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Agriculture

By Doug Goehring

North Dakota Agriculture Commissioner

Agriculture in North Dakota accounts for 25 percent of the state's economic base. It is an \$8 billion-plus industry. Nearly one quarter of the jobs in our state are directly or indirectly related to agriculture. Unfortunately, many North Dakotans have little knowledge of the business of farming and ranching. As agriculture commissioner, I represent North Dakota's 30,000 farmers and ranchers along with the 100,000-plus who are indirectly employed by agriculture.

A strong and growing agriculture industry in North Dakota is vital to meet the growing demand for food. The world's population is expected to swell to 9 billion people in the next 40 years, causing the demand for food to increase by 70 percent. There can be little doubt that the United States will be expected to take on the greatest responsibility for meeting this demand. North Dakota farmers and ranchers lead the nation in the production of more than a dozen major commodities such as durum wheat, barley, sunflower seeds, etc. We will be called on to raise more crops and livestock to meet the world's growing demand.

Along with the growing world population, the world's middle class is expected to increase from the current estimate of 750 million to over three billion people. The growing middle class, with their higher incomes, will increase the demand for high-value products, such as meat, high-protein grains, legumes and oilseeds, that are grown here in North Dakota.

To be a first choice in a global market, we need to showcase quality and value and, to be competitive, we need to adopt new technologies helping producers become more efficient in all farm operations. Precision farming, using satellite technology, allows producers to minimize costs by reducing overlap in tillage, planting and harvesting operations along with the application of pesticides and fertilizer. For example, placing seed at a precise depth with the specific amount of fertilizer, which is determined by organic matter, soil type and moisture, can produce higher yields and reduce the use of



fertilizer.

Producing more from less on a per unit basis is a result of new technologies, and new technologies are a result of investments in research--its innovation at its best. The United States must maintain its leadership in, what I believe, our nation's most valuable strategic asset, academic and industrial agricultural research.

Renewable energy is another high point for North Dakota agriculture. I believe biofuels complement our petroleum industry and reduce our dependence on foreign oil, while providing farmers with alternative sources for

marketing the surplus of commodities. Again, additional research is needed to provide new technologies to make production of renewable energy even more cost efficient.

World demand for food, especially higher quality food, is increasing and giving North Dakota a competitive advantage. In order to maximize our state's agricultural potential, we must pursue new markets for our commodities and food products, while strengthening our current markets. Expansion into foreign markets by our state's agricultural businesses needs to be encouraged.

North Dakota produces far more agricultural products than we can consume. Infrastructure is critically important to the agriculture industry. Maintaining and improving our roads, bridges and rail system will ensure that these products move around the state and into world markets efficiently and expeditiously.

Not everything in agriculture is encouraging. We face many serious challenges, as the need for new crop insurance products to mitigate risk concerning weather and markets along with other challenges, such as increasing costs for seed, fertilizer, machinery and other inputs.

I am confident we will find solutions to these challenges. We will improve our infrastructure, advance renewable energy and expand and develop new markets. The importance of agriculture will continue to grow, which is good news for society and for everyone in North Dakota and the nation.

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TAMMY'S TOPICS

By Tammy Basel, SD
National President



The Ag Outlook Forum was held in Arlington, Virginia, on February 18 and 19. I represented WIFE as your National President.

The theme of the Forum was "Sustainable Agriculture: The Key to Health and Prosperity".

In preparing for the conference I thought that I bet their definition of sustainable agriculture was different from mine. I looked up the definition of sustainable agriculture and found two definitions. One of the definitions is "any of a number of environmentally friendly farming methods that preserve an ecological balance by avoiding depletion of natural resources". The second definition was "A method of agriculture that attempts to ensure the profitability of farms while preserving the environment."

I would like to think that my ranching operation is sustainable. My grandmother took out the homestead patent and my father put improvements in barns and fences. I have invested in a good well and water source for much of the land. During the drought there was no water in the dams and creeks as the only place for the wildlife to get a drink was from the water tanks. Now our son is working on the ranch with us, as the next generation. Finances are tough, but God willing we will be able to continue. So my definition of sustainable leans towards the second definition, a ranch needs to be profitable to continue and we need to take care of the environment because it takes care of us and the livestock.

At the forum, it was demonstrated just how many believe in the first definition that was found in the dictionary. One of the panelists stated that one semi-load of fat cattle has 80 million gallons of imbedded water. This is a ludicrous number if you know anything about modern production agriculture. Corn is a big target. The thinking is that we use too much water irrigating corn to feed cattle. When corn is irrigated the life cycle of the water does not end. Farmers have invested a lot of money in using technology to use the correct amount of water on a crop. The water, that the plant does not use, either goes into the ground and is filtered in the soil until it reaches the aquifer or is evaporated. The water that is used for irrigation is not depleted when it is put on the crop. It was a bit alarming that a panelist could say such a thing and not have the people in the audience coming out of their seats. I visited with a person in the hallway that was so alarmed at the misuse and unsustainable use of water, that she thought we should not be eating meat if we deplete the waters of the world. This person was not a member of some radical group but an agriculture economics major from a prestigious college. She is bright, young and has the world by the tail.

