

Ag Innovation (Julian-Stille) Grantee Success Stories

The Michigan Department of Agriculture has developed a competitive grant program the "Agricultural Innovation Program (also known as the Julian-Stille Value-Added Program)," intended to accelerate the growth of Michigan's \$60.1 billion agriculture industry. This program would establish, retain, expand, attract or develop value-added processing and production operations in Michigan through innovative financing assistance to processors, agri-businesses, producers, local units of government and legislatively-authorized commodity boards in Michigan.

In July of 2006 MDA received a total of 225 grant proposals with requests totaling more than \$36 million. In October of 2006 MDA recommended the funding of 40 proposals which covered 27 of Michigan's counties. The proposals were evaluated and scored based upon: economic impact on the community; economic impact or enhancement to agricultural product and/or service; amount of project innovation or initiative; clarity of project proposal with specific and measurable outcomes; and management team experience and expertise. Categories for grant awards included: Technical Assistance, Facility Improvements, Market Research/Development, Business Plan Development, and Facility/Land Purchase or Construction.

MFB creates department devoted to member health programs; hires manager

To better serve its members, the Michigan Farm Bureau (MFB) has established a Health Services Department and hired a staff person for the newly created position of Health Services Department manager. The new department is an extension of MFB's existing Member Services Department. Until now, the Member Services Department has been responsible for managing MFB member health programs in addition to MFB's many other non-health benefits, such as discount programs for automobiles and phone service. Separating the areas of concentration and creating a department devoted exclusively to health plans will help all MFB member benefit programs be more efficient, productive and creative, said Tom Nugent, director of the MFB Field Operations Division. "Thousands of Farm Bureau members look to their member organization for health insurance from Blue Cross Blue Shield of Michigan," said Nugent. "With today's complex health insurance market, having a single department focused on promoting the options available to members, improving the service they receive and researching additional plans will serve the member best when they are analyzing their health insurance needs." Lori Brya has been hired to manage the department beginning Oct. 1. Her extensive career history includes jobs in law enforcement and pharmaceutical sales, including positions as a sergeant with the Michigan State University Police Department and district

manager for Kos Pharmaceuticals. In her new role, Brya will be challenged with increasing active member health contracts in MFB non-Medicare and Medicare supplement programs. She'll also be responsible for the marketing of MFB's health plan to members and non-members. As well, she'll work with Farm Bureau Insurance agents and agency managers and county Farm Bureau administrative coordinators in servicing and promoting MFB health contracts. Brya, of St. Johns, holds a bachelor's degree in criminal justice from Ferris State University and from Central Michigan University, a master's degree in human resources with an emphasis on labor relations.

Farm Bureau honors Isabella County member

In recognition of her outstanding work on behalf of Isabella County's vital agriculture industry, Shepherd-area farmer Joyce Neyer has been honored by the Michigan Farm Bureau (MFB) as the statewide organization's Volunteer of the Month for August 2007.

With her husband Jerry and their two sons, Andrew and Samuel, Neyer helps run a 1,000-cow dairy farm near Shepherd, also raising corn and alfalfa. A long-time Isabella County Farm Bureau with an impressive record of active volunteerism, Neyer this year stepped in to chair an ag-education dinner for county commissioners.

The dinner is an important annual program for the county Farm Bureau, providing members with a forum for educating commissioners about the industry and for pushing local policy implementation. Neyer took the helm and immediately began recruiting several fellow members to help. In addition to a dinner featuring locally-grown products, the event also featured an informative presentation about local agriculture and some of the industry's more pressing current issues. Attendees left well informed, and with a basket of packaged products so they could make their own all-Michigan meal at home.

"Joyce made the event a success," wrote her nominator for Volunteer of the Month honors. "She understands the importance of member involvement, and uses it to keep volunteers active. Volunteers who empower others to get involved are the type of people Farm Bureau is proud to have."

"Isabella County Farm Bureau is fortunate to have Joyce and her family active in promoting agriculture."

In addition to her effort on the commissioners' dinner, Neyer has also helped recruit new county Farm Bureau board members, participated in the organization's Promotion and Education efforts, and helped with communication projects. She has previously served on her county Farm Bureau's board of directors and its local, state and national affairs committees.

The



Michigan farm real estate value hits new record high

The value of Michigan farm real estate, including land and buildings, has averaged a new record high of \$3,950 per acre. That's up 12.9 percent from 2006 and 25.4 percent from 2005, according to an analysis of data received as of Jan. 1 by the Michigan Field Office of the U.S. Department of Agriculture's National Agricultural Statistics Service (NASS).

