

news

September 8, 2003

<http://www.fb.org/fbn/>

Vol. 82, No. 17

In This Issue

- Fuel prices, shortage demand energy bill passage* **2**
- Ag exports to Cuba continue to rise* **3**
- Special ag research section: Agricultural research improves everyday life* **4**
- Special ag research section: State budgets force Extension, research cuts* **5**
- FB concerned about diesel rule* **6**
- County gives potential residents scent of rural life* **7**
- Hastert receives Farm Bureau's 'Golden Plow' award* **8**

Panel: Keep payment limits as is for now

The Commission on the Application of Payment Limitations, created under the 2002 farm bill, has recommended no changes to the current farm payment limits until Congress crafts the next farm bill, probably in 2007.

In addition, the commission recommended that any payment limit changes that Congress enacts be phased in over a sufficient period of time to avoid disruptions in production, marketing and business organization, including landowner-tenant lease arrangements.

"While farm bills can be changed, their multiyear nature provides stability for production agriculture," the report said. "Producers, their lenders and other agribusiness firms make long-term investment decisions based on this multiyear legislation. Consequently, if substantial changes are to be made in payment limits, payment eligibility criteria or regulations administering payment limits, such changes should be part of the reauthorization of the next farm bill."

The commission's recommendation concerning the timing of any changes to the farm payment limits is consistent with American Farm Bureau Federation policy that opposes any re-opening of the 2002 farm bill.

However, the panel also took aim at the so-called three-entity rule, which allows producers to exceed the individual payment limit. The rule lets

producers receive payments separately for up to three operations.

"As a result, the administration of
See Payment limits, page 6



Cultivating friends

American Farm Bureau Federation President Bob Stallman presents the organization's Golden Plow award to House Speaker J. Dennis Hastert (R-Ill.) (center). Assisting with the presentation is Ronald Warfield (right), Illinois Farm Bureau president. See story on page 8.

Corner Post



Source: USDA Foreign Agricultural Service

Committee to review charitable giving bill

House lawmakers are considering legislation that would provide incentives for charitable contributions by individuals and business, which includes tax relief to farmers and ranchers who donate food and protect wildlife habitat.

The House Ways and Means Committee this week is scheduled to begin mark up of the Charitable Giving Act of 2003 (CARE bill). The Senate in April passed, 95-5, its version of the CARE bill.

The bill contains provisions supported by the American Farm Bureau Federation, such as tax benefits for farmers and ranchers who make charitable food donations and receive payments for habitat maintenance and restoration.

In an Aug. 28 letter to members of the Ways and Means Committee, AFBF President Bob Stallman urged legislators to include language in the bill that

would reduce capital gains taxes on receipts from the sale of conservation easements and farmland that is protected from development.

"Voluntary conservation easements are one farmland preservation tool embraced by state and local governments and a growing number of private conservation groups," Stallman said. "Programs that purchase conservation easements from farmers successfully protect farmland from development."

"This tax code change will encourage more landowners to designate land for conservation purposes because capital gains taxes will be lower than if the property were sold for development."

The Senate bill includes a provision that gives landowners a partial exclusion from capital gains taxes if they sell conservation easements or sell land that is protected from development.

Regarding food donations, the

House legislation increases tax deductions for farmers and ranchers who donate their commodities to food banks and hunger-relief charities. "Despite the wealth of our country, low food prices and ongoing government food assistance programs, some people still have difficulty purchasing food for a proper diet," Stallman said. "Tax policy should encourage individuals and companies to do all they can to help people in need."

The CARE bill also provides a tax deduction for landowners who voluntarily restore wetlands and other wildlife habitats.

Under the Partners for Fish and Wildlife program, private landowners receive technical and financial assistance in voluntary habitat restoration. AFBF supports CARE bill provisions that would exclude from taxable income a portion of the program's payments.

VIEWPOINT

Fuel prices, shortage demand energy bill passage

By Charles Kruse



Congress is back in session, and one of the first orders of business belongs to the joint House-Senate conference committee members as they debate the energy bill. Passing the energy bill into law is an absolute must for our country, and no small part of that energy bill is the inclusion of renewable fuels.

Getting the energy bill out of the Senate and into conference committee was more a stroke of genius than a stroke of luck. The Senate bill seemed doomed until, at the last minute, last year's passed bill was substituted for this year's bill, and the maneuver worked.

Quite simply, we need renewable fuels in the energy bill to lessen our dependence on foreign oil. The United States imports approximately 57 percent of our oil, and when you look at what parts of the world much of that oil comes from and how uncertain some of the political nuances are in those regions, we had better lessen our dependence. While we cannot be totally self-sufficient in oil production, we can go a long way to reduce our dependence on foreign oil by passing the energy bill with the renewable fuels provisions.

Renewable fuels provisions in the energy bill will also do something positive for the environment, in terms of clean air and clean water, and provide an opportunity to use our great industry of agriculture to be a source of renewable energy.

Some legislators in California fear we

farmers cannot produce enough corn for ethanol and enough soybeans for soy diesel fuel to meet the demand, but they are wrong. Americans, even those of us involved in production agriculture, take for granted how good our farmers are at implementing new technology to improve both the quality and quantity of what we produce. American farmers are able to produce the corn and soybeans for renewable fuel as long as our government uses some common sense to make agriculture profitable and free of unnecessary, burdensome regulations that only thwart growth and development.

It is my hope we can continue to put an emphasis on both ethanol and soy diesel, and I hope we can start using a little more common sense in exploring for energy sources in our own country. The problem is not as much a lack of supply as it is a lack of common sense

with regard to allowing very careful exploration for oil, natural gas and coal reserves.

Economists are already telling consumers to expect much higher natural gas prices this fall and winter. For farmers, the concern is even greater given their dependence on natural gas for heating, grain drying and fertilizer production.

As we look 10 to 15 years down the road, we see an increasing role for agriculture providing energy resources. With biotechnology, we see things far beyond ethanol and soy diesel. We cannot wait 10 to 15 years, however, to adopt an energy bill with provisions for renewable fuels. Congress must do so now.

Charles Kruse is a fourth-generation farmer from Dexter, Mo., and president of the Missouri Farm Bureau Federation.

Ethanol, biodiesel are an energy 'grand slam'

By Sen. Mark Dayton



After several hours of debate over three days, the Senate recently voted to add an "ethanol mandate" to the 2003 energy bill. It will require that 5 billion gallons of ethanol be used for transportation fuel in the United States by the year 2012.

