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Effects of Farm Bill expiration are explained

The following is a press release from the National Ag Coalition

The 2008 law governing many of our nation's farm policies expired on Sunday, September 30, and the 2012 Farm Bill needed to replace it is bottled up in Congress. While the Senate and the House Agriculture Committees were both able to pass their versions of the new farm bill, the full House was unable to do so. While expiration of farm bill program authorities has little or no effect on some important programs, it has terminated a number of important programs and will very adversely affect many farmers and ranchers, as well as ongoing market development and conservation efforts. Following is a summary of these impacts.

Programs Affected by Expiration of the 2008 Farm Bill

Dairy producers will face considerable challenges. The Milk Income Loss Contract (MILC) program expired on Sunday. That program compensated dairy producers when domestic milk prices fall below a specified level. Without a new farm bill, dairy farmers are left with uncertainty and inadequate assistance. While milk prices are high enough that the price support program doesn't kick in; unfortunately, there is no other safety net to help battle the highest feed costs on record.

Many farmers, ranchers and agri-

business or agricultural processors benefit from the Foreign Market Development Program (FMD). FMD is a cost-sharing trade promotion partnership between USDA and U.S. agricultural producers and processors. The program pools technical and financial resources to conduct overseas market development. FMD helps maintain and increase market share by addressing long-term foreign market import constraints and by identifying new markets or new uses for the agricultural commodity or product in the foreign market.

That funding, as well as specific funding for personnel to run the program at USDA, will run out at the end of October. Since 31 percent of our gross farm income comes from exports which also make a positive contribution to our Nation's trade balance, trade promotion is an important part of our safety net. Other countries will most certainly take advantage of the fact that the program is rendered inoperable and will do what they can to steal our markets – and everyone knows, the hardest market to get is the one you lost.

About 6.5 million acres rotates out of the Conservation Reserve Program (CRP) this year. While current contracts are protected, no new signup will be allowed for CRP or the Conservation Reserve Enhancement Program (CREP). Both of these programs are voluntary land retirement programs that helps agricultural producers protect environmentally sensitive land, decrease

erosion, restore wildlife habitat, and safeguard ground and surface water. In addition, there cannot be sign up for the Wetlands Reserve Program or the Grasslands Reserve Program.

Both versions of the new Farm Bill contain funding for the disasters facing the livestock industry due to the drought. However, programs are currently only available for lack of forage, as well as death of animals.

Most producers of fruits and vegetables do not have a safety net, but instead receive funding to augment the competitiveness of specialty crops through programs that enhance trade, promote cutting-edge research, and implement on-the-ground projects to protect crops from disease and invasive species. Funding for these programs ended when the Farm Bill expired.

Numerous other programs, including energy, agricultural research, rural development and funding for new and beginning farmers could be added to this list of affected programs. The bottom line is that while expiration of the Farm Bill causes little or no pain to some, others face significant challenges.

Programs Not Affected by Expiration of the 2008 Farm Bill

Almost 80 percent of the Farm Bill's cost is for nutrition programs – primarily the Supplemental Nutrition Assistance Program (SNAP), formerly com-

Continued on Page 2



By Deb Dressler
North Dakota

President's Report

North Dakota is gearing up for an energizing national convention

items for the National WIFE live auction fundraiser. The live auction will be held on Saturday evening after the banquet speaker. Made in the USA items would be a great donation. Let's all see which state can bring the highest priced auction item. One never knows what happens at a live auction.

The 2008 Farm Bill expired Sunday night, September 30. Two of the biggest, most expensive programs in the farm bill, food stamps and crop insurance, continue on without the authorization of a new farm bill. The Supplemental Nutrition Assistance Program (food stamps) was addressed in the continuing resolution Congress passed to keep funding the government until next March. Crop insurance is covered through its own stand-alone legislation.

With legislators not in session until after the national election, here is your chance to visit with them on your concerns pertaining to the lack of not passing a farm bill. Go tell your story and be heard.

In order to push back on the direct attack on pasture and crop insurance, you can log on to www.SupportCropInsurance.org and sign on to letter supporting a strong safety net that is created by pasture and crop insurance. You can make a huge difference by doing two things... one: sign up you local chapters and states...two: sign up as an individual supporter.

