that potato consumption has surged thanks in no small part to rising french fry sales.

entire campaign around the concept that dinners START WITH POTATOES. This campaign positions potatoes as meal builders, and shows consumers the versatility of potatoes.

A new recipe brochure shows consumers how to prepare quick, nutritious meals starting with potatoes. This brochure teaches the microwave/saute, microwave/bake and microwave/mash techniques to consumers and provides them with quick, easy recipes. The idea is that once consumers learn these techniques, they can create their own recipes with common household ingredients.

Our new television commercial builds on the microwave/saute method used in 30 minute, one-pan recipes. It features a trendy, young couple driving house to house for dinner. The catch is they're cooking and they've got POTATOES! They slice, microwave, and then saute the spuds, adding common household ingredients to make a tasty meal for their hostess and her family. Then they drive off in search of their next dinner engagement, but not before saying, "... the way we see it, it all starts with potatoes."

The commercial reinforces the message that potatoes are meal builders. Once consumers know this method, they can prepare their own recipes starting with potatoes and what is available in the cupboard or refrigerator. Look for the commercial to air Nov. 3.

At a media event for New York based publications, food editors will hear NET statistics about eating trends and research about the consumers' desire for quick, casual meals. Also, over a lunch that starts with potatoes, they will hear suggestions about how potatoes can fit in the "too busy to cook" dinner routine.

Thanks to research and NET data, The Board knows the answer to the age-old question, "What's for dinner?" POTATOES! ■

Improving milking parlor performance

by Roger Mellenberger
Department of Animal Science

Expanding herds, increasing labor efficiency, milking parlor changes, and implementing three times per day milking are preludes to improving income and milk harvested per person at milking time. Trying to move more cows through a parlor per unit time can sometimes become a frustrating effort. Adding more automation and (or) stalls to improve flow of cows through the parlor meets with varying results.

Many measurements are available to define parlor or labor efficiency: cows milked per hour, cows milked per person per hour, total milking time, milk harvested per hour, milk harvested per person per hour, and annual cost of milking per cow. The cows milked per person per hour and milk produced per hour per person are good measures of the total parlor routine. Annual cost of milking per cow per year should include cost of the parlor plus labor, maintenance of equipment, operating expenses, and cows milked per hour. A dairy producer that builds a large parlor just to keep milking time to fewer than four hours will have a high annual cost per cow. A dairy producer that maximizes pounds of milk harvested per person per hour should show a good efficiency rating at a reasonable cost. Expecting one person to harvest 2,500 to 3,500 lb. of milk per hour is realistic.

Most, but not all factors that could affect the rate or harvesting milk are discussed below.

Parlor size

As a first estimate, you should expect to milk one shift of cows per 15 minutes (range 12 to 20 minutes). Therefore, multiply any parlor size (number of stalls) by the number of shifts per hour to get cows milked per hour. For example, a double-6 parlor with 12 units should have an expected cow throughput of approximately 48 cows per hour. A double-20 parlor with 40 units should have a throughput of approximately 160 cows per hour.

Milk production

Higher production will decrease cow throughput per hour. However, pounds of milk harvested per hour should increase.

Number of people milking

Two people milking in a parlor designed for one milker may increase cow throughput by only 10 to 15 percent. In most situations, one person can operate a double-4 to double-6 parlor without automation and a double-10 to double-12 parlor or larger with automation. A parlor should be designed to reduce the idle time for the number of people milking.

Parlor design

The time it takes cows to enter and exit a parlor has a significant impact on the number of cows milked

per hour. Cows enter parlors much quicker when no walls or doors separate the holding area from the parlor. In addition, a comfortable parlor entrance should have no more than one step (6 inches maximum) and no turns, no step potential (voltage), and no surprises.

Mechanization

A heavy crowd gate that can be raised and returned over the cows so two groups of cows can be in the holding area at the same time is also advantageous. An electric crowd gate will move cows, but many people consider shocking cows an unacceptable practice. Rapid exit parlors work well, but initial costs are higher to fit increased alley width and double return lanes. The ability to shorten the stalls (indexing) by several inches keeps udders within reach of the milkers. Group or gang indexing is extremely helpful when first lactation cows are managed as a separate group.

Automation

In my opinion, the addition of automatic detachers increases machine-on time per cow. However, a milker person can operate more units and, therefore, the added time per cow becomes less important. Most detachers have adjustable flow rates and detach delay times. Dairy producers should set the flow rate at the highest level and delay time to detach at the lowest level to decrease machine-on time.

Milking frequency

Milking three times per day should increase cows milked per hour but milk output per hour may go down. Cows milked three times per day will have lower peak milk flows and lower yields per milking.

Cow behavior

Most cows should enter a parlor voluntarily if trained correctly. A milker should not load an entire parlor side before starting to prep and attach machines. Ideally, all stalls will be full by the time three or four units are attached. Cows will wait to be chased in if that is the milker's normal routine. Cows also will enter parlors very freely when milkers are quiet and nonabusive. Cows enjoy consistent routines.

Milking procedures

Dairy producers are driven by a desire to milk more cows per hour by building bigger parlors and adding more units per person. A more desirable goal at milking is to reduce the time a milking machine is attached to an individual cow. A managed milking routine should be geared to milking each cow as fast as possible. Improper milking procedures such as inadequate prepping time or attaching the machine too early or too late will negatively affect the actual machine-on time per cow. Improving prepping time and techniques will significantly decrease machine-on time for mid-to-late lactation cows, slow milking cows, for cows milked three times per day, and for cows milked with automatic detachers.

Sorting cows by milking speed

Parlor efficiency in larger herds can be improved dramatically, if slower milking cows are grouped. A recent time study done in a Michigan parlor showed that 100 of 410 cows milked three times per day in a double-8 herringbone parlor had machine-on times of 7 minutes or more, with 57 of the 100 cows taking more than 8 minutes to milk out. Sorting the 57 slowest milkers into a separate group would have saved this dairy producer approximately 80 minutes per milking.

Cow cleanliness

Clean cows are easily prepped for milking because time is not wasted trying to clean teats and udders. General milking procedure recommendations for parlors are outlined below.

- Total prep time consisting of washing or predipping teats, stripping milk from each quarter, and drying teats should equal 10 to 15 seconds for early lactation cows and should take 20 to 25 seconds for mid-to-late lactation cows, and for cows milked three times daily.
- Machines should be attached immediately after teats have been dried. Individual cloth towels are superior to paper towels in removing predip, dirt, and (or) water.
- Teat ends should be clean.
- Most of a teat's surface should be covered with pre- and post-dips. It is of no or little value to dip one side of a teat only. Dipping teats after milking with an approved sanitizer will prevent 50 to 70 percent of new infections caused by contagious mastitis pathogens if the whole teat is

dipped. Predipping reduces the number of cows milked per hour.