Five billion gallons is a lot of ethanol; however, it would comprise only 3 percent of motor vehicle fuels nationwide 10 years from now. And 2012 will be 15 years after Minnesota adopted a 10 percent ethanol requirement for every gallon of gasoline sold in the state. That mandate was controversial at the time it was enacted. Now, most Minnesotans are unaware or unconcerned that ethanol comprises 10 percent of every gallon of gasoline they buy.

Earlier predictions of disastrous consequences proved unfounded. There have been reliable supplies of ethanol at prices often lower than for regular unleaded gasoline. Ethanol does not damage modern automobile engines; under most conditions, it burns cleaner than gasoline without ethanol.

Some of the expected benefits from the 10 percent ethanol mandate have been realized. By the basic economic law of supply and demand, the increased domestic demand for corn has increased its market price, particularly in areas close to operating ethanol plants. The value added by processing corn in local plants has provided jobs and additional income, some of it to local corn-producing farmers. Higher

commodity prices reduce the need for taxpayer subsidies. Farmers' increased incomes are often spent locally, and every business on every Main Street in Greater Minnesota knows that a healthy agriculture economy is essential to their own financial well-being.

Of course, not every venture turns out well. Ethanol plants are major industrial operations, which require sizeable start-up capital, realistic business plans and sufficient operating capital to execute them. If initial projections are inaccurate, or if unexpected costs exceed operating reserves, the results can be disastrous. Financially hard-pressed farmers/investors can be propelled into bankruptcies. However, as the industry grows and matures, successful operations will acquire more resources and experience; and they should become even more resilient and self-reliant.

Let me point out that a mixture of 10 percent ethanol doesn't begin to utilize its full potential, which is not a substitute for the gasoline additive MTBE, but rather a substitute for the gasoline itself! I drive a Ford Explorer, which has a factory engine with slight modifications that allow it to run on E-85 fuel. E-85 consists of 85 percent ethanol and 15 percent gasoline. It is now sold by over 80 gas stations across Minnesota. If E-85 is not available, regular unleaded gasoline (87 octane) can be used, instead. It can be combined with the E-85 fuel remaining in the fuel tank without adverse effects.

What a fantastic opportunity we have to significantly alter a very big part of our national energy consumption. One out of every seven barrels of oil produced in the entire world goes into the gas tanks of American cars,

SUVs, trucks and other motor vehicles. If Minnesota's 10 percent ethanol mandate were adopted nationwide, that enormous consumption would decline to almost one in every eight barrels. Amazingly, however, Minnesota is still the only state in the nation with such a mandate.

Our national goal should be that every gallon of "gasoline" used by every motor vehicle in America be a blend of at least 50 percent ethanol and 50 percent gasoline. Our national consumption of oil for all our motor vehicles would be halved. The market price of a bushel of corn would be significantly higher than today, at much higher levels of production. That cleaner-burning fuel would improve air quality nationwide. It would be an "Energy Grand Slam!"

Crops like soybeans make an alternative diesel fuel and can already substitute for 20 percent or more of #1 diesel. Ultimately, soy diesel blends have as much potential as ethanol; but they are a few years behind in product development, market penetration and customer acceptance. Minnesota's 2 percent biodiesel mandate is another first in the nation. Once again, Minnesota leads the way.

In Washington, meanwhile, we need an energy overhaul. It is said that we do not have a national energy policy. I disagree. The policy is: "Continue the status quo for as long as possible." In the short term, it makes some sense. As long as our present sources of energy can be purchased or produced in sufficient quantities and at approximately current prices, they will be less expensive and less problematic than their alternatives. Any transition to a different energy source has associated costs. New supply lines and distribu-

tion networks must be developed; and there will initially be temporary supply and price glitches until the new industry is established.

However, if we as a nation will not undertake those transitions voluntarily, we will eventually be forced to do so involuntarily, when traditional supplies are depleted or seriously disrupted, or when prices increase and remain uneconomically high. Then we will ask again: "Why haven't we already developed energy alternatives?"

It is a good question. Biofuels are the best answers we have today.

Sen. Mark Dayton (D-Minn.) is a member of the Senate Agriculture, Nutrition and Forestry; Armed Services; Governmental Affairs; and Rules and Administration committees.

Farm Bureau news

(ISSN 0197-5617)

Joseph S. Fields,
Public Relations Director
Don Lipton, Associate Director
Lynne Finnerty, Editor
Jaime Naig, Assistant Editor
Phyllis Brown, Assistant Editor

Published semimonthly, except monthly in August and December, by the American Farm Bureau Federation, 600 Maryland Ave., SW, Suite 800, Washington, DC 20024.
Phone: 202-484-3600. E-mail: fbnews@fb.com.
Web site: <http://www.fb.org>.

Periodical postage paid at Washington, D.C., and additional mailing offices. Subscription rate for officers and board members of county and state Farm Bureaus—\$6, which is deducted from dues. For other subscribers—\$10.

Postmaster: Send address changes to Farm Bureau News, 600 Maryland Ave., SW, Suite 800, Washington, DC 20024.

Ag exports to Cuba continue to rise

U.S. agricultural exports to Cuba so far this year have significantly outpaced 2002 levels and could reach as much as \$200 million by the end of the year.

Trade data show that for the first six months of 2003, U.S. farm exports to Cuba totaled \$101.5 million, which is a 40 percent increase over that same time period in 2002. "If you look at the first six months of this year, we're already over \$100 million in agricultural sales to Cuba," said John Skorburg, American Farm Bureau Federation senior economist. "Those are big numbers."

Soybean oil tops the list of U.S. agricultural exports to Cuba so far this year, totaling \$27.6 million. It is followed by poultry meat at \$17 million, coarse grains at \$15.8 million and soybean meal at \$12.7 million. The other top exports include rice, soybeans and wheat, each totaling \$8.1 million.

"Based on these figures, expect U.S. agricultural exports to Cuba to exceed \$175 million and possibly approach \$200 million for the entire year of 2003," Skorburg said.

Cuba purchased more than \$138 million in U.S. agricultural products in

2002, the first full year of exports after an easing of the 40-year-old trade embargo to allow shipments of food and medicine.

Skorburg pointed out that the numbers do not include transportation charges, which add about 10 percent to 15 percent to the total figures. Estimates show current transportation charges to Cuba from other countries run 30 percent to 35 percent of product costs, he added, which "is why Cuba wants to purchase so badly from the United States."