It would be great if everyone could attend the Ag Outlook Forum just once. It puts what we do into prospective. The culture in many parts of the United States is getting to where people think that cows express gas and impact too much water and that we should not eat meat. If we want to be sustainable in what we do, feeding a hungry world, taking care of the environment and wildlife, we need to work telling the positive message of modern agriculture.

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ESTATE TAX

By Nancy Spiegel, KS

WIFE has an urgent issue to work on now...Estate Tax Reform! It cannot wait until after Congress returns from their summer break; it might not get done before the end of 2010 and the estate tax exemption would then revert to \$1 million per person as it was in 2001. Congress "said" they would address this issue before the end of 2009...the House did reverse the repeal and enact a continuation of the most recent estate tax exemption (\$3.5 million) and 45 percent tax on the excess, but the Senate didn't get it done. The focus on the Health Care Bill has prevented Congress from addressing this crucial matter to agriculture.

WIFE's policy states: WIFE supports raising the estate tax exemption to \$5 million per person, \$10 million per couple indexed to inflation, reducing the estate tax rate, and retaining in full the new basis at death rate (called stepped-up basis).

You have all heard that there are only two certainties in life... death and taxes. Well, the two matters are very uncertain as of 2010. Many joked that if one was to die, 2010 would be a good year to do so because the estate tax "disappeared" as of January 1, 2010. How can this be? The Economic Growth and Tax Relief Reconciliation Act (EGTRRA) of 2001 allowed for estate tax exemptions to be ramped up to \$3.5 million per person until 2010 when there is no estate tax (also referred to as the death tax). The stepped-up basis (referred to as the cost basis, by some) was replaced with "carryover basis" for assets over \$1.3 million. Under this structure, heirs pay capital gains taxes on the difference between the value of assets when sold and the value when originally purchased, which will result in a bigger tax bill for most heirs. So if you inherit stocks/bonds, land, etc., you no longer have a step-up in basis to determine your inherited value.

For example, your grandfather purchased a piece of farmland at \$45 per acre in 1930 and your father inherited the acreage at a value of \$400 per acre at the time of the grandfather's death. Then in 2010 your father passes away and you inherit it at a value of \$900 per acre. You do not get that "stepped up" basis that your father had...it went away. If you inherit property above a certain level (exempted level) you will have to pay taxes of 45% on the difference between \$45 and the value of \$900 rather than the difference between \$400 and \$900 per acre. It could very well mean that some heirs must sell land or assets to pay the taxes.

(NOTE: The federal gift tax does stay in place with a 35 percent rate and a maximum exclusion of \$1 million.)

There were several bills introduced in 2009 with various suggested solutions but, of course, no action was taken. Information from Rep. Adrian Smith (R-NE) states that from 2002 to 2007, an estimated number of farms with holdings greater than \$3.5 million increased over 60 percent. And it is expected that the number of farmers impacted by this matter will continue to accelerate. Average agricultural producers have 87 percent of their wealth invested in land and improvements.

In visiting with a financial planner about the current estate tax problem, I was told that if nothing is done before January 1, 2011, we can expect capital gains to go up to 55 percent in 2011 and 60 percent in 2012.

If Congress should reinstate the estate tax for 2010 retroactive to January 1, problems could arise for heirs and attorneys. Taxes that weren't paid because of the repeal would possibly be due under whatever new estate-tax system that Congress

puts in place. It's certainly difficult to advise anyone on estate planning at this time. Most farm families want to pass the farm operation intact to heirs.

Suggested action: WIFE has policy on estate tax and members need to get busy with letters, e-mails and phone calls to their respective U.S. Representatives and Senators. We need this matter solved soon. With the House of Representatives set to adjourn for the Easter recess from March 26 to April 13 and the Senate from March 29 to April 9, we need to communicate now. The finish line for the Tax Extender package, which could contain some language about the estate tax matter, may be as early as March 22. It could be a part of the Jobs Bill. We want to be sure it is written as we want.

According to Andy Biebl's column in the March 2010 issue of Progressive Farmer, "The definition of a good tax system includes certainty in the law. We lack that certainty today in the estate tax."

FUTURE OF NAIS

By Stephanie Trask, SD

National Property Rights Chairman

On February 5, 2010, Agriculture Secretary Vilsack announced that USDA has decided to revise prior policy regarding the proposed National Animal Identification System (NAIS) and will be working to develop a new, flexible framework for animal disease traceability in the United States.



Numerous livestock industry groups have expressed gratitude to USDA for acknowledging the impracticality of the proposed NAIS which was compounded by overwhelming producer opposition to the program. USDA spent six years and \$142 million in federal funds attempting to implement the program, while a liberal estimate accounts for only 36 percent producer participation in the NAIS.