- Promptly dismiss people who are abusive to cows.

Summary

Consider these points when trying to maximize cows milked per hour or milk harvested per hour per person.

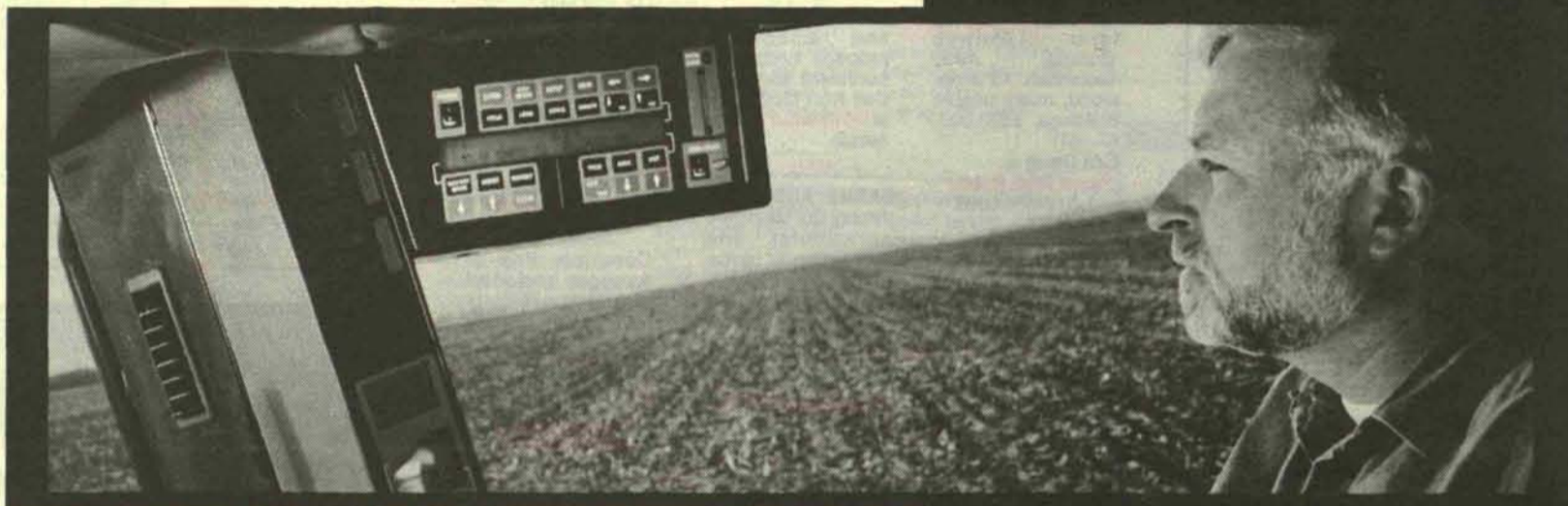
- Keep cows clean.
- Design the holding area and parlor to maximize cow movement.
- Maximize milking units per person depending on production per cow and ability of persons milking.
- Utilize proper milking procedures.
- Position the milking units correctly on each cow to promote maximum milk flow.
- Adjust automatic detachers to detach as soon as possible after milk flow has ceased.
- Sell or sort slow milking and problem cows and milk them as a separate group.
- Train milkers correct cow handling techniques and milking procedures.
- Maintain milking equipment.
- Use the parlor more than four hours per day.

Milking parlors have become a major cost of a new dairy facility. Paying back the cost of a parlor and equipment becomes a focal point of efficiency. Annual cost of milking is decreased as milk per person per hour is increased and parlors are used for more hours. Hired laborers must be comfortable when working in a parlor to make their job easier and enjoyable. The milking parlor should be a pleasurable work site and cows must consider it comfortable. ■



Proper training of new milking parlor employees of the correct milking techniques results in higher quality.

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Legislation expected to address post-production cost controversy

Landowners who receive royalty checks on a gas or oil deposit have become very familiar with the term "post-production costs" in recent years. Unfortunately, many of those landowners were not informed or even given the details of just what post-production costs are.

Post-production costs, according to gas and oil companies, are a portion of the costs associated with gas and oil production that theoretically belong to the landowner. Those items often include snow removal; gas-gathering lines, pumping costs for the removal of water associated with gas, carbon dioxide removal, and/or transportation costs.

Typically, private landowners in Michigan receive one-eighth of the value of the oil or gas; while the company keeps seven-eighths of the production. "For years in Michigan, that's the way it's always been," explained Scott Everett, legislative counsel for the Michigan Farm Bureau.

Everett says that all changed in the early

'90s when gas and oil companies and the Michigan Department of Natural Resources renegotiated the gas and oil lease for state-owned property to allow the deduction of post-production costs. Unfortunately, for private landowners, oil and gas companies, in turn, applied that agreement to privately-held leases, without renegotiating those leases with private landowners.

"We really don't think that was the right thing to do," Everett said. "There is no specific language within these leases that we've seen in Michigan requiring landowners to pay additional costs associated with extracting minerals from their land."

More importantly, says Everett is the tactics used by gas and oil companies. He claims that many landowners were not informed of the decision to deduct post production costs and that there was no accounting or itemization of how those deductions were being spent.

"We're trying to determine two things here. Number one, is it appropriate to charge

post-production costs when the lease doesn't clearly say they can, and secondly, if it is, then doesn't the oil and gas industry have an obligation to tell landowners in writing the who, what, where, when and why about these costs that are being deducted?" Everett asked.

Michigan Farm Bureau is analyzing legislation, sponsored by Rep. Larry DeVuyst (R-Ithaca) which will start discussions on how to regulate the oil and gas industry, specifically on the issue of post-production costs and procedures for notifying landowners.

Based on preliminary analysis, House Bills 5261 and 5262 would require oil and gas companies to provide royalty owners a thorough accounting of what post-production costs are being taken out and why, and require that those deductions be spelled out within the lease language. The legislation would

also require the oil and gas industry to contract with private auditors to conduct annual audits of post-production costs paid by private landowners.

Everett says Farm Bureau policy on the issue of post-production costs is very clear. "Unless post-production costs are specifically provided for within the lease, they should not be allowed," Everett said. "Secondly, Farm Bureau policy states that the definition of wellhead should be at the point of severance. That's a very important point, because one of the arguments from the oil and gas companies is that the wellhead has moved from the point of severance, which would be in the farmer's field, to a central gathering facility somewhere.