When the United States was regularly trading with Cuba, Skorburg said, approximately 80 percent of Cuba's imported food came from the United States. "Certainly right now we're not back to that level, but we are up to about a 20 to 25 percent market share, which for a start I think is very good," he said.

The Senate's yet-to-be-passed fiscal 2004 agriculture appropriations bill (S. 1427) includes language that would relax certain Cuba travel restrictions and likely increase exports of U.S. farm products to the country.

The bill would require the Treasury Department to approve travel for Americans who visit Cuba to facilitate sales of U.S. agricultural products. Current law allows sales of food to Cuba for cash, but each trip to facilitate those sales must be approved separately.



Canadian wheat dumped in U.S.

The Commerce Department on Aug. 29 issued its final ruling that the Canadian Wheat Board (CWB) receives unfair subsidies and dumps durum and hard red spring wheat in the United States at less than fair market value.

The department set countervailing and antidumping duties of 14.16 percent on hard red spring wheat imports and 13.55 percent on durum imports.

The North Dakota Wheat Commission (NDWC), along with two other wheat groups, petitioned Commerce in September of last year to investigate the CWB. The NDWC hailed Commerce's ruling.

"While we continue to seek a permanent solution to inequities in wheat trade between the United States and Canada, today's decision gives U.S. farmers some relief from the monopolistic Canadian Wheat Board's unfair pricing," said Larry Lee, NDWC chairman.

CWB officials said they were disappointed by the ruling, which they said was based on politics.

The United States is also pursuing a World Trade Organization case against Canada's wheat trade practices. The American Farm Bureau Federation supports the U.S. challenge.

USDA begins issuing permits for Canadian beef

The Agriculture Department on Aug. 28 resumed issuing permits to U.S. importers of boneless beef from cattle under 30 months of age and other products from Canada.

Imports of all beef and other ruminant-derived products from Canada had been banned since May 20 due to a single case of bovine spongiform encephalopathy (BSE), or mad cow disease, in the province of Alberta.

USDA announced on Aug. 8 that it would begin accepting applications for import permits for the following products:

- Boneless bovine meat from cattle under 30 months of age;
- Boneless sheep or goat meat from animals under 12 months of age;
- Boneless veal meat from calves that were 36 weeks of age or younger at slaughter;
- Fresh or frozen bovine liver;
- Vaccines for veterinary medicine for non-ruminant use; and
- Pet products and feed ingredients that contain processed animal protein and tallow of non-ruminant sources when produced in facilities with dedicated manufacturing lines.

Scientists believe that only older animals are at risk to develop BSE, and

that whole, boneless muscle cuts do not transmit the infection.

Agriculture Secretary Ann Veneman said the department determined that the imports were low-risk after it investigated the Canadian BSE case, after reviewing Canada's new prohibition on the sale of specified risk materials (SRMs) for use in human food and after reviewing international standards to reduce the risk of BSE transmission. SRMs are tissues such as the brain and spinal cord that could contain the agent that transmits BSE. The United States already bans the use of SRMs in food for human consumption.

Veneman also announced on Aug. 8 the creation of a voluntary, user-fee-based Beef Export Verification program to ensure that U.S. beef exports to Japan and South Korea do not include any Canadian product. Japan and South Korea on Sept. 1 began turning away beef imports that lack such verification. Veneman said Japan's and South Korea's action is not scientifically justified and, therefore, the Beef Export Verification program should not be necessary.

"However, Japan is the largest export market for U.S. beef and Korea is the third largest, and any disruption in

trade to these countries would bring economic harm to our industry," the secretary said. "To be responsive, we have developed a program that the U.S. industry may use voluntarily to meet these requirements, while we continue our dialogue with Japan to resolve these technical differences."

Canada's BSE case has had no impact on beef demand in the United States and prices have been good, even with ample supply, according to the National Cattlemen's Beef Association (NCBA).

"Demand has been rising for the last few years and was already seasonally high before the BSE incident," said Michele Peterson, NCBA spokesperson. "The BSE case hasn't affected that."

There is typically an uptick in beef demand during the summer, as consumers choose steaks and hamburgers for their backyard barbecues. Rather than being scared away from beef products, there is still a great deal of consumer loyalty to beef, according to Peterson. "What better to throw on the grill than a nice, juicy steak?" she said.

The lack of consumer fear may be attributable to the fact that the United States has never had a case of BSE. A

risk assessment conducted by Harvard University in 2001 showed the risk of BSE occurring in the United States was very low, thanks largely to USDA's BSE surveillance and prevention programs and regulations. Veneman has asked Harvard to update its assessment to ensure an effective firewall is still in place.

"The United States has one of the safest food supplies in the world and we will continue to take all necessary actions to keep it that way," Veneman said on Aug. 8.

International BSE prevention standards are determined by the International Office of Epizootics (OIE), an animal health standard setting organization of 164 member nations, including the United States. Veneman and the Canadian and Mexican agriculture ministers have asked that OIE experts develop consistent guidance for resumption of trade with countries that have reported cases of BSE.

"Countries knowing they will be treated consistently and fairly will have greater incentive to conduct appropriate levels of surveillance and reporting of BSE in order to demonstrate transparency with their trading partners," Veneman said.



Agricultural research improves everyday life

Each year, Agricultural Research Service scientists, in cooperation with numerous universities and industries, make improvements on dozens of products and develop new varieties of fruits, vegetables and nuts.

ARS has played a role in developing all kinds of products, some of which may come as a surprise.

Of particular note is the mass production of penicillin in the early 1940s. English researchers had discovered the germ-killing potential of penicillin but could not find a way to mass-produce it. They were directed to an agricultural research center in Peoria, Ill., where scientists found a superior strain of penicillium on a molding cantaloupe. The strain was made available to drug companies, and production soared in time to treat soldiers wounded during the attack on Pearl Harbor.

World War II prompted the advent of stretch cotton, at the request of medics who wanted self-clinging elas-

tic bandages. After the war, consumers asked for stretch cotton to be incorporated into clothing. ARS answered the call, and within a matter of years developed three different ways to put more stretch into cotton. Wash-and-wear cotton shirts, developed by ARS scientists, allowed consumers to fold up their ironing boards—the patented process keeps cotton fabrics wrinkle-free for more than 100 washings.