As a livestock and property owner, I am also pleased with Secretary Vilsack's announcement. However, contrary to elated headlines about the USDA decision, NAIS has not been "scrapped" nor is it "dead." It is important to remember that USDA has only announced its intention to revise its previous approach and develop a new strategy.

Information and a fact sheet, provided by USDA regarding their anticipated new advance, is available at <http://www.aphis.usda.gov/traceability>. Based on this information, the intent appears to be a different mandatory program, administered by state governments, and founded in the movement of animals across state lines. The fact sheet confirms that the national database will not be eliminated, but rather that premises ID numbers, 840 tags, and the database will be maintained and further premises registration encouraged, if not mandated, at the state level.

Please take this opportunity to contact Secretary Vilsack at USDA and the members of your congressional delegation, thanking them for finally listening to U.S. farmers and ranchers. Let them know you support the agency's decision to reconsider NAIS and that you look forward to agency measures that truly improve animal health and simultaneously respect U.S. livestock producers and consumers.

SUGAR PROVIDES JOBS

By Klodette Stroh, WY
National Sugar Chairman



United States farmers are the hand that feeds us, and most of the world, too. A recent USDA report indicates that the world's population is at 6.5 billion, and by 2025 it will reach eight billion. It is a good thing that our farmers continue to increase their efficiency.

Agriculture is America's number one export and generates 20 percent of the U.S. gross domestic product. American consumers spend just 9.3 percent of their income on food, which is the lowest percentage of their annual income. You may not believe it but actually two out of three bushels of corn in the world originates in the United States. Our farmers provide one-fourth of the world's beef and one-fifth of the world's eggs, milk and grain. In 2001, 45 percent of the world's soybeans were produced in the United States. Cotton is, by far, the most dominant fiber produced and it is used for clothing, home fabrics and as well as manufacturing uses.

American sugar cane and sugar beet farmers are part of the hand that feeds America. It is estimated that the average American eats 44 pounds of sugar annually. Sugar beet farmers produce 71 percent of the total U.S. sugar production and the rest is produced by sugar cane farmers. Americans get a good deal because they pay 22 percent less for sugar than consumers in developed countries. According to the American Sugar Alliances (ASA), which is a national coalition of growers, processors, and refiners of sugar beets and sugar cane, 146,000 jobs are provided by the strong U.S. sugar industry. The important part is that sugar policy operates at no cost to the United States government and generates \$10 billion of economic activity in 18 states each year.

More than 1,400,000 acres of sugar beets are grown in Minnesota, Michigan, Colorado, California, Nebraska, North Dakota, South Dakota, Idaho, Montana and Wyoming resulting in over 88,000 jobs. The cane sugar industry creates nearly 72,000 jobs by having seven cane refineries and 22 mills in Florida, Hawaii, Louisiana and Texas. The corn sweetener industry uses 760,000,000 bushels of corn, nation wide, for making sweetener in addition to providing jobs.

Farmers and ranchers are the first environmentalists, because they maintain and improve the soil and natural resources in hope of saving it for America's future generations. Sugar cane farmers have a good way to recycle their waste product. It can be considered a profitable way of recycling. During the milling process the molasses is extracted and then sugar cane stalks are crushed. These crushed stalks are called Bagasse and are fed to boilers to generate steam for the mills.

Farmers have been a sturdy pillar for the United States economy. According to the USDA, agriculture exports will be over \$100 billion in 2010. One in three U.S. farm acres is

planted for export. There will be millions of new mouths to feed and many will be relying on American farmers to be fed. Farmers operate in partnership with God as they care for His land and grow food for His people. Support America farmers. They have carried this country through economic meltdown of the 1930s and 1940s and they will not disappoint us.

ORGANIC MILK

By Dianna Reed
National Dairy Chairman



Beginning in the latter part of 2008 and throughout the entire year of 2009, we saw sheer devastation hit the dairy industry with the loss of hundreds and hundreds of dairy operations. This year is going to be a hard long road of recovery for those who remain and it is especially going to be a tough time for organic dairy producers.

The outlook is that the market for organic dairy products will come back some but, the question is, will it be enough to match the supply of organic milk? There has been an impressive growth rate in the market for organic dairy products, especially fluid milk. Some of the reasons, of which there are several, are that people have generally become more conscious of where and how their foods are produced. BST has played a large part in this, plus the consumers had the money to pay a premium price for a product that differentiated itself in the marketplace.

Even before our economy and others around the world faltered, there were signs that the growth in demand for organic dairy products and other foods was stalling out, if not reversing. Organic foods fill a niche market, but there are real concerns about how many consumers are in that niche and how faithful they will be during fat times and lean. As it has turned out, organic dairy product demand is down. Word is spreading about a review of 50 years worth of scientific studies, 161 papers in all, that found there were no significant nutritional differences between conventional and organic milk, fruit, vegetables, and meat. The study leader concluded that the small differences in nutrient content were unlikely to have any public health relevance. Now, major organic milk buyers are asking their producers to cut back on milk production by five to seven percent or more in view of the diminishing demand.