"Hopefully this legislation can define, for everyone involved, where gas or oil, will be measured — at the point of severance, a central gathering facility, or somewhere in between," Everett said. ■

Fruit chemical use survey to begin

The Federal/State Michigan Agricultural Statistics Service (MASS) is gearing up for its fourth survey of pesticide usage on fruit. The survey will cover chemical use on apples, blueberries, grapes, peaches, sweet cherries and tart cherries in Michigan. Nationally, the survey will cover 25 fruit crops in 11 major fruit-producing states.

Farmers have a direct stake in responding to the survey. Within the fruit industry, some growers rely on numerous minor-use pesticides because they have no alternative. Accurate pesticide usage information is needed for the registration process of minor-use chemicals. This information also affects manufacturers' decisions on whether or not to submit a product for re-registration. Pesticide data is always an important factor in the approval process.

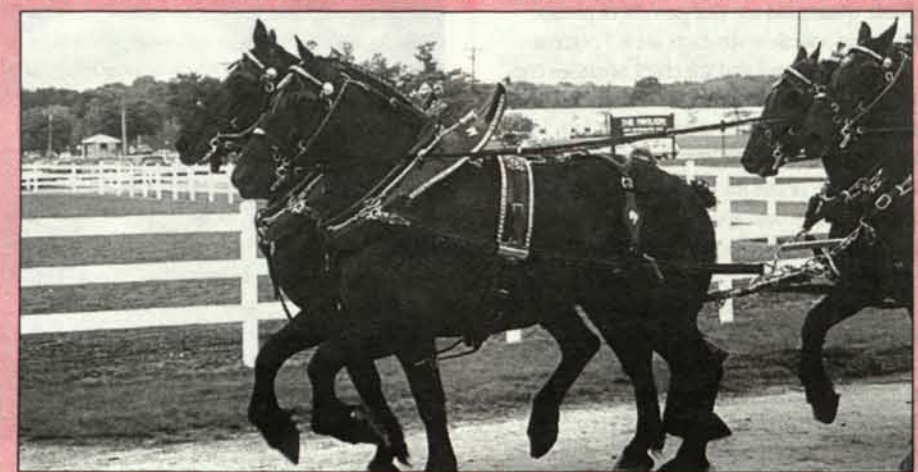
Interviewers will visit growers in person to conduct the survey beginning in mid-October. Data collection will continue through the first

week of December. A typical interview takes about an hour. Producers are encouraged to have records documenting their fruit chemical use on hand to help the interview go quickly and smoothly. All information on individual operations will be treated with absolute confidentiality and used only in summaries of state and national totals. The report is scheduled to be released in July 1998.

Important benefits farmers gain from responding to the survey are as follows:

- Growers have a chance to tell how they use agricultural chemicals responsibly to produce a safe and abundant food supply for America and the world.
- The survey results are official USDA estimates and help to clarify the facts about chemical use in agriculture.
- Accurate and timely information on actual usage can be used in the decision-making process for product registration, re-registration, and product alternatives. ■

Draft Horse Show and Pull invades the MSU Pavilion



The 21st Michigan Great Lakes International Draft Horse Show and Pull enjoyed the new confines of the MSU Pavilion for Agriculture and Livestock Education for its annual event which drew more than 700 horses from 23 states and Canada.

Held on Oct. 16-19, it took three additional tents to house the over 250 exhibitors and their tack, filling the parking lots to capacity. Belgians, Clydesdales, Percherons and mules had the opportunity to win top honors in individual, hitch and pulling classes.

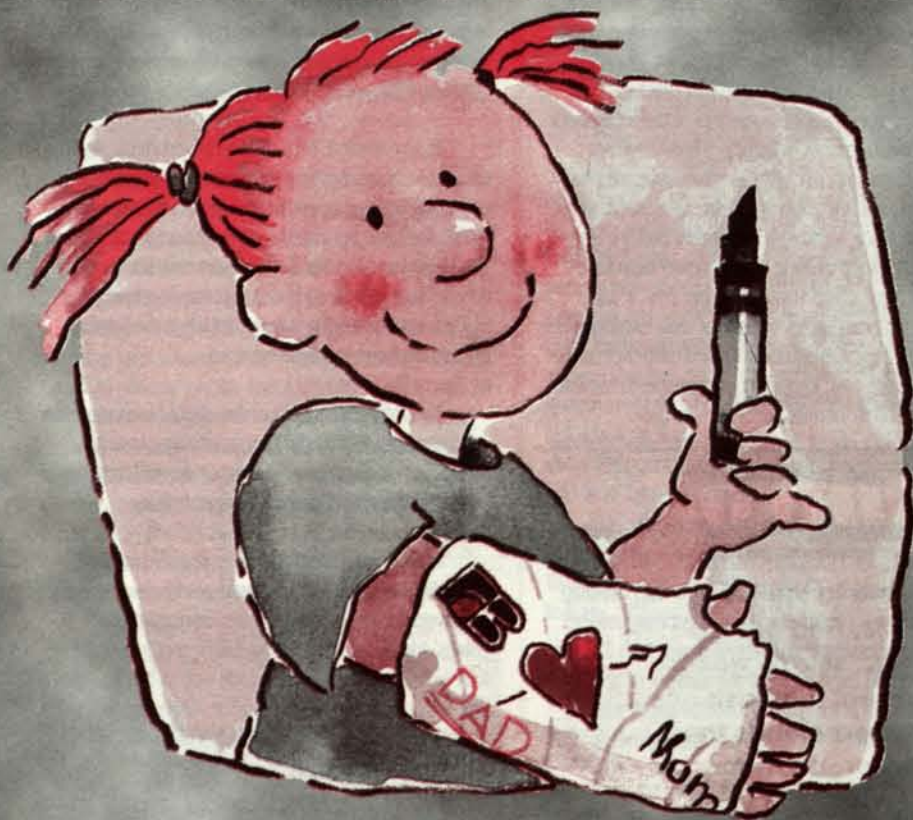
Pictured are the lead horses of the Percheron six-horse hitch belonging to Gladwin County's Cedarfarm Percherons.

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Agricultural public policy tour conducted

Farmers and representatives from environmental groups and government agencies gathered Sept. 8 for an Agricultural Public Policy Tour in Tuscola and Huron counties. The tour was sponsored by the Innovative Farmers and coordinated by the Michigan State University Extension project office with financial support from the Michigan Integrated Food and Farming Systems project.

The tour provided an opportunity for farmers and representatives from environmental groups and governmental agencies to discuss mutual concerns about rural environmental issues.