Broken down, Michigan's cropland value rose 15 percent from the previous year to \$3,450 per acre. Cropland cash rent, at \$73 per acre, is up \$8 from the previous year. Michigan's pasture value rose 19.5 percent from last year to \$2,570 per acre. (Pasture cash rent data was not collected for Michigan.)

The news brings with it a mixed bag of emotions, says Bob Boehm, manager of the Michigan Farm Bureau (MFB) Commodity and Marketing Department. On the plus side, the rise reflects an increase in the prices farmers are paid for their commodities and a healthy agricultural economy. On the down side, land prices are going up along with nearly every other farm production expenditure, including dramatic increases in costs for energy products such as fuel and petroleum-based fertilizer.

"Crop prices have a fairly rapid impact on cash rental rates, as the per-acre returns increase the level that can be allocated to land costs," said Boehm. "With the general rise in commodity prices of both crops and livestock, an improving profitability picture creates additional demand for farmland, which has pushed prices higher. Also, low interest rates over the period mean the same cash flow can support a higher purchase price with less of the payment allocated toward interest."

Recent Michigan cash bids for corn have averaged around \$3.50 bushel, as compared to an average of about \$2 a bushel a year ago. The Michigan cash bid for a bushel of soybeans has ranged from about \$8 to nearly \$9, up from a high of around \$6 a bushel at this time last year. Meanwhile, recent Michigan cash bids for winter wheat have fetched more than \$8 a bushel, up from about \$5 a bushel at this time last year.

In the livestock sector, the price of milk has shown the biggest gain. Currently, farmers can receive more than \$20 per hundredweight (100 pounds) of milk as compared to less than \$15 a hundredweight a year ago.

In times like these, farmers have more incentive - and more financial wherewithal - to expand their acreage, and this growing demand from agricultural buyers and renters drives up prices as well. This runs counter to the norm because most often farmland brings a higher value for its residential or commercial development potential, not its use for agricultural production. But

OCTOBER 2007



Membership Standings

2007/08 10/01/07

	2007/08	10/01/07
Goal	199,120	10,516
Target	47,860	1,575



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For questions, comments and suggestions, please contact Mike Wenkel at ext. 3232



Reminders

- CAG's have a new online resource available. The Loop, Discussion Topics and Questions and the Fun Page are all available to view and print by visiting www.michiganfarmbureau.com/cag.
- Completed set up sheets can be mailed directly to your county administrative manager. Remember: Discussion Leaders are designated to receive all materials, so make sure the person designated as DL is an active member of your group.
- Any suggestions or ideas for future articles, discussion topics or fun pages can be e-mailed to smorris@michfb.com or sent to Michigan Farm Bureau, 7373 West Saginaw Hwy, Lansing, MI 48917 Attention: Sarah Morrison

October

- MFB State Policy Development Committee Meetings

November

- State Annual Meeting

December

- New County Leadership Conf.

in today's climate, keeping land in agriculture can be just as profitable as selling to developers.

"The weaker economy in Michigan has taken some of the pressure off conversion for development and recreational use," said Boehm, "but apparently not significantly enough to offset the positive prospects in agriculture."

While the U.S. Department of Agriculture predicts U.S. net farm income will reach a record \$87.1 billion this year, total cash farm expenses are pegged at \$222 billion, an 8.5 percent increase from 2006, due in large part to rising energy prices which have driven up fuel and oil prices 4.5 percent and fertilizer 17 percent.

Last year alone, the average U.S. farm spent \$112,788 on production costs. On average, \$14,974 was spent on farm services; \$14,638 on feed; \$12,094 on livestock and poultry purchases; \$11,902 on labor; and \$8,783 on rent.

"The commodity price increases we're seeing are offset with escalating production costs for the basic necessities that farmers require to produce their commodities, and that includes buying and renting farmland," said Boehm.

The high cost of farmland can be especially challenging for beginning farmers, as revealed in MFB's 2007 survey of MFB members between the ages of 18 and 35. MFB conducts the informal survey annually to gauge young farmer attitudes and thoughts on a variety of subjects.

In ranking the top three challenges facing them today, Michigan young farmers cited availability of land and facilities as their top challenge, unchanged from 2006. Overall profitability came in second, also unchanged from last year. In rounding out their top three challenges, young farmers this year identified competition from established or larger farms. Last year it was urbanization and loss of farmland.

"In today's marketplace it's not surprising to see young farmers express concern about competition from established or larger farms, especially as it relates to land availability and overall profitability," said Lori Chamberlain, manager of the MFB Young Farmer Department.

"Existing farms have built up capital and assets which give them a competitive advantage in bidding for high-priced land. They're also in a better position to ride out uncertain markets and can more easily absorb price spikes for agricultural necessities such as fuel or livestock feed," she said.