In a time of depressed milk prices and over-supply, we feel for those families who have gone through the extreme expense of certifying their operations and now are facing the loss of their premiums, if not their markets. If there is one consolation, most of them are graziers, and that remains a low-cost way to make milk in this slim margin business.

Lets hope that 2010 will be a better year for the nation's dairy producers.

Reminder:

It is time to think about bylaws as they will need to be in the hands of the Bylaw chairman in May. These is no June issue.

RIBS IN JAPAN

By Frances Rohla, NE
National Pork Chairman

Here in the United States, we take pork ribs for granted—barbequed or with onion, caraway seed, salt and pepper, or roasted, boiled or any way we like it. But in Japan, ribs are a new cut of meat.

The Japanese pork industry did not use the ribs as we enjoy them. The U.S. Meat Export Federation (USMEF) introduced the pork ribs in 2009 in the FoodEx Trade Show, where the high-value cut had immediate interest from Yokado. Yokado has 179 outlets in Japan with an estimated retail sale of \$15.9 billion. USMEF helped Yokado with tasting demonstrations for test sales. USMEF then worked with cooking instructors and chefs to develop recipes that would work in Japanese kitchens so families could enjoy pork ribs at home.

The pork back rib importers, using a gate price system, are required to pay a duty for products priced under a specific per-pound price.

The popularity of pork back ribs will enable U.S. exporters to pair them with less expensive pork loins and avoid paying the additional duty.

We know there is a lot of corn out in the fields because of the wet weather, so producers must be aware of mycotoxin and molds, that appears to be in corn, when they feed young piglets or bred sows.

Registered attendees and exhibitors at the 2010 Iowa Pork Congress will be able to get free H1N1 vaccinations, not to protect humans from the virus, but to protect the pigs that are at the Pork Congress.

“USDA has issued a conditional license to Pfizer Animal Health for a pandemic H1N1 influenza vaccine intended to vaccinate pigs against the 2009 pandemic virus. The conditional license is issued for one year only by USDA Agricultural Animal and Plant Health Inspection Service (APHIS) for veterinary biologics products to meet emergency situations,” says Cindy Smith, administrator of APHIS.

Pork in a Petri dish is a new technique to turn stem cells into strips of meat that Dutch scientists say could one day offer a green alternative to raising livestock!!

They have been growing pork in the laboratory since 2006. “The texture and taste just isn’t quite right,” says Mark Post, a biologist in a Dutch research institute. Post describes the texture of meal as sort of like scallops, a little squishy and moist. To make pork in the lab, Post and colleagues isolate stem cells from pig’s muscle cells. The scientists created a strip of meat one centimeter or half inch in size. To make a small pork chop, it would take about 30 days of cell replication in the lab. Some experts warn that lab-made meats might have potential dangers for human health.

(Source: High Plains Journal and Nebraska Farmer)



HEALTH CARE COSTS

By Cynthia Thomsen, NE
National Rural Health Chairman

To bring down health care costs, the incentives for good health need to change. Today five dollars out of every six dollars are paid by someone other than the person receiving care. These payers are insurance companies, employers and/or the government. Most individuals do not know the reality of what they are being charged for and then question if health care is working.



To reduce costs, individuals must take responsibility for their health care, and health insurers and the providers have to face the competitive markets.

Three policy changes would go a long way toward reducing costs. 1) Eliminate the tax code that favors insurance policies over out-of-pocket spending. 2) Remove government barriers to purchasing insurance and providing health services. 3) Reform medical malpractice laws. It is estimated this would save over \$100 billion per year if these three changes were adopted. This would reduce the number of uninsured by up to 13 million.

The best way to address the tax code bias toward employers is to make all health spending tax deductible, such as including out-of-pocket payments, purchases of individual insurance, and purchases of COBRA coverage. This could be accomplished with a single sweeping policy change.

Health Savings Accounts and Flexible Spending Accounts could be expanded. This would make tax treatment of those insured and those paying out-of-pocket similar.

Reform private insurance so individuals can buy in other states other than where they live. Not being able to do this has allowed insurance costs to rise by reducing competition among insurance companies. Mandates are not allowing individuals to buy policies suitable to their needs.

Place reasonable caps on damages for pain and suffering established in malpractice cases. Caps reduce costs and decrease unnecessary defensive medicine. This will fundamentally change incentives to slow the costs by reducing inefficient demand without reducing quality and innovation.

Government spending can be slowed. It is estimated these changes will reduce federal revenues by almost \$3 billion per year; a small amount of the government’s \$2.12 trillion revenue intake.

As tax-deductible, employer health insurance costs decline, the workers’ taxable income will increase. With the workers able to claim tax-deductible health insurance, this leaves compensation unchanged. The taxes claimed from workers on their wages will help offset the loss from employers’ tax-deductible insurance claims. Now workers have more control over their lives and their insurance

Mandates, invasive regulations, and unaffordable new entitlements are not addressing the high and rising costs of care in the health system.