The group visited the Mike Findlay farm to see and learn about on-farm fertilizer containment. Findlay was concerned about the possibility of surface water contamination if the storage tanks started to leak, so he invested in the containment facilities. Some cost sharing was provided by a grant through the Innovative Farmers and the Saginaw Bay Water Quality Demonstration Project to offset construction costs.

Manure management was the next topic explored. Rod Porth and Les Schaper showed the group their 6,000-gallon applicator designed to apply liquid manure between rows during the growing season. They reviewed some of the concerns that farmers have about applying manure such as compaction and costs of application. However, they also informed the group of the savings in fertilizer costs as a result of the manure applications. Many good questions were asked by the tour participants and a discussion of opportunities followed. Participants wanted to know if cost sharing was helpful in getting non-livestock farmers to take manure and they asked about the cost of the equipment.

Jerry Fischer, of the Natural Resources Conser-

vation Service in Huron County, met the group and talked about windbreaks and filter strips. He said farmers are interested in filter strips but are concerned about the amount of land taken out of production and taxes on that land.

The purpose of the tour was to help establish a dialogue between farmers and others in the environmental community to see where there might be some common ground. The filter strip discussion provided that opportunity. The environmental community expressed interest in getting more filter strips established. They understood the tax issues and it seemed like an area that the two groups could possibly work together to create a situation where there would be water quality benefits for the community, while helping the farmer reduce the taxes on land that would not be in production.

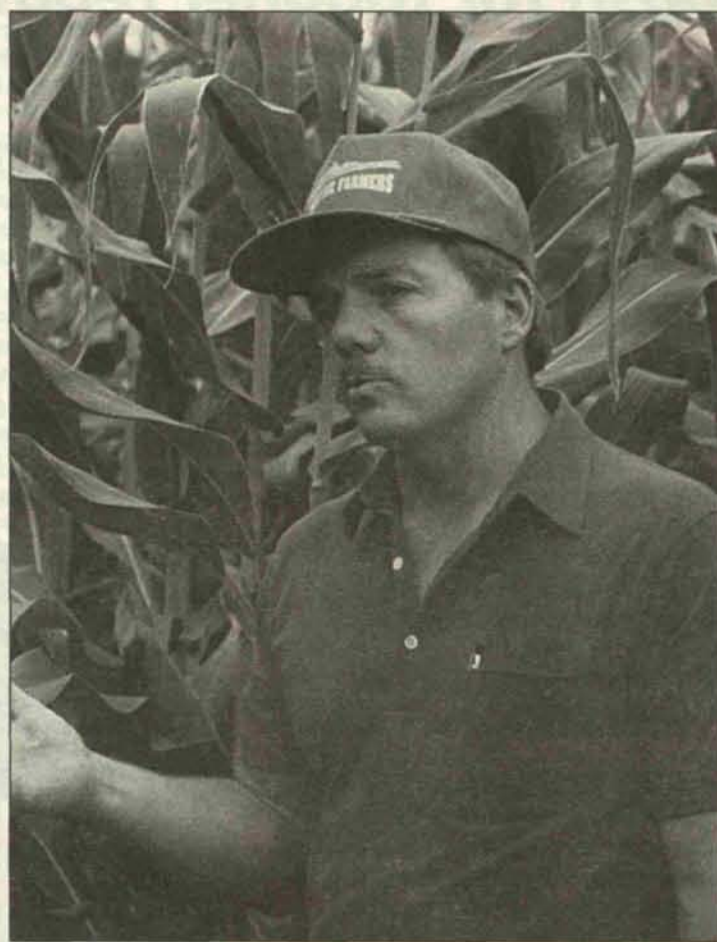
During the afternoon, the group visited the Innovative Farmers (IF) site southwest of Bad Axe. Several IF members talked to the group about alternative crops, changes occurring in the soils as a result of reduced tillage, and changes they are making on their farms to reduce erosion and costs.

Gene Vogel, Minden City, explained how he is moving towards organic farming, the concerns he has, the barriers he needs to overcome, and the reason for the change on his farm. Ross Voelker, IF president, reviewed the purposes and accomplishments of the IF. Harold Dropeski, Ruth, informed the group of his tillage system and how soil tilth is improving. Carrie Andrich, Extension agricultural agent, and Dick Roth discussed site-specific farming and its role in the future.

Overall, the results of the tour were positive. When the participants were asked what the most important aspects were, they stated that they,

"were impressed with the importance placed on performing research (at the Innovative Farmer site) exactly as practiced by farmers" and "talking to the farmers themselves; I think the way the IF is structured — farmers make the decisions (not Extension or others) clearly shows." The tour participants were also pleased to learn "that there really are farmers who are concerned about water quality, wildlife, and other environmental issues."

Improving communications, learning about other points of view and sharing ideas were all parts of the MIFFS, MSU Extension and Innovative Farmers Public Policy Tour. As a result of the tour, there were a couple of key issues identified that all the participants can work together on and there were opportunities explored to continue open discussions. ■



Minden City farmer Gene Vogel explains how different tillage practices affect the soil. Vogel is a member of the Innovative Farmers organization in Huron County.

Cattle prices predicted to struggle through fall

Higher-than-normal beef production will keep livestock prices under pressure this fall. While that's potentially good news for consumers, producers can expect lower prices for a while. According to Michigan Farm Bureau Livestock Specialist Kevin Kirk, working through the inventory will take several months.

"Large on-feed numbers from the United States Department of Agriculture (USDA) translate into large fed cattle marketings this fall and into early 1998," Kirk projected. "The number of cattle on feed is 16 percent above a year ago."

Compounding the problem, says Kirk, are heavier-than-normal fed cattle weights, which will boost beef supplies. October through December average cattle dressed weights could easily match 1994's record high for the quarter. "Year-over-year increases in slaughter weights this fall could push beef production up an additional 4 percent from 1996," he said.

On a more positive note, U.S. beef exports surged during July helping to support fed cattle prices in recent months and to move surplus supplies. For the first time in 1997, U.S. beef exports in July were higher to all major foreign markets, compared to a month earlier and a year ago.

"Sustaining beef exports is not assured, how-

ever," warns Kirk. "The Asian markets are the largest importers of U.S. beef. A major concern in those countries has been food safety, and with the recent *E. coli* incidents, recent beef export gains could vanish quickly."

Large hog numbers could impact beef in '98

A growing hog inventory could also put a damper on cattle prices into 1998, says Kirk. USDA estimates put the total U.S. hog inventory at 60.3 million head as of Sept. 1, 1997, up 4 percent from year-ago levels.