Another development, patented in 1976, came to life when ARS scientists combined cornstarch, the most plentiful of the starches, with a synthetic chemical. The result was a product that could absorb 2,000 times its own weight in water. The product, called SuperSlurper, is used as an electrical conductor in batteries, and can be found in fuel filters, baby powders and wound dressings. Compounds similar to SuperSlurper are now used in disposable diapers and other absorbent products.

Numerous varieties of fruits and vegetables owe their consumer appeal to ARS research: crisper apples through climate-control storage methods; doubly nutritious carrots engineered with twice the amount of beta carotene; onions that can be stored for nine months without using chemicals to inhibit sprouting; concentrated orange juice for out-of-the-freezer convenience; and lactose-free dairy products for those who have difficulty digesting lactose. These are just a sampling of the vast number of ARS improvements to everyday foods.

And in the health-conscious environment of today, some ARS researchers are working on projects that would yield more heart-friendly food products.

Just last month, scientists at ARS and Iowa State University reported the development of new corn varieties that could yield healthier products such as cooking oils and margarine.

Some of the corn lines yield oils with

double the oleic acid of most commercially available corn oils. The acid is a compound that helps products stay fresh longer and is thought to help lower blood cholesterol. High oleic acid content may also allow margarine makers to skip hydrogenation, a process that creates trans fatty acids, which are believed to raise cholesterol.

Additionally, ARS scientists recently developed two peanut cultivars that possess both resistance to *Sclerotinia* blight, a disease that causes stem and peg rot, and better quality oil with high oleic acid content. In addition to its health benefits, oleic acid helps delay oil spoilage and reduce off-flavor in stored peanut products.

Scientists at the ARS Wheat, Peanut and Other Field Crops Research Unit in Stillwater, Okla., have worked to improve disease resistance and oil quality in peanuts for a quarter century, but the two new peanut cultivars are the first to possess both qualities.

New TB test in the works

Agricultural Research Service scientists have found a new way to test for bovine tuberculosis that is easy on the cattle and gives quick results.

The biggest plus of the new test is that it requires only a single blood sample, meaning animals are handled just once. That cuts down on stress to the animal. And the results are available in 24 hours, versus three days for the skin test commonly used to

detect TB. The skin test involves injecting animals with TB



antigens that cause a reaction, then measuring the reaction 72 hours later.

The new blood test detects nitric oxide, which mammals produce naturally when fighting a TB infection. The new test will work on cattle, sheep and goats, as well as deer, bison and elk.

The Agriculture Department has submitted a patent application for the still-unnamed test on behalf of its inventors, Ray Waters and

Mitch Palmer, veterinarians with the ARS National Animal Disease Center in Ames, Iowa. But, according to Palmer, it could be years before the test is ready for use in the field.

"It has some inconveniences," Palmer said. "You have to have fresh blood, which could make it impractical in situations where the blood has to be sent to a lab. And the lab has to separate a certain fraction of the white blood cells from the blood, which makes the test somewhat complicated. Those are the two obstacles that we're still working on."

Another blood-culture based TB test, called Bovigam, is already in use for livestock but doesn't work on other species. It must still be done in conjunction with the skin test. But, Palmer said, it is very promising for use in cattle and much closer to market than the nitric oxide test.

TB is a highly contagious disease in animals and humans. The United States almost eradicated bovine TB in 1940. Recent outbreaks in northeastern Michigan, from infected deer, and in two Texas counties, probably from infected feeder calves imported from Mexico, have lent greater urgency to the search for new ways to detect and control the disease.

Beetles, fungus help farmers

Occasionally, bugs and fungi are a farmer's best friend instead of his worst enemy. That's the case with ground beetles, which devour corn rootworms.

Corn rootworms eat the roots of corn. U.S. farmers spray more pesticide to control rootworm than any other pest. But ground beetles are a little higher on the food chain than the rootworm and can be an important weapon in controlling the corn pest.



Ground beetles are so important to corn farmers that the Agricultural Research Service is monitoring their populations to ensure that new pesticides, including those produced by new varieties of corn plants, don't harm them. Mike Ellsbury, an ARS entomologist, created a trap that works similar to a clock. It rotates to catch beetles in one of eight bottles every three hours.

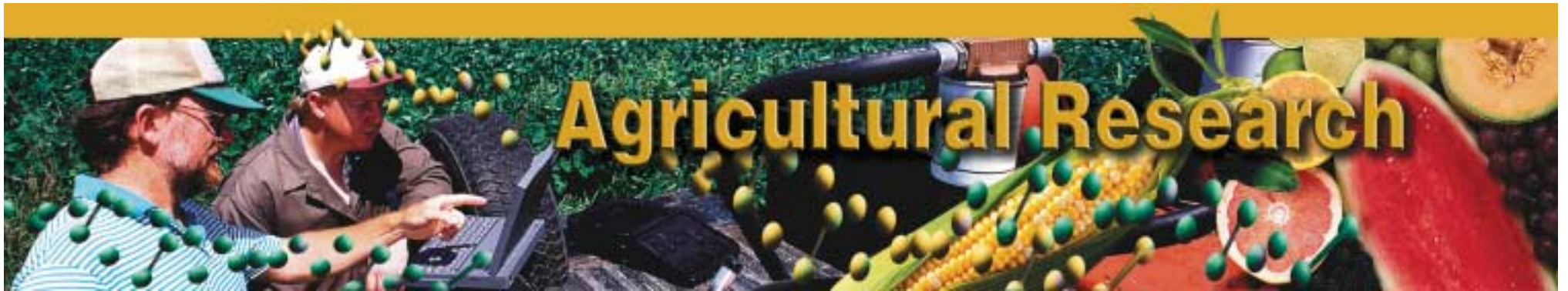
By keeping track of the location, numbers and species of

ground beetles found in experimental plots of corn, Ellsbury and his colleagues will learn whether the new corn varieties have any harmful effects on the beetles.

ARS scientists are also working on a process to mass-produce a friendly fungus. Friendly to farmers anyway; not so friendly to whiteflies, thrips, spider mites and other insect pests that attack some 600 kinds of plants, including cotton, tomatoes and poinsettias.

The fungus, *Paecilomyces fumosoroseus*, kills whiteflies and other insects by penetrating the pest's body. ARS microbiologist Mark Jackson developed a deep-tank liquid culture fermentation procedure based on his fungal nutrition studies at ARS' National Center for Agricultural Utilization Research in Peoria, Ill. He combined the procedure with a commercial collaborator's method of formulating the fungus' spores into an air-dried powder than can be wetted and sprayed onto plants.