On a bigger scale, NASS looks at Michigan as part of the Lake States region, which also includes Minnesota and Wisconsin. As of Jan. 1, the Lakes States region had also exceeded its previous real estate value high of \$2,840 set in 2006 with a value of \$3,300 per acre for 2007, up 16.2 percent. The value of farmland in states bordering Michigan was: Wisconsin, \$3,800

per acre; Ohio, \$3,800 per acre; and Indiana, \$4,000 per acre.

For cropland value, the Lake States region saw a 15.7 percent increase to \$2,950 per acre. In comparison, the average value of cropland in the United States rose 13 percent to a value of \$2,700 per acre.

Cropland cash rents in the Lake States region increased \$5 from last year to \$85. The cropland cash rents in the states bordering Michigan were: Wisconsin, \$72 per acre; Ohio, \$91; and Indiana, \$120 per acre. Pasture cash rents in the Lake States region increased 7.1 percent to \$30 per acre.



Attendance encouraged at upcoming Michigan Equine Conference

The Michigan Farm Bureau (MFB) is urging MFB members involved or interested in the state's equine industry to set aside Dec. 12-13 for the Michigan Equine Conference in East Lansing. Organized by the Michigan Equine Partnership, the conference represents a united effort to: create awareness of the many facets of Michigan's equine industry; market and promote these facets; to examine the needs and desires of Michigan's equine industry members. The conference will take place at the Kellogg Center on Michigan State University's campus and will feature equine industry speakers, panel discussions and breakout sessions concerning economic development, racing revitalization, education, promotion and marketing, legislation and regulation, land use and the environment, and research. Other scheduled activities include the unveiling of the Michigan Equine Survey results conducted by the Michigan Field Office of the U.S. Department of Agriculture's National Agricultural Statistics Service and a presentation of the feasibility study results for an international equine park in Michigan. The conference kicks off Dec. 12 at 5 p.m. with a reception immediately followed by dinner. A full day of activities is planned on Dec. 13 from 8 a.m. to 5 p.m. Cost is \$100 per person for both days; \$50 for Dec. 12 only; and \$75 for Dec. 13 only. Registration is due Nov. 9. For more information or to learn about hotel discount rates at the Kellogg Center, call (517) 372-1500 or visit www.miequine.com.



Ag Producers, join the "Ton Club" and Help End Hunger in Michigan: a message from MDA Director Don Koivisto

As the harvest season approaches here in Michigan, I want to alert you to the serious food shortage our state is experiencing in our local emergency food networks.

Though the inventory levels in our regional distribution centers vary, we are in desperate need of nutritious foods such as fruits, vegetables, meat, grains and dairy products. Food banks in Michigan move millions of pounds of food each month to people in local communities, and we simply do not have enough to go around this season.

In Michigan, our great state with agricultural abundance, it seems particularly ironic and needless to have people going without adequate food. Unfortunately, that is the case for over a million people each year.

Please consider joining my "Ton Club" as a way for Michigan's ag community to help end hunger in our state. A ton isn't a huge amount for a producer or a company, but if we got 20-30 to participate, it could really add up. I encourage you to share the "Ton Club" concept with your growers and processors, as well as local food companies, and encourage their involvement in this worthy effort.

The Food Bank will make it easy for you:

- They can pick up the product from your loading dock or door.
- They need cans, boxes, pallets and cases - any quantity.
- They can accept perishables (frozen, fresh) and bulk quantities.
- They can accept salvage or product that is not cosmetically perfect but wholesome and safe.
- They can, in many cases, re-package bulk items.
- They will distribute the food to people in all 83 counties of Michigan.
- They will provide media recognition of your donation if desired.

Keep in mind that the food banks will ultimately need to distribute the product so that it is useable for families, and they want to do it as cost-effectively as possible.

Also, please remember that there are tax incentives for product donations that could benefit your company, and public recognition for your donation, in addition to the satisfaction you will get from contributing to the well-being of thousands of children, seniors and families that are struggling to make ends meet this fall.

If you have any questions, please contact Kim Harkness at the Food Bank Council of Michigan and she will respond directly to you, and will get the food to the right place in a timely manner. She can be reached at 800-552-4483.

Did you know...Michigan ranks #3 in apple production

- Apples come in all shades of reds, greens, yellows.
- Two pounds of apples make one 9-inch pie.
- Apple blossom is the state flower of Michigan.
- 2500 varieties of apples are grown in the United States.
- Apples harvested from an average tree can fill 20 boxes that weigh 42 pounds each.
- Americans eat 19.6 pounds or about 65 fresh apples every year.
- 780 million pounds of apples were produced in 2005.