"Based on USDA's numbers, year-to-year increases in hog slaughter should pick up this fall and post even larger gains in 1998," Kirk said. "Slaughter hog prices in 1998 are forecast to be down 10-15 percent, which will translate into lower wholesale and retail prices, too. So, pork will be priced very attractively compared to beef in 1998, dampening wholesale beef fed cattle price increases."

Fed cattle prices are projected to average in the mid to upper \$60s this fall, down about \$2 per cwt., compared to a year earlier. As 1998 progresses, fed cattle prices are forecast to post year-over-year increases after early 1998 of 5 to 8 percent (about \$3 to \$5 per cwt.), on a quarterly average basis. ■

Senate ag committee turns away USDA meat proposal

Agriculture Secretary Dan Glickman was seeking the power to recall meat and poultry products, and to impose fines of up to \$100,000 a day, for processors who violate meat safety standards. The Senate Agriculture Committee recently said such a measure would do nothing to promote food safety.

Committee Chairman Richard Lugar (R-Ind.) said his panel would not broaden Glickman's powers this year. He said the committee would study various viewpoints on meat safety, and review techniques — such as irradiation — as possible alternatives to ensure the American public on meat safety.

Members of the committee accused Glickman of a bureaucratic power grab. Sens. Bob Kerrey (D-Neb.) and Pat Roberts (R-Kan.) said the Agriculture Department in the past failed to take fundamental steps to improve meat safety.

Many senators are urging the Food and Drug Administration to approve irradiation as a pathogen-killing treatment for red meat. The FDA has been studying the issue for three years.

The meat industry stressed to the Agriculture Committee that the USDA should concentrate on prevention, rather than punishment. ■

Countrymark Co-op continues working to settle hedge-to-arrive disputes with producers

Countrymark Co-op representatives are pleased with the progress made in settling hedge-to-arrive disputes with producers. According to Ken Parrent, corporate price risk manager of the grain division, Countrymark Co-op will continue working to resolve the balance of these contract issues.

"We are willing to work with producers toward agreements, but we stand by the integrity of our contracts," said Parrent. "A court of law has confirmed our position, and other cases have come out similarly."

Countrymark Co-op notes that recent deci-

sions in federal courts from Missouri and Minnesota have sustained their legal position that these contracts are legal cash forward contracts. "In light of these decisions and the decision in our court case, we feel more strongly than ever that our contracts will be upheld in the face of any legal challenge," stated Parrent.

In the last 30 days, the company has filed additional lawsuits in instances where the contract issues were unable to be resolved. Countrymark Co-op intends to enforce the terms of their contracts, and will file additional lawsuits, when necessary, in order to resolve the matters. ■

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Anniversary of Clean Water Act spurs EPA to push for tougher regulations

Almost 25 years to the day after President Nixon signed the Clean Water Act, the Environmental Protection Agency is pushing for strengthened measures to improve water quality. What's more, EPA's National Water Quality Inventory points the finger at agriculture as the leading cause of water quality impairment.

We've all heard a great deal of talk about "point" and "non-point" sources of water pollution. "EPA has addressed point sources for the last 25 years," said Jeff Edgens, manager of Michigan Farm Bureau's Environmental Department. "Now they're looking more toward addressing non-point sources."

According to Edgens, EPA intends to single out problem areas and fix each one on a watershed-by-watershed or case-by-case basis. They'll also pull together other water-quality initiatives to strengthen the efforts. At issue for agriculture, he says, are regulations for point and non-point sources of water pollution, total maximum daily loads, hypoxia, storm water and concentrated animal feeding operations.

Concentrated animal feeding operations could come under some tough new regulations since EPA's authority over them was recently expanded by the federal courts. Because of a recent court case, EPA can now regulate the land application of manure as a point source of pollution.

EPA can require a permit for any size operation if it is located near impaired water or any other environmentally sensitive area. It can also require a permit if the cumulative wastes from several small operations equal that of one large farm. The threshold for deciding who needs a permit is simply the "potential to pollute."

There is speculation all over the board as to what EPA will do with regulations for concentrated animal feeding operations — from ratcheting down from 1,000-animal units to just a handful, to keeping the rules as is," Edgens said. "At any rate, they're

looking at a permit system."

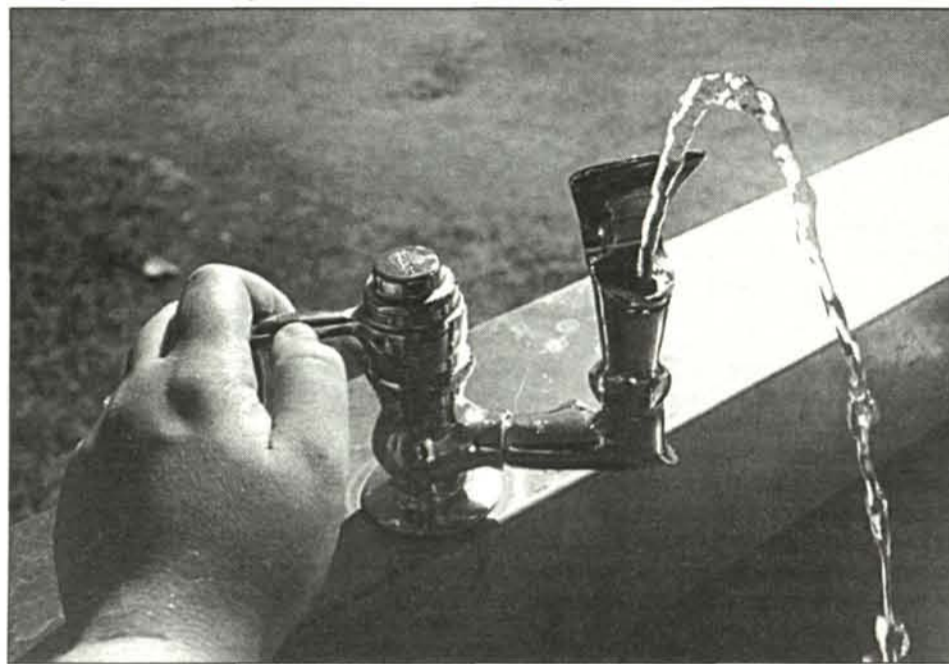
Industrial storm water regulations affect water discharges associated with industrial activity and construction sites. Edgens says EPA is negotiating two changes that could hinder agriculture. The most significant is that in the future, construction sites of one or more acres will require a special permit, down from the previous regulation which called for permits for five or more acres.

The storm water regulations may also affect agriculture in another way. EPA is reportedly contemplating a new policy that would eliminate agriculture's historic exemption from the permit process and put farms into Standard Industrial Classifications. That would mean animal agriculture would be put under storm water

effluent limitations.