With the help of agricultural research, farmers will depend more on beetles, fungi and other natural biological controls and less on chemical pesticides.



State budgets force Extension, research cuts

A large amount of agricultural research takes place at colleges and universities around the country. But with several states facing severe budget shortfalls, all university programs, including agricultural research and Extension, must tighten their belts.

According to an informal survey of the university Extension and research system by Cooperative State Research, Education and Extension Service (CSREES) staff, schools in 47 states reported that, at best, they will hold their own this year and, more likely, will have to cut back their programs. Universities are the state-level partners with CSREES, a federal agency within the Agriculture Department.

"It means that some have reduced their staff size, they have fewer Extension professionals providing advice to people out in the field," explained Colien Hefferan, CSREES administrator. "A few states have found that the cuts would not be quite as extensive as

they thought they would be. But it's a pervasive problem."

The cutbacks could lead to fewer experiments, field trials and on-farm demonstrations. At a minimum, it could increase the trend to more privately funded research.

"There is a substantial effort to look at where issues in agriculture coincide with the goals of private companies and institutions," Hefferan said. "Increasingly, research might be linked with other issues, like human nutrition, economics and trade, or environmental issues."

Because there *are* private sources of funding for agricultural research, it's in better shape economically than Extension programs, which provide services like the 4-H program, nutrition education, environmental protection information for farmers, gardening tips and ways for food stamp recipients to stretch their food dollar.

Extension has always been a partner-

ship between the federal, state and county governments, with each picking up part of the tab. Now, some Extension leaders are looking at adding user fees to the mix.

"The problem is how to place fees on services when the taxpayer is already putting in money," said Tom Fretz, former dean of the University of Maryland College of Agriculture. "Something like a fee to participate in 4-H could work, but then you'd have to divert some of the money to set up an aid fund for people who can't afford the fee. It's problematic."

With budgets tight, universities are increasingly looking for Extension programs to "float their own boat," according to Fretz. "The big problem is universities are increasingly looking at their student services, research and all their key mission areas as fee-based structures," he explained. "Even in the case where grant funds pay for research, the grantor is paying a fee.

Extension doesn't function that way, in that there's the three-way partnership. Universities are increasingly looking at extension as an educational function that should pay for itself the way the school's other functions do."

Hefferan and Fretz both said that with fewer resources to provide extension staff in each county, the system might have to move away from a county delivery mechanism to a regional structure. That could mean fewer services in each county.

However creative state universities have become in cutting costs and finding new sources of funding, there's still plenty of research work that needs to be done. For example, Hefferan said, more research is needed on food safety. "We could do much better and reduce more post-farm-gate problems," she said.

"Our productivity has been built on a long history of scientific research," Hefferan added, "and we need to continue that."

Farmers adopt precision ag

New studies in precision agriculture by the Agricultural Research Service could help farmers increase their yields, lower production costs and further protect the environment.

A recently developed advancement by ARS scientists involves a high-speed wireless networking system to deliver aerial views of croplands to farmers who have adopted precision agricultural techniques.

The system allows farmers to download aerial photographs, taken from airplanes, of their lands via the Internet onto their personal computers or PDAs (personal digital assistants) in an efficient, cost-effective way.

By using the system, a farmer using a PDA could go out into a field and download the corresponding aerial images and use Global Positioning System (GPS) coordinates to quickly locate problem areas. "It will help decide where to spray and not to spray," said Johnnie Jenkins, ARS research leader at the Genetics and Precision Agriculture Research Unit in Mississippi State, Miss.

ARS scientists in Columbia, Mo., are working on an additional precision agriculture method that creates "management zones" within a field,

where farmers can target, for example, where pesticides and fertilizers need to be applied instead of treating the entire field.

One way to create management zones is to gather the latest mapped soil and crop information and feed it into a computer that can find the "most alike" areas of a field. The computer can take thousands of numbers and find areas that are alike, cluster them together and generate a map of the field.

These emerging precision agriculture techniques

could soon become commonplace among the nation's farmers, as technology use on the farm continues to rise, according to a recent American Farm Bureau Federation-conducted survey of young farmers and ranchers. Nine out of 10 surveyed have access to computers at home or on the farm, and the number of young farmers who use GPS technology is holding steady.



Nutrition aids eye health

Statistics show that about half of Americans aged 75 or older will experience vision problems due to cloudiness in the eye lens, or cataract. Recent scientific research suggests that the key to delaying cataract formation may be in what we eat.

Scientists funded by the Agricultural Research Service have found evidence suggesting that antioxidant-rich foods such as fruits, vegetables and grains could be the least costly and most practical means to ward off cataracts.

Scientists at the Jean Mayer USDA Human Nutrition Research Center on Aging (HNRCA) at Tufts University in Boston studied lens cells that make proteins called crystallins. The proteins act like fiber optics, allowing light to pass through the lens and onto the retina, according to Allen Taylor, chief of the HNRCA's Laboratory for Nutrition and Vision Research. Taylor said that crystallins must function for decades with little opportunity for repair. "As damaged proteins gather, they result in lens opacities," he added.

In order to study the relationship between newly diagnosed lens opacities and nutrient intake, the scientists conducted eye exams on

478 women, aged 53 to 73, who were neither previously diagnosed with cataracts nor diabetic. The participants' food intake was assessed from questionnaires completed over 13 to 15 years.

The study showed that the women with the highest intakes of vitamins C and E, riboflavin, folate, beta carotene, lutein and zeaxanthin had a lower prevalence of cloudiness in certain lens areas than did those with the lowest intakes of those nutrients. Additionally, those who used vitamin C supplements for over 10 years were 64 percent less likely to experience lens cloudiness than those who never used supplements.

ARS reports that cataract surgery is the most expensive outpatient surgery covered by Medicare. Worldwide, the costs associated with cataract care, including disability and surgery, are now an estimated \$6 billion annually, ARS said.



CAPITAL UPDATE

Group sues EPA over atrazine use

The Natural Resources Defense Council late last month sued the Environmental Protection Agency to restrict the use of atrazine, charging that the herbicide is threatening endangered species in the Chesapeake Bay area, the Midwest and the South.

Atrazine was first registered in 1958, and is estimated to be the most heavily used herbicide in the United States, according to EPA.

NRDC is seeking an injunction against atrazine use until EPA and other government agencies complete a consultation required by the Endangered Species Act.