(Source: Feb. 23, 2010 Wall Street Journal)

WORLD OF CANOLA

By Phyllis Howatt, ND
National Oilseeds Chairman

Welcome to the world of Canola! This year is poised to be full of positive developments in the canola industry. We can look for less trans fat in packaged foods and restaurants. A 2009 survey among U.S. food processors indicates that they are switching to healthier cooking oils, such as canola oil. In the last two years, usage gains for canola oil were higher than all others, except olive oil. A lot of food processors say they will use more canola oil.



After rigorous taste and performance testing, canola oil has been elected as the new “fry guy” in restaurants, hospitals, nursing homes and university cafeterias. Several food service entities interviewed have said the canola oil makes food taste the way customers want and expect, while offering trans fat-free and lower saturated fat meals.

Canola oil’s domestic use has doubled as soybean oil use for food has declined. With these trends likely to continue, marketing opportunities for canola seed and oil are promising for the future.

The Northern Canola Growers Association (NCGA), along with radio station KNDK 1080, hosted the 13th annual Canola Day recently at the Activity Center in Langdon, North Dakota.

North Dakota Ag Commissioner Doug Goehring was the keynote speaker and also spoke personally to farmers and business personnel. Commissioner Goehring believes development of overseas trade is vital to the growth and prosperity of agriculture.

Sheri Coleman, Canola Gourmet and Associate Director of the NCGA, explained how to create healthy tasting foods with canola oil. Canola oil is cholesterol and trans fat-free and can be substituted for most fatty oils. Canola is a good source of Omega-3 Fat.

The following is a conversion chart that can be used in cooking with canola oil:

Solid fat	Canola Oil
1 Cup	3/4 Cup
3/4 Cup	2/3 Cup
1/2 Cup	1/3 Cup
1/4 Cup	3 Tbsp.

“Canola Quick Bytes” is a supplement to the U.S. Canola Digest. You can keep up on canola-related news with this new e-newsletter. Some topics covered include: Capitol Hill, Agronomy, Nutrition, Oil for the Environment, Latest Products and About People. You can receive a complementary subscription for the e-newsletter at www.uscanola.com.

Think YELLOW and have good eating with CANOLA OIL in 2010!

PUMMELOS

Pummelos are a large citrus fruit that is an ancestor of the common grapefruit. They are the largest of the citrus family, sometimes weighing as much as 25 lbs. each. They are sweeter than grapefruit. Pummelos are high in vitamin C and potassium, also fat free and cholesterol free.

AG DAY

By Marlene Kouba, ND
National Editor

March 20 marks the first day of spring. It falls during National Ag Week, March 14-20, a time when producers, agricultural associations and countless others across America gather to organize and celebrate the abundance provided by American agriculture.

As the world population soars, there is even greater demand for products produced in the United States.

The National Ag Day program believes that every American should 1) understand how food, fiber and renewable resources are produced, 2) value the essential role of agriculture in maintaining a strong economy, 3) appreciate the role agriculture plays in providing safe, abundant and affordable products, 4) acknowledge and consider career opportunities in the agriculture, food, fiber and renewable resource industries.

Agriculture provides almost everything we eat, use and wear on a daily basis and is increasingly contributing to fuel and other bio-products. Each year, members of the industry promote American agriculture to help educate millions of consumers each year.

A few generations ago, most Americans were directly involved in, or had relatives or friends in agricultural-related endeavors. Today, that is no longer the case and that is why it is important that we must spread our message more than ever before!

Increased knowledge of agriculture and nutrition allows individuals to make informed personal choices about diet and health. Informed citizens will be able to participate in establishing policies that will support a competitive agricultural industry in this country and abroad.

Employment opportunities exist across the nation in agriculture. Some career choices include: farm production, agribusiness management and marketing, research and engineering, food science, processing and retailing, banking, education, landscape architecture, urban planning, energy, photography, trade and other fields.

We need to begin in kindergarten and continue through high school with education about agriculture. In the seventh grade I had to take half a year studying a 2” book of agriculture (it had a bright orange cover) and take a final test to pass to the eighth grade but now it is hardly mentioned in any grade.

Agriculture is too important a topic to be taught only to a small percentage of students considering careers in agriculture and vocational studies.

American literacy includes an understanding of agriculture’s history and current economic, social and environmental significance to all Americans. It is up to us to help promote understanding of food, fiber and renewable resource information about production, processing and domestic and international marketing and exporting.

This month will be my fifteenth year in helping teach classes in more than 35 commodities to students in kindergarten through sixth grade in all of the schools in my area.

What are you doing to promote one of the most important industries in America?

GREEN HIGHWAYS

By Donna Bolz, NE

National Transportation Chairman

Americans combine to drive over three trillion miles annually on more than four million miles of roads.

The U.S. highway system is a vast network vital to our nation's economy. However, an increasing public transportation ridership and aging roadways have left highways in a deteriorating condition. Soaring gas prices and the fear of climate change has caused many people to become more environmentally conscious by driving less and buying green.

While many Americans are struggling to purchase more efficient cars in order to help their wallets, as well as the environment, few Americans realize that the roads they drive on could be more economically and environmentally friendly.