Total maximum daily loads, or TMDLs, are limits on how much pollutant an operation can discharge into water-quality impaired waters in a given day. Currently, TMDLs only affect point sources of pollution, but EPA is pursuing policy that would extend the limitations to non-point sources.

Hypoxia is another water-quality concern that could affect farming. Hypoxia is defined as an area of low dissolved oxygen in the water. An area in the Gulf of Mexico is suffering from hypoxia, which is believed to be linked to nutrients carried into it from the Mississippi River. There are 31 states that drain into the river, so farmers in those states will be required to reduce nutrient loadings into it. Michigan is not one of those states. ■



The Clean Water Act was signed into law in 1972. Now, 25 years later, the EPA wants to toughen laws to improve water quality.

Perennial crops sales closing date near for crop insurance

The USDA announced recently the sales closing date for 1998 crop insurance is Nov. 20, 1997, for apples, blueberries, grapes and peaches. Last year in Michigan, \$22.6 million in protection (liability) was provided to producers through more than 1,000 policies.

"Weather extremes and fluctuating prices are a vivid reminder that eventually everybody will have to cope with crop losses or low prices," said Catherine Malayer, director of USDA's Risk Management Agency. "Appropriate crop or revenue insurance protection will help you survive these hardships."

Sales closing dates are significant because signing up for insurance, changing the crop insured or level of protection, and changing insurance providers must be done prior to the announced date. Sales closing dates vary by crop and location.

Beginning with the 1998 crop year, crop insurance is available exclusively through crop insurance agents. USDA will continue to subsidize all policies, establish policy terms and conditions, set rates, and guarantee funds for the payment of approved claims. Although policies previously serviced by USDA in 1997 will be randomly transferred from USDA to an insurance company, producers have the right to choose their own agent prior to the sales closing date for the insured crop.

To ensure that all producers are served, insurance companies are required to insure all eligible crops, and provide all levels of coverage in the states in which they operate. Producers are encouraged to contact their agent for assistance during this period of transition.

Waivers of administrative fees for producers who qualify as limited resource farmers are available from all crop insurance companies. Private agents are willing and prepared to assist those qualifying producers with determining eligibility for waivers. A listing of crop insurance agents may be found in all local Farm Service Agency offices. ■

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High-residue farming starts at harvest

Here's how to get a good start

Ideally, crop residue management begins at harvest with proper distribution of residue behind the combine.

Combine adjustments and accessories

Wider combine headers (greater than 15 feet) and higher residue production with new crop varieties are two reasons a well adjusted combine is critical to high-residue farming. Without special attachments or modifications, combine headers of 20 to 30 feet or more are not adequately equipped to spread today's larger volumes of residues uniformly.

Common problems

The most common mistake made in the harvesting operation is to allow crop residue to accumulate in windrows behind the combine. This accumulation causes the soil under the windrows to stay wetter and cooler longer into the spring. Planting into windrows can result in uneven stands because the seeds take longer to germinate and grow, resulting in significant yield reductions.

Other problems associated with improper combine residue distribution include:

- Unsatisfactory weed control from herbicide interception
- Poor performance of planters and tillage implements
- Increased demands on planter equipment
- Poor seed-to-soil contact (usually from "hair pinning" of residue into the seed row)
- Excessive residue lying directly over the seed furrow resulting in an allelopathic effect (natural chemical or toxins from related plant types that could inhibit germination or growth)
- Increased pest infestation (from insects and rodents)
- Increased weed seed concentration
- Poor plant nutrient uptake (from fertilizer tie-up or interception).

These problems are usually associated

with small grains, such as wheat, but the effects of residue concentration by a combine can be a problem with almost any crop. If properly adjusted, the type of combine used (rotary or cylinder) has little influence on residue cover.

Spreading attachments

To avoid these problems, make sure you:

- Always check residue distribution patterns of newly purchased combines (whether new or used)
- Consider residue spreading attachments.

Straw and chaff spreaders

A straw spreader uses rotating blades or rubber batts to throw or deflect whole pieces of crop residue. While the spreader typically distributes the residue more uniformly, the straw chopper can provide more residue cover, since it chops the residue into small pieces before spreading.

A chaff spreader is effective in handling fine materials — primarily from harvest of small grains or soybeans. Chaff makes up nearly half of the harvested materials of some crops. It does not usually reach the straw spreader or straw chopper because it drops to the ground from the combine sieves. With high-yielding crops, the potential for creating heavy windrows is great. Chaff is easily distributed but because it's lightweight, it's hard to spread beyond 20 to 25 feet.

The most commonly used chaff-spreading attachments are hydraulically driven single or dual spinning disks that have rubber batts attached. Generally, single-disk spreaders are most effective for headers under 20 feet, while dual spreaders are more effective for wider headers.

Spreader caution

Be careful not to overcorrect for windrowing problems. For example, spreaders may be set to spread the crop material too far, which simply creates windrows outside the harvested swath.

Residue decomposition

Rainfall, higher temperatures, fall tillage or knifed-in fertilizer applications can all speed the decomposition of crop residues between harvest and planting.

Breakdown rate also depends on the type of crop. Non-fragile crops like corn leave residues that are tougher to break down than soybean residues.

Time is also a factor in the decomposition of residue. A summer-harvested crop may have more time to decompose than a fall-harvested crop.

As long as adequate moisture is available, decomposition can occur when temperatures are above 50°F (10°C). Even when air temperatures drop below freezing, snow can actually act as an insulation and allow decomposition to continue.

Here are crop residue types by their relative decomposition rate:

Crop Residue Decomposition Categories

Non-Fragile	Fragile
Alfalfa or legume hay	Canola/rapeseed
Corn	Dry beans
Forage seed	Dry peas
Forage silage	Fall-seeded cover crops
Grass hay	Mint
Millet	Potatoes
Oats*	Soybeans
Pasture	Sugar beets
Popcorn	Sunflowers
Rye*	Most vegetables
Sorghum	
Tobacco	
Triticale*	
Wheat*	

*Residue from this crop should be considered fragile if a combine is used with a straw chopper or otherwise cuts straw into small pieces. If your crop is not listed, contact your USDA Natural Resources Conservation Service office for more information.

U.S. opens trade cases against Canada, EU

Arguing that the European Union and Canada employ dairy export subsidies that break global trading rules, U.S. officials said recently they have launched a formal complaint before the World Trade Organization (WTO).