Rick Krause, American Farm Bureau Federation director of regulatory relations, said the ESA consultation requirement duplicates the analysis that EPA already performs when registering pesticides. "Repeating the assessment process, which is very complex, would take a lot of time to complete," he said. "Farmers could face some serious economic impacts if atrazine use is halted during this procedure."

EPA reports that corn is the top agricultural use for atrazine, accounting for 86 percent of total domestic usage. Approximately 75 percent of U.S. field corn acreage is treated with atrazine.

Other agricultural uses for atrazine include sorghum and sugarcane. It is also widely used on residential and recreational turf, including parks and golf courses.

EPA is expected to release its final review of atrazine next month. The agency has been evaluating its risks and benefits to determine the need for regulatory changes since 1994.

Krause said the NRDC action is similar to recent lawsuits filed by other environmental groups to restrict the use of pesticides based upon ESA requirements. A federal judge in Washington State in July ordered the establishment of temporary buffer zones around salmon streams for more than 50 pesticides. The decision was in response to a case brought by the Washington Toxics Coalition.

Krause added that EPA is set to release a final rule that would streamline the relationship between its pesticide registration program and the Endangered Species Act. The Farm Bureau-supported program seeks to provide the best protection for endangered species from the use of pesticides while minimizing the impact of the program on pesticide users. The rule is expected within the next couple months.

FB concerned about diesel rule

A proposed federal regulation to cut off-road diesel emissions fails to consider the economic impact on agriculture, according to the American Farm Bureau Federation.

AFBF, in Aug. 20 comments to the Environmental Protection Agency, called for a sector-by-sector analysis of the proposed rule's impact, specifically on farmers and ranchers. EPA in May proposed a 99 percent reduction in sulfur emissions from non-road diesel engines, including farm tractors, logging equipment, forklifts and other equipment used in agriculture.

Farm Bureau said the rule could increase farmers' input costs, and EPA did not adequately analyze or consider the impact on agriculture.

"AFBF has serious concerns about the course EPA chose in promulgating this proposed rule and the minimal consideration of farm and ranch dependence on affordable non-road diesel fuel," AFBF wrote. "Prior to issuing a final rule, we urge the agency to reconsider the proposal's impact on American agriculture and request that a full sector-by-sector impact analysis be completed...."

It would be appropriate for the Agri-

culture Department to perform such an analysis, AFBF said.

Agriculture is already becoming more energy efficient, despite high risk, low profit margins and the inability to pass increased regulatory costs along to consumers, Farm Bureau added.

EPA's proposal would require emission control mechanisms on non-road diesel engines to reduce emissions of nitrogen oxide (NOx) and soot, also known as particulate matter (PM). The rule would take effect for new, small engines starting in 2008 and be fully phased in, affecting older and larger engines, by 2014. EPA said the proposal would cut NOx and PM emissions more than 90 percent and is similar to the requirements for onroad engines.

In addition to the engine controls, EPA proposed phasing down the sulfur content of diesel fuel because sulfur can damage emission control devices. The sulfur content of diesel would be cut from the current level of 3,400 parts-per-million (ppm) to 500 ppm by 2007 and 15 ppm by 2010—a total 99 percent reduction.

Farm Bureau fears that the cost of retrofitting old engines, any cost increase for new equipment and any in-

crease in the cost of diesel fuel would reduce farmers' revenue.

"Even small increases in input costs translate to non-recoverable loss of profit," AFBF wrote. "Recent USDA Economic Research Service figures indicate agricultural non-road diesel consumption to be nearing 4 billion gallons per year. Using refining industry estimates of a 7 cents-per-gallon increase in combination with USDA fuel consumption figures, the economic impact from the proposed regulation...will be likely to exceed a quarter of a billion dollars annually—that estimate does not even include the additional infrastructure or upgraded engine/equipment costs."

EPA has estimated the rule would increase diesel fuel costs by about 5 cents-per-gallon, but experts in the fuel refining industry have said the increase will be closer to 7 to 9 cents-per-gallon.

Farm Bureau also pointed out the rule's lack of attention to other agriculture-related issues, including any incentives or opportunities for the increased use of biodiesel made from soybean oil and other commodities. Biodiesel does not contain sulfur.

Comments on the proposed rule were due to EPA by Aug. 20.

Panel: Keep payment limits as is for now

continued from page 1

payment limits creates incentives for producers to organize their farms in ways that would not occur in the absence of the payment limitations," the report said.

The commission members said payment limits should not induce a producer to organize a farm in one way over another. Business organization decisions should be based on risk or other business considerations, they said. They recommended direct attribution of farm payments to individuals and suggested two options for doing so.

The commission released its report Sept. 3 after eight months of holding meetings and mulling input from farm policy experts and 375 public comments. The commission consisted of 10 members, including its chairman, Keith Collins, chief economist of the Agriculture Department. Agriculture Secretary Ann Veneman commended the commission members for their work and said the report would provide important information for the discussion on payment limitations.

The report contains ammunition for both sides in the payment limits debate and comes just when Congress could take up the issue again.

Congress could face an effort by Sen. Charles Grassley (R-Iowa) as early as this month to lower the farm pay-

ment limits further, as the Senate debates the agriculture appropriations bill for fiscal 2004. An effort to attach language to the budget resolution to lower the limits failed earlier this year. The 2002 farm bill lowered the payment limits to a total \$360,000 per year.

The commission said the "current payment limits have little impact" on farm payments, income, land values and rural economies. Further limitations could have "substantial regional effects," particularly in areas where cotton and rice are produced, but minimal national effects according to the report.

Land values and rents in the areas where cotton and rice are produced could fall because of reduced competition for land, according to the report, except in areas where there are numerous non-agricultural uses competing for land as well. The impact on land values would probably vary considerably from region to region.

The current payment limits of \$40,000 per year on direct payments and \$65,000 per year on countercyclical payments will reduce payments to producers by \$85 million and \$125 million, respectively, per year, or 1.6 percent each, according to the report. Reducing the limits to \$30,000 on direct payments and \$50,000 on countercyclical payments could reduce payments to producers by an addi-

tional \$255-\$275 million and \$400-\$425 million, respectively, per year.

Direct payments are based on a farm's acreage or production levels. Countercyclical payments are also based on acreage or yields, but also on whether market prices for the program commodities are below target prices set in the farm bill.