Many technologies already exist to reduce the environmental impact of highways. Yet current industry practice tends to focus on the short-term costs of road building, often neglecting ways to lower long-term or life cycle costs through more sustainable highway construction.

A "green" highway rating system would provide a way to update current state and federal highway best management practices. Such a system would classify the various parts of the highway construction process and then rate them based on their environmental sustainability. This approach would be beneficial to the design and construction of new surface transportation systems as well as the maintenance of existing transportation infrastructure. There are several challenges to developing a green highway system. A standard definition for sustainability in highway design currently does not exist. Developing a green highway rating system would require cooperation between government agencies. Many standards needed for transportation system materials and testing also still need to be developed.

Green highways are a relatively new concept, although the implementation of technologies involved in green highway design has been encouraged for many years. A green highway may not look much different than a normal highway at first glance, but with closer inspection a driver will notice subtle differences like more plant life growing along the shoulder, and more trees planted as wildlife buffers. In towns, highways become more aesthetically pleasing and in rural areas highways become a more natural part of the environment. Watershed-driven storm water management is significant in reducing the storm water runoff from a highway as well as treating the runoff. Storm water management practices must be incorporated into many highway designs. Many projects would incorporate wetlands, which act as natural water treatment processes, alongside the highway.

A significant amount of energy goes into producing materials for the road as well as constructing and maintaining it, and energy is consumed by vehicles sitting in congested traffic on a poorly designed road. To counteract the amount



of energy embodied in concrete, much research has been conducted on materials such as fly ash and slag to replace a large portion of cement. The use of one ton of fly ash as a substitute for one ton of cement in concrete can have a total primary energy reduction of 4.5 million BTUs or the equivalent of the energy used in burning 39 gallons of gasoline. Given that cement production is estimated to reach 202 million tons in the year 2020, substituting 50 percent fly ash for cement could save the equivalent energy of 6.4 billion gallons of gas annually. Using recycled materials in highway design can significantly reduce the amount of materials going into area landfills. It has been found that the use of recycled materials can notably reduce energy consumed by a highway, reduce green house gas emissions and reduce the overall roadway cost.

The technology for this is still very new and there is a lot to be learned. This seems like a win-win for all so stay tuned for more.

SAFE FOOD

By Mary Ellen Cammack, SD
National Beef Chairman

Many of us have a very sharp image of the CBS Evening News report by Katie Couric on antimicrobial use in livestock in the United States. As producers we deal in facts, scientific research and government data. In fact, we love it! That information is vital to our businesses.



Unfortunately, the American consumer is more interested in whom they can "trust" than who has the facts. And we producers must remember that we are not the majority. The consumer is the audience that news, such as the CBS report by Ms. Couric, touches and believes that information.

It is time for all producers to join forces and reach out to the consumer with the knowledge that we have about the production in our industry and be proactive rather than reactive. Here are some points that support us that can give the consumer the reassurance they are seeking:

- (1) Healthy cattle ARE the foundation of safe food.
- (2) All products, approved by FDA for use in food producing animals, must pass significant human food safety benchmarks.
- (3) In multiple studies, no connection has been found between antibiotic use in cattle and antibiotic resistant food-borne, or other, pathogens.
- (4) The U.S. government closely tracks and monitors antibiotic resistance. It monitors and reviews products and interventions.

Our commitment, as producers, is to first prevent illness whenever possible and second, with our veterinarian's recommendations, to select and use antibiotics carefully and judiciously. Finally never use a product to raise beef for "your" family that we would not use to raise beef for "our" family.

AG OUTLOOK

by Shana Baisch, MT
National Area 1 Director

USDA's Agricultural Outlook Forum, which is coordinated by the Office of the Chief Economist, has been hosted annually since 1923. The theme of this year's forum was "Sustainable Agriculture: The Key to Health and Prosperity". I appreciated the opportunity to participate.

The forum started out with several distinguished speakers. Deputy Secretary of Agriculture Kathleen Merrigan welcomed us and spoke again later in the day about her project "Know Your Farmer, Know Your Food." She seems to understand the importance of agriculture and farmers. She started out with, "Not every family needs an accountant, not every family needs a lawyer, but every family needs a farmer."

Secretary of Agriculture Tom Vilsack gave an encouraging message about the importance of agriculture and rural communities. He outlined his six steps to improving the prospects for rural America. 1) Focus not only on improving productivity but protecting what we produce from pests and diseases. 2) Make sure that we protect the markets that we have. 3) Expand agricultural domestic markets, through the "Know Your Farmer, Know Your Food" program. 4) Expand overseas markets, though enforcing existing deals and developing relationships that lead to ultimate opportunities. 5) Focus on value-added opportunities, especially biofuels. 6) Because so many farmers and ranchers rely on off-farm income, develop a totally different approach to rural development, including the use of our natural resources in hunting, fishing and recreation.