Look forward to seeing you all in Bismarck in November. Remember if you eat, you are involved in agriculture. Hope all the trails are happy and lead to ND.

Greetings from southwestern North Dakota. North Dakota WIFE extends a warm welcome to all WIFE members to visit our energized state for the National WIFE Convention. The National WIFE Convention, "Agriculture for the Future: Made in the USA!" begins on November 14 with preconvention meetings, and the convention runs from November 15 through November 17. Best Western Doublewood Inn is the site in Bismarck, ND. Pack your red coats and head north to Roughrider Country. ND is celebrating Theodore Roosevelt's 100th birthday this year.

Best Western Doublewood Inn has a courtesy shuttle, onsite restaurant and lounge. It is near other eating venues ranging from fast food to fine dining.

The agenda includes an energy panel, a motivational ranch-raised ND woman speaker, social media tips and a chance to network with "WIFE" ladies on important issues near and dear to agriculture in general.

Commodity/Topic chairmen, standing committee chairmen, and other chairmen should come prepared to update WIFE members on their particular expertise. Commodity and Topic chairmen will have scheduled caucuses on Thursday afternoon. A short version of the agenda is in this issue of WIFeline.

Each state is requested to bring

Farm Bill expiration explained

Continued from Page 1

monly known as food stamps. Most recipients of nutrition program benefits will not be affected because the SNAP program did not need to be extended. Funds for nutrition assistance programs will continue to be provided to those Americans without issue.

Farmers and ranchers who manage their risks using the farm bill's crop insurance provisions will be unaffected because, like SNAP, those programs don't expire. Nor do some of the conservation-related programs. In addition, most commodity-specific programs are largely covered by the 2008 Farm Bill since it applies to the 2012 crop year, rather than the 2012 fiscal year. The main challenge, however, will be in planning for 2013. This

includes lining up the critical financial assistance needed from lending institutions which prefer, if not demand, to see business plans presented in black and white. That will be difficult when producers don't know when to expect a new Farm Bill – or what type of financial safety net is likely to be included in that bill.

Congress will return in mid-November for a lame-duck session prior to final adjournment in December. We will work to have the first order of business for the House of Representatives be to consider a new Farm Bill. We are urging our members to seek out their House members between now and the elections and remind them of the consequences of not having a new bill in place prior to adjournment at the end of the year.



**By Marlene Kouba
North Dakota**

Energy Report

Delta will use North Dakota oil

On August 28, the administration announced that it had finalized new fuel efficiency standards so our cars will get nearly 55 miles per gallon and save Americans \$1.7 trillion in fuel costs, resulting in an average savings of more than \$8,000 a vehicle by 2025. However, what is real for consumers now is the \$2,000 per vehicle added cost that the new fuel standards will impose. That figure comes from the National Highway Traffic Safety Administration and the EPA.

For years, statisticians have warned of the deadly effect of increasing corporate auto fuel economy standards (CAFE). The National Academy of Sciences said last August that CAFE contributes to between 1,300 and 2,600 traffic deaths per year with half of the deaths attributed to small car collisions with light trucks/sport utility vehicles. USA Today calculated that the "size and weight reductions of passenger vehicles undertaken to meet current CAFE standards had resulted in more than 46,000 deaths." CAFE fuel standards clamp down on the production of larger, more crashworthy cars. Analysts from Harvard to the Brookings Institution to the federal government itself have arrived at the same conclusion: CAFE kills.

About 1,000 compressed natural gas fueling stations are available in the nation, with only half of them open to the public. Many major corporations, including AT&T, UPS, and Walmart, have been converting some of their fleet delivery trucks to natural gas, as have some government agencies. Natural gas is priced regionally. With natural gas hovering around the \$2 mark, companies in the industry are moving to North Dakota's oil fields.

The Environmental Protection Agency requirements for gasoline blends are another factor in rising gasoline prices.