The commission was divided on payment limits for marketing loan programs, including Loan Deficiency Payments (LDPs), Marketing Loan Gains and certificate exchanges and forfeitures. Certificate exchanges and forfeitures are currently not subject to payment limits. The report included two views: (1) that the current non-recourse marketing loan program should be retained as a fundamental component of the farm safety net; or (2) payment limits should be applied to all four types of marketing loan programs.

The farm bill makes non-recourse loans available to producers of wheat, feed grains, cotton, rice, soybeans and minor oilseeds. Those who forgo the loans are eligible for LDPs, while those who take the loans can forfeit a crop held as collateral. If the value of the crop is less than the repayment amount of the loan, the producer pockets a gain. Certificates allow producers to forfeit a crop at any time rather than waiting until the loan has matured.

County gives potential residents scent of rural life

The Ottawa County (Michigan) Farm Bureau wants people who are considering a move to the country to stop and smell the manure before making their decision.

City slickers who move to the country for the peace and quiet and the bucolic surroundings are sometimes disappointed when they encounter farm odors, the noise of machinery being operated late into the evening and slow-moving tractors holding up traffic. New rural dwellers often lodge complaints with the government or sue farm owners when country life doesn't match the idyll they had in mind.

In an effort to help potential new residents understand from the start what they might be getting into and reduce the number of nuisance complaints, Mark Knudsen, director of the Ottawa County Planning and Grants Department, decided to develop an educational brochure titled "If You are Thinking About Moving to the Country..." complete with a "Scratch 'n' Sniff patch that smells like manure.

"I came up with the idea for an educational brochure, but realized that people just don't read things anymore," Knudsen said. "I must have reverted to my childhood when I remembered the 'Scratch 'n' Sniff.' I thought it would be a good way to convey that smell and get people's attention."

The brochure warns that farmers must sometimes operate machinery at odd hours to get their work done, that they must spray pesticides and apply fertilizers and that they often

spread smelly manure. Those farm practices provide the abundance and affordability of food and fiber that Americans enjoy, and help make the United States the "breadbasket of the world," the brochure says. And they are protected under Michigan's Right to Farm Act as long as they are done appropriately.

The brochures started rolling off the press in July after three years of working with a printer to develop the right combination of chemicals to produce the manure smell. But, first, Knudsen had to find a printer willing to take on the stinky job. Several didn't want to do it.

"I think most of them weren't used to dealing with smells other than petunia and blueberry—perfumy smells," Knudsen said. He kept calling printers until he found one willing to work with him.

Ottawa County Farm Bureau and the Ottawa County Planning and Grants Department are sharing the cost of the brochures, which are already in their second printing. "We went through 4,000 brochures in the first 10 days," Knudsen said. Michigan

State University Extension also helped develop it.

The brochure has been a hit with farmers, who hope it will cut the number of complaints, and with the news media around the world. Knudsen has done interviews with reporters from Australia, Canada and Britain. He has done an average of five talk shows a week for the past three weeks, he said, and it's been covered in news stories in 40 of the 50 states.

"Reader's Digest is covering it in the November issue. *Harpers* has called. Paul Harvey covered it twice," he said.

The media success is enough to make the biggest public relations firms jealous.

"I've had PR firms call and ask who is our PR firm," said Knudsen.

Ottawa County is the state's top farming county, with more than \$300 million in farm sales each year. But, like many rural areas today, the county is becoming more developed.

"From 1990 to 2000, we've had population growth as high as 70 percent," Knudsen said. "Projections for growth over the next 20 years are about 150 percent."

The county is an attractive place to live. Its western side borders Lake Michigan, there are two smaller lakes within the county and the Grand River runs through it. Just about 25 minutes away is the city of Grand Rapids, the second largest city in the state and home to corporations like office furniture manufacturers Steelcase and Herman Miller, automotive parts manufacturers Magna Donnelly and Johnson Control, and pharmaceuticals company Pfizer.

As the number of county residents has increased, so has the number of nuisance complaints. One local farmer had the police called on her for operating a tractor at around 8:00 p.m.

"There have been complaints from new residents about the farming practices here, and that they didn't think they were informed enough about those things," explained Mike Donahue of Greenridge Realty in Holland, Mich., who is distributing the brochures in his office. Rather than worry about whether the brochure might scare away potential customers, Donahue said he thinks it will help ensure happier customers—and happier farmers.

IF YOU ARE
THINKING ABOUT
MOVING TO
THE COUNTRY



YOU MAY WANT
TO CONSIDER
THIS...

FB NEWSMAKERS

C. Booth Wallentine, chief executive officer and secretary-treasurer of the **Utah** Farm Bureau Federation and affiliated companies, will **step down** from his position on Oct. 31, after more than 41 years of professional service to Farm Bureau. Wallentine served nearly 31 years in his current position, and eight years in various assignments with the Iowa Farm Bureau.

Dennis Emerson, **Florida** Farm Bureau Federation director of field services, **passed** away on Aug. 14. He had been battling cancer for the past several months.

Indiana Farm Bureau President **Don Villwock** has been named **chairman** of the board of trustees of **Farm Foundation**. Villwock has been a member of the Farm Foundation Board of Trustees since 1994. Farm Foundation is a publicly supported non-profit organization that works to improve the economic health of agriculture and the well-being of people in rural America.

John Dedo has joined the **California** Farm Bureau Federation's leadership development division as **director of**

membership development. Dedo works with the CFBF field representatives on county Farm Bureau membership program planning and provides consultation to individual county Farm Bureaus. He previously was director of marketing and special events for Big Brothers, marketing director for the Harlem Globetrotters and director of arena marketing at ARCO Arena in Sacramento.

Roger Ovesen has been named an **area program director** for the **Kentucky** Farm Bureau Federation. In his new position, Ovesen will coordinate membership and service programs for Farm Bureau members in 12 southeastern Kentucky counties. He also will work with officers and directors of the county Farm Bureaus to set goals and implement effective leadership strategies for their organizations. Ovesen comes to Farm Bureau following four years with PIC USA, formerly known as Pig Improvement Company. A LaRue County native, Ovesen earned a bachelor's degree in agriculture from Western Kentucky University.

Gov. Frank O'Bannon has appointed

Indiana Farm Bureau staff member **Julia Wickard** to serve as the **representative for agriculture** on the **Indiana Environmental Quality Service Council**. She will serve the remainder of a two-year term that will expire June 30, 2004. Wickard, who came to work at IFB in March 2003, serves as a natural resources specialist with IFB. She also serves as the general manager for Indiana Farm Bureau Environmental Services, a fee-based subsidiary of IFB that offers environmental consulting and compliance services to crop and livestock farmers.