USDA Chief Economist Joseph Glauer presented the 2010 Agricultural Economic Outlook while USDA Under-Secretary for Farm and Foreign Agricultural Services, Jim Miller, gave the 2010 Foreign Trade Outlook. Their presentations can be found on the website mentioned below. U.S. Trade Representative Ronald Kirk, spoke of the efforts to increase foreign markets for agricultural products and find ways for small and medium size farms and ranches to export their products.

Next the Distinguished Plenary Panel turned things a little more controversial. Walter Robb, from Whole Foods Market, and Fedele Baucio, from Bon Appetit Management Company, talked about their customer's desire for organic, locally grown, hormone and antibiotic-free, non-genetically-modified foods. They talked about the explosion in interest in food. Their customers want to know more about where their food comes from, how animals are treated, the welfare of the agricultural workers, and the carbon footprints of the production and transportation of the food. Nina Fedoroff, Science and Technology Advisor to the U.S. Secretary of State, discussed the role of science in current agriculture production and the importance of genetically modified crops. It is her contention that there is global warming and we need to be working on adapting agriculture to climate change. Ms. Fedoroff acknowledged the need to continue to increase productivity for an increasing world population and, at the same time, decrease environmental impact. We need crops with increased tolerance to heat, drought and salinity. Richard Schnieders, recently retired CEO of Sysco Corpora-

tion, balanced the panel out some with his discussion of the necessity for mass movement of food across the nation and oftentimes the lower carbon footprint of semi-loads of food versus small amounts of locally grown food. The statement was made, that a truckload of beef has roughly 80 million gallons of embedded water in the 40,000 pounds of beef. As a cattle producer, who knows that most of what goes into a animal must come out, I would like to see the method with which these figures were derived.

The afternoon and following day were comprised of six sets of concurrent sessions with five sessions to choose from in each set. Each session was 90 minutes with three or four speakers, except for the "Strengthening America's Food Safety System" session which was made up of many speakers on a panel and followed by questions and answers. I personally listened to over 25 speeches of 15 minutes or more in two days. The perspectives and opinions were varied, of course. The theme word "Sustainable" was redefined many times. The economic definition of sustainable was mentioned a few times, but not enough for this rancher.

I would encourage everyone to spend some time on the website: www.usda.gov/oce/forum/index.htm. It includes the schedule of speakers, transcripts of speeches, many of their presentations of charts and pictures and, in some cases, even webcasts of the speeches. There is also a list of attendees and their contact information. This list in, and of itself, says something. "They (USDA, the speakers and at least the 1072 attendees listed) are talking about us (the producers), and there was very, very few of us there. Tammy Basel and I met a man, who upon learning that we were really "farmers", touched Tammy on the arm, so he could say that he had touched a farmer. **And this was at the USDA Agriculture Forum!**

COD LIVER OIL

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TRADE ISSUES

By Ruth Laribee
National Trade Chairman

Agriculture Chairman and New Zealand Ambassador David Walker and members of the Agriculture Committee of the World Trade Organization (WTO) held a round of meetings in late February giving attention to concerns on tariff simplification, special safeguard mechanism (SSM) and tariff quota creation. The agenda used was set by the previous chairman of the committee, Crawford Falconer of New Zealand, and written after the impasse of talks in 2008.



Tariff simplification means converting all tariffs into simple percentages of the price of a product. This would replace the use of a combination of specific cash sums and percentages of the price.

The special safeguard mechanism (SSM), as negotiated and agreed upon, would permit developing countries to have SSM's which means higher tariffs when market prices weaken and imports accelerate. The fact that SSM's allowed higher tariffs than what was in trade agreements for countries since 1995 caused a setback in talks in 2008.

Domestic supports, export subsidies and market access have been the three key issues in DOHA talks on agriculture. Senior trade officials will attend a mid-March WTO meeting and there will be significant reviews regarding the advancement made on market access and services in 2010. There will be an economic summit in Canada this June with the G-20 leaders.

Brazil's goal, in retaliation of claimed U.S. subsidies, is to "target" \$830 million worth of merchandise per year which includes \$270 million in a probable sanction on intellectual properties. The U.S. has relied on, and protected, the enforcement of intellectual property rights (IPR) domestically and internationally. The U.S. economy was made strong with the copyrights and patents of inventive individuals. Now, with the approval of the WTO, Brazil may use their new found "key" to use IPR's in pressuring the U.S. on protectionism. It was reported that Brazil could possibly be setting a precedent for other countries in the 152 WTO memberships.

Beijing is urging a "Buy China" policy especially on technology and will give preference to domestic inventions. This is part of a plan directing monies to Chinese companies which would pressure foreign creators to transfer work on research and data to locals in China. Trading partners say this is a violation of the "spirit of China's WTO free trade commitments and its pledges to avoid protectionism" but Beijing replied they haven't signed an agreement applying WTO rules. Some companies are evaluating whether to stay in or move out, saying if "structure limits development, is it worth it"? China's government is the largest software buyer and has a keen interest in other technology. Recently China has given tax breaks to some of their industries including oil, gas, aircraft and power construction equipment. They have placed subsidies for farmers on appliances, vehicles and

home repairs.