Both complaints were filed in the form of a request for consultations with the other two powers — the first step in the WTO's dispute settlement procedure. The case against the EU focuses on export subsidies for processed cheese, which U.S. trade officials argue distort markets and limit sales of U.S. dairy products in the EU's 15 member countries. The Canadian case also questions subsidies that the United States says are provided through Ottawa's national and provincial pricing arrangements for milk and other dairy products.

The United States contends that both arrangements violate the agriculture agreement as well as other accords reached during the Uruguay Round of global trade negotiations. If solutions are not found for the two issues within 60 days in bilateral negotiations, the United States can ask for creation of three-member neutral WTO panels — which would have six months to rule whether the complaints were founded. ■

Glickman: Ag outlook looks positive

Agriculture Secretary Dan Glickman says that American agriculture appears in solid shape and that the Freedom to Farm Act has been a boon for farmers.

"On the whole, I think it remains pretty positive," Glickman said. "For row-crop producers, I think prices, plus (Freedom to Farm) payments have been a real positive. I think that farm income levels are at a high level."

The Agriculture Department has predicted that ag exports will reach \$58.5 million in fiscal 1998, compared to \$56.5 million in fiscal 1997.

Glickman said there are parts of agriculture that are obviously doing better than others. ■



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05 Livestock

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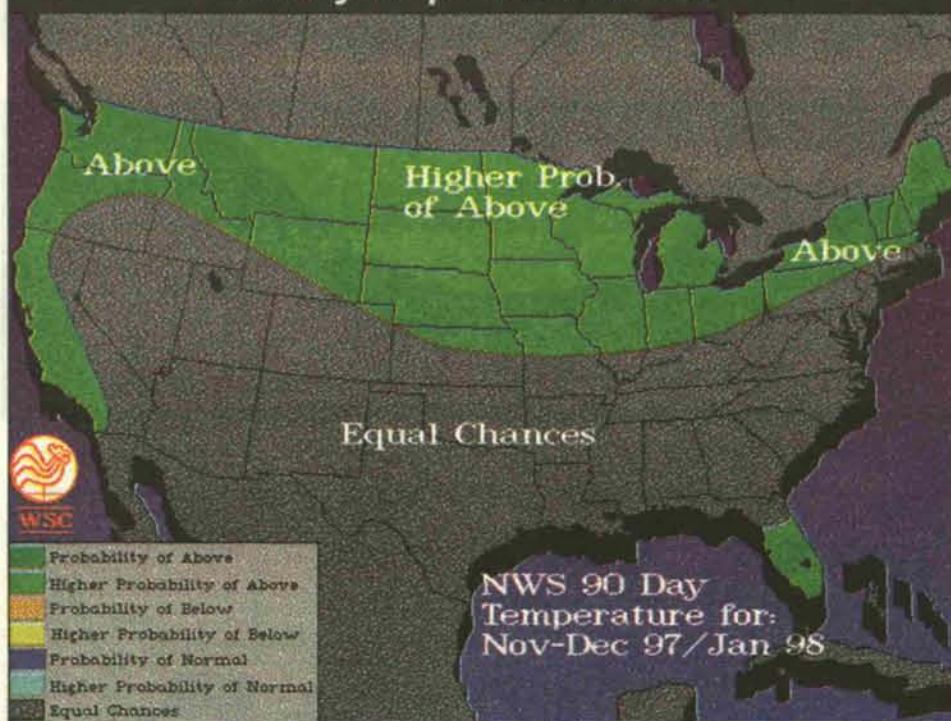
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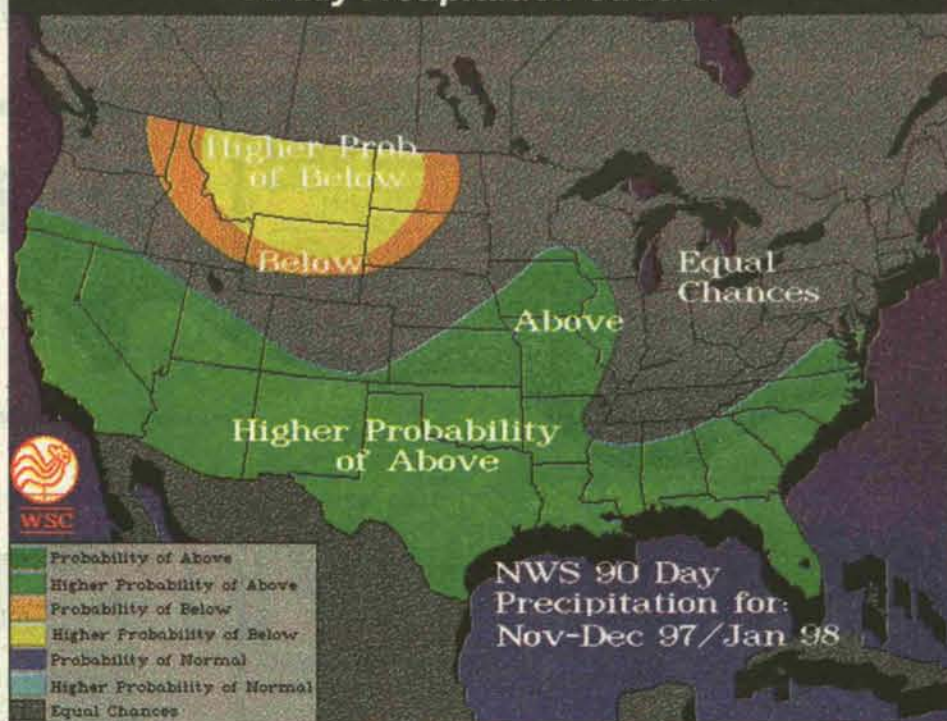
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33	34	35	36

Circulation over 49,000 in State of Michigan

90-day Temperature Outlook



90-day Precipitation Outlook



Weather Outlook



Michigan Weather Summary

	Temperature		Growing Degree Days(*)		Precipitation	
	Obs. mean	Dev. from normal	Actual Acc.	Normal Acc.	Actual (inch)	Normal (inch)
9/16/97-10/15/97						
Houghton	55.3	4.9	1796	1910	5.48	2.94
Marquette	55.0	6.4	1171	1910	2.83	2.94

Sault Ste. Marie	54.9	4.7	1690	1668	2.81	3.07
Lake City	53.6	1.0	1823	2190	4.21	3.38
Pellston	56.5	5.5	1909	2190	2.32	3.38
Alpena	56.4	3.9	1940	2111	1.63	3.12
Houghton Lake	56.0	2.8	1948	2111	3.54	3.12
Muskegon	60.3	4.0	2315	2429	2.61	3.21
Vestaburg	56.5	0.4	2144	2506	2.79	3.11
Bad Axe	58.6	2.2	2123	2557	2.37	2.77
Saginaw	60.3	3.7	2518	2557	3.26	2.77

Grand Rapids	60.7	4.9	2503	2843	3.27	3.44
South Bend	62.2	3.9	2763	2843	2.61	3.44
Coldwater	59.6	1.3	2481	2764	3.30	2.95
Lansing	59.2	3.2	2326	2764	1.88	2.95
Detroit	61.5	3.8	2710	2788	1.91	2.55
Flint	59.1	3.1	2352	2788	2.44	2.55
Toledo	61.8	3.8	2696	2788	3.42	2.55

* Growing degree day accumulations are calculated with the 86/50 "corn" method and are summed beginning April 1, 1997.