The **New Mexico** Farm and Livestock Bureau board of directors has hired **John Wortman** as **executive vice president**. He replaces Norm Plank, who has retired. Wortman previously was executive director of the New Mexico Livestock Board for 14 years. Wortman is an officer in the U.S. Army and was on active duty from 1979 to 1982. He is currently in the U.S. Army Reserve where he holds the rank of lieutenant colonel. He earned a bachelor of science degree in agriculture from New Mexico State University.

Young joins AFBF staff as chief economist

Robert E. Young II, one of the nation's foremost agricultural economists, has joined the American Farm Bureau Federation as chief economist.



As chief economist for AFBF, Young will direct the organization's economic analysis team, which conducts and coordinates economic research to support Farm Bureau public policy positions on topics such as farm policy, agricultural trade, regulatory costs, labor and taxation.

Young previously served as co-director for the Food and Agricultural Policy Research Institute (FAPRI) at the University of Missouri, where he also served as an associate professor, specializing in the analysis of global agricultural policy. From March 1987 through August 1991, Young served as a chief economist for the U.S. Senate Committee on Agriculture, Nutrition and Forestry.

Young has a doctorate in agricultural economics from the University of Missouri-Columbia.

GRASSROOTS

Hastert receives Farm Bureau's 'Golden Plow' award

The American Farm Bureau Federation on July 18 presented its "Golden Plow" award to House Speaker J. Dennis Hastert (R-Ill.) in recognition of his support for Farm Bureau policies. The award, given annually by the nation's largest general farm organization, is a symbol of distinguished agricultural leadership.

"During his 15 years of congressional service, Speaker Hastert has been a loyal and bold supporter of farm and ranch families, not only those from Illinois but also families from all across our great nation," said AFBF President

Bob Stallman. "Because he holds many ideals and philosophies in common with our organization, Speaker Hastert has been vital to Farm Bureau's success in carrying out our legislative mission."

Stallman recognized Hastert for his voting record, adding that because of his leadership, "many of Farm Bureau's top priorities were placed in a position to succeed." Hastert made presidential trade promotion authority a priority, Stallman said, and led its passage through Congress. Stallman added that Hastert led the successful effort in the House to eliminate death taxes,

and helped secure a role for renewable, farm-based fuels in the nation's energy policy.

"Many recognize Speaker Hastert's respectful demeanor and leadership style have led to more civility in the House, impacting virtually every issue important to farmers," Stallman said. "He is from a rural district, has a strong agricultural background, and as Speaker, is positioned to influence issues important to Farm Bureau."

"In short, Speaker Hastert is an outstanding leader and legislator."

Hastert is serving his ninth term rep-

resenting Illinois' 14th District, and has been Speaker of the House since 1999.

The award was presented at the "Speaker J. Dennis Hastert 16th Annual Farmer's Picnic" at the Sandwich Fairgrounds in Sandwich, Ill. The ceremony included Stallman; Ron Warfield, Illinois Farm Bureau Federation president; and several Farm Bureau members from Hastert's district.

AFBF has been awarding the Golden Plow since 1988 to recognize select members of Congress for their work on agriculture-related issues.

Kentucky community teaches kids how to be safe

It's a beautiful, sunny morning in Union County, Ky., and children are out enjoying a local park. But there appears to be trouble. An all-terrain vehicle has crashed, pinning its rider underneath. Emergency technicians and a rescue helicopter from a nearby hospital are responding to the accident.

The scene would be pretty alarming were it not for the knowledge that it isn't real. The blood is fake; the "lacerations" are make-up applied by a state Agriculture Department employee. It's a mock accident arranged as part of the seventh annual Union County Outdoor Safety Day. But it's still an eye-opener for the county's fifth-grade students who are there to watch and learn how to avoid a similar fate.

Organized by Union County Farm Bureau and local agencies and businesses in conjunction with Farm Safety and Health Week, the staged accident and several other demonstrations are meant to educate fifth graders in the county about how to stay safe around everything from guns, water and



PHOTOS BY PAUL MONSOUR, UNION COUNTY ADVOCATE

Bill Collins, a volunteer at the annual Union County, Ky., Outdoor Safety Day, discusses "four-wheeler safety" with a group of fifth grade students.

power lines to grain bins, horses and ATVs. And they are designed to keep a 10-year-old's attention.

"After last year's safety day, a boy

wrote a thank-you note in which he said he thought he was going to be bored, but he wasn't," said Pat Rudd of the Union County Farm Bureau. "Everyone who comes in to do these demonstrations does a really good job. The kids get a lot out of seeing the helicopter come in and listening to the emergency technicians."

Volunteers also "fry" a hot dog on a power line to show the dangers of electricity and talk about how to avoid or respond to a number of accidents that can happen around the home and on the farm.

Local volunteers do the demonstrations. Employees from the local electric co-op, the fire department, county businesses and local offices of state and federal agencies all pitch in. The fact that so many people and groups on the local level come together to make the event happen is a source of pride for everyone involved.

"We do this mostly by using the resources we have right here in our own county," Rudd said. "It's good for the students, and it's good for the whole community."

The National Safety Council has set Sept. 21-27 this year as National Farm

Safety and Health Week. This year's theme is "Secure Your Farming Future through Safety and Health." Events like the one in Union County, Ky., are being held around the country in conjunction with the annual farm safety promotion.

Every county in Kentucky holds some kind of farm safety event each year, a goal of Kentucky Agriculture Commissioner Billy Ray Smith.

"In every county, it's an ongoing priority to educate people about the dangers and help reduce the number of fatalities and injuries on the farm," said Doug Thomas, public relations director for the Kentucky Agriculture Department.

The number of deaths due to farm injuries in Kentucky has gone down in the last few years, from 48 in 1995 to 17 in 2000, according to the department. Nationally, however, there were 730 deaths in 2002 due to injuries on the farm, an increase of 2 percent from 2001, according to the Bureau of Labor Statistics.



Emergency technicians assist the "victim" of a staged all-terrain vehicle accident. Although the blood and injuries aren't real, the demonstration helps teach area fifth graders how to avoid a similar fate.

NEWSPAPER HANDLING

FARM BUREAU NEWS