The recently announced talks with New Zealand that is to start in March on dairy trade liberalization via the proposed Trans-Pacific Partnership (TPP) is "high priority — in discussions at dairy producer's meetings. With no restraints on supplies that are imported, and America's dairy farmers already in a crisis, many are condemning a dairy deal through the TPP or any other avenue. Fonterra is a New Zealand company and is one of the largest importer/exporter of dairy products. Milk protein concentrates (MPC's) continue to enter the U.S. in large amounts and staff on Capitol Hill report that their representatives are interested in how MPC's are being used, who is bringing them in and from where.

MEDICAL CAPS

By Darcy Dressler, ND
National Legislative Chairman

The 1997 Balanced Budget Act (BBA) included a provision that placed an annual financial limitation on rehabilitation services provided by Medicare. Essentially this was to limit the amount of occupational, physical and speech therapy one can receive in a year to \$1860 per year.

On the opening day of the 111th Congress, the Medicare Access to Rehabilitation Services Act was introduced to help ensure patient access to medically necessary therapy services. This legislation is designed to repeal the provision of the 1997 BBA that placed the therapy cap.

As part of the Deficit Reduction Act (DRA) in 2006, Congress passed legislation implementing the therapy caps, but authorizing the Centers for Medicare and Medicaid Services (CMS) to create and employ an exceptions process to permit medically necessary physical therapy, occupational therapy, and speech therapy above cap levels as long as services met specified diagnostic and clinical criteria. The exceptions process was extended at the ends of 2006 and 2007, and again in July 2008, when Congress authorized it until December 31, 2009. Due to the lack of Congressional action the cap remains in effect without any exceptions. For example, a person having a physical therapy needed in January of the year could reach the cap during this one period and, if the person then would have a need in November, therapy would be covered by Medicare due to the \$1860 Cap.

I think it is important to note that Medicare provides services to 40 million elderly and disabled Americans. Half of these recipients are living two times below the poverty level (around \$15,000 income annually). Yet we have a cap on their therapy benefits even if deemed medically necessary by the appropriate providers.

Answers to Peanut Quiz

- | | |
|----------|---------|
| 1. true | 2. b |
| 3. false | 4. true |
| 5. true | 6. b |
| 7. b | 8. c |

Calendar of Events:

Deadline for WIFeline reports - March 25
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PEANUT QUIZ

By Jacque Sistrunk
National Peanut Chairman

1. What do you know about peanuts? Here is a quiz for you to try. Circle the correct answer:

2. Peanuts are not nuts.

True or False

3. Peanuts grow _____

a) on trees b) below ground

c) on bushes

4. The U.S. is the top peanut producing country in the world.

True or False

5. Georgia is the top peanut producing state in the country. True or False

6. Peanuts were first found in South America.

True or False

7. Dr. George Washington Carver, an African American scientist, discovered _____ uses for peanuts.

a) 100 b) 300 c) 500

8. Peanut butter is rich in _____. This puts it in the meat group.

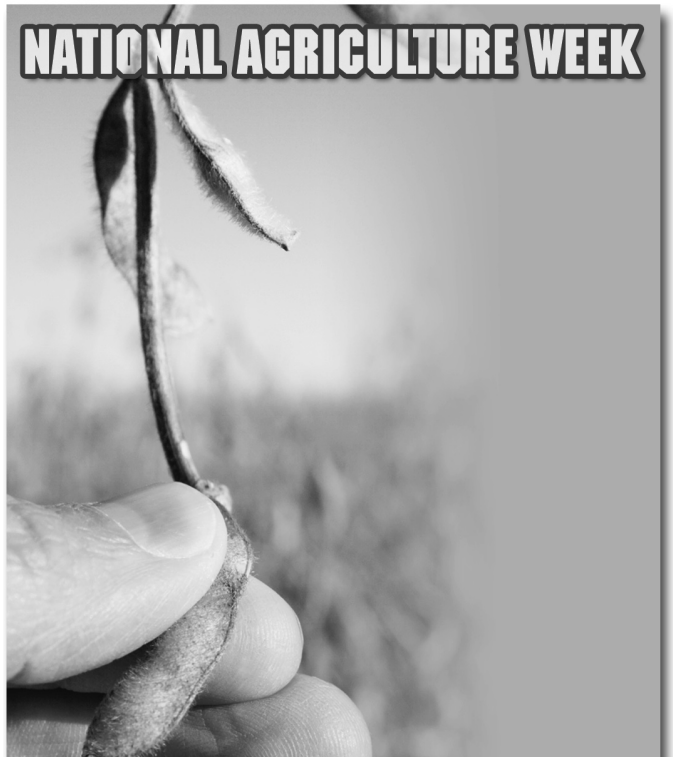
a) Vitamin C b) protein c) salt d) Vitamin E

Each American eats about _____ lbs. of peanut products every year.

a) 2 b) 5 c) 9 d) 12



NATIONAL AGRICULTURE WEEK



March 14-20