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



A large upper air ridge across central and eastern sections of the U.S. brought much-warmer-than-normal temperatures to Michigan, rapidly accelerating late season crop development rates. Mean temperatures during the first two weeks of October ranged from 6 to 10 degrees above normal, including at least five separate days in central and southern sections in which the maximum temperature reached 80°F or higher. Combined with generally drier-than-normal weather, the warm temperatures were incredibly well-timed and helped push corn, grape, and processing tomato and other crops (which had lagged far behind normal phenological stages) closer to maturity. The mild weather also accelerated crop dry-down rates, which should ultimately save growers subsequent drying costs.

As of mid-October, strong El Nino conditions continue across the equatorial Pacific Ocean and are expected to continue into the spring of 1998. The new NOAA/Climate Prediction Center outlook for November calls for near equal probabilities of below-, near-, and above-normal temperatures. Unfortunately, the outlook also calls for an elevated risk of above-normal precipitation (especially across southern sections of the state), which could cause delays in harvest activity. Looking further ahead, the outlooks continue to reflect typical El Nino conditions in the Pacific-higher-than-normal odds of above-normal temperatures by late in the year, and for lower-than-normal precipitation amounts by mid-winter.

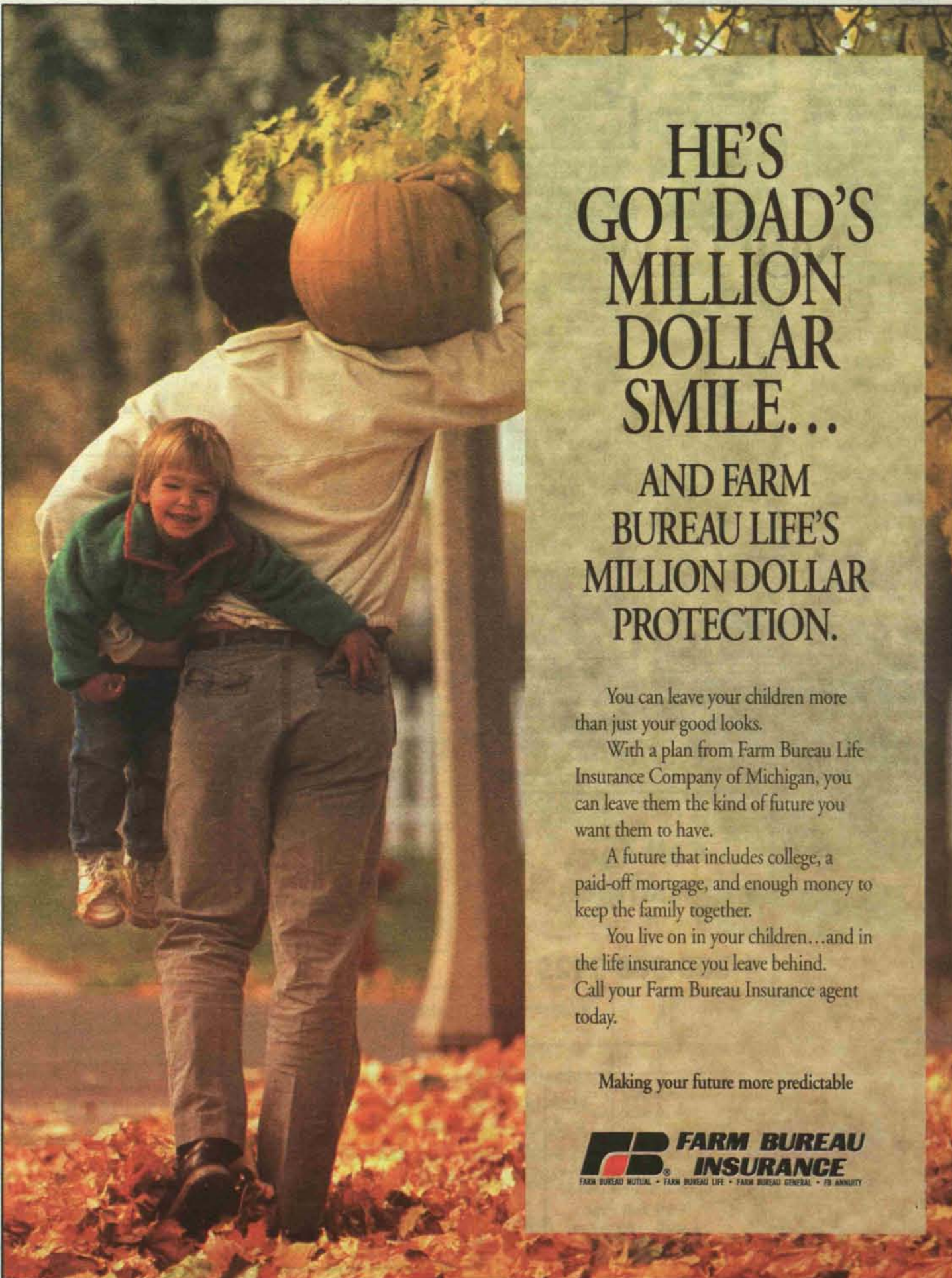
Cattlemen want probe into South Korean E. coli claims

The National Cattlemen's Beef Association has asked Agriculture Secretary Dan Glickman to look into South Korean claims that 18 tons of imported U.S. beef were contaminated with the bacteria *E. coli*.

The cattlemen asked Glickman to ensure that the claim was not made in an attempt to curb U.S. beef imports. The group also said the Koreans acted "outside the standards of common courtesy and normal relations between long-time trading partners" by announcing the problem to the public rather than using normal diplomatic channels first.

"They're bad-mouthing our products," said Chuck Lambert, NCBA chief economist. "We want to make sure the facts are the facts."

U.S. beef exports to South Korea last year totaled \$255 million, down from \$333 million in 1995. Glickman has agreed to meet with South Korean diplomats to discuss the situation.



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