Blends can vary across the nation and even within a state depending on air quality issues. The cost of producing gasoline blends increases production costs. With 15 to 18 different blends required during summer months when consumption is highest, prices typically increase in the summer. Here are the factors entering into the price of a gallon of gasoline: 65 percent is crude oil price, 10 percent is distribution costs and retail markup, 6 percent is refining process, 15 percent is federal gasoline taxes (18.4 cents per gallon) and state gasoline taxes which vary. North Carolina leads in state taxes at \$0.389 per gallon, Montana's is \$0.27, North Dakota's is \$0.23, South Dakota's is \$0.22 and Wyoming's is \$0.13. Prices are not dictated by the number of refineries in a state. Gas stations are not to blame as their profit margin is between 20 and 30 cents a gallon. Oil is priced on a global basis in U.S. dollars and was \$92 in September.

In addition to increased prices in the summer, current Federal Reserve policies resulting in lower U.S. dollar valuations increase the cost of a barrel of oil in order to make the same amount of money. When the U.S. dollar improves, the price of oil could decrease. Geo-political issues, especially in the Middle Eastern countries, also factor into oil prices. While it is easy to blame Big Oil for the prices because of their vast revenue volume, they actually only make about 6.2 percent net profit and have paid more taxes than shareholders have earned since 1981.

Worldwide production of oil is about 86 million barrels of oil daily with the Organization of Petroleum Exporting Companies (OPEC) producing about 30 to 31 million of that amount. National Oil Companies (NOC) control 85 percent of the world's proven oil reserves. The U.S. doesn't have any NOC companies. Exxon Mobil doesn't control the price of oil as they are too small. BP, Shell, and Exxon are big, but not in terms of reserves. The U.S. currently produces 6 million barrels

daily. The Gulf of Mexico accounts for about 30 percent of domestic oil and gas production and 25 percent in gasoline.

Delta Air Lines is looking into buying cheaper crude oil from North Dakota to use in their new refinery near Philadelphia instead of the more expensive overseas crude now being used. Delta bought the idled refinery in June, and it had been using mostly North Sea oil that arrived by ship and priced in London. Delta hopes to have the refinery open by the end of September. North Dakota oil would arrive by train and could be \$18 a barrel cheaper even though estimates say it could cost as much as \$15 a barrel to ship by train. They are planning a high-speed train unloading facility to handle up to 140,000 barrels per day of domestic oil. The airline spent more than \$11.8 billion on fuel last year, but that could be cut up to \$300 million with North Dakota crude.

Nearly half of North Dakota's oil is already shipped by rail, partly because there is not enough pipeline and some prefer rail access. North Dakota's daily oil production is about 662,000 barrels, and pipeline capacity is about 450,000 barrels.

A Norwegian company has invested \$4.4 billion to purchase Brigham Exploration's holdings in the Bakken and has leased 1,000 rail cars to ship oil from North Dakota to refineries around the country. BNSF already has connections in 16 of the 17 oil-producing counties in the state. They have already hauled 88.9 million barrels in 2012 and have added 560 new employees in North Dakota and Montana.

The Sierra Club filed petitions on September 6 with the U.S. Department of Energy in opposition to the construction of Chenier Energy's liquefied natural gas (LNG) facility at Sabine Pass in Cameron Parish, Louisiana. They want to impose regulations on the nation's natural gas industry and say they will continue to fight over every permit filed. They believe hydraulic fracturing (fracking) leads to air

Continued on Page 6

Beef Report



By Sue Krentz
Arizona

Jaguars create conflict in Arizona

As hard as we try, though, the radical environmental organizations that deceptively call themselves “the conservation community” continuously chip away at ranchers’ rights through taxpayer-funded lawsuits against the federal agencies. The recent decision to establish critical habitat for jaguars in the U.S. is a perfect example.

Many of our ranch neighbors have owned and operated their ranches for several generations. The Krentz family moved to SE Arizona in 1907. For over 100 years none of our family members has ever seen a jaguar. The jaguar is a tropical cat, and the only member of the cat family that loves water!

According to the best science available, our area is in the northernmost fringes of its range. Most wildlife biologists agree there has never been a documented, stable population of reproducing jaguars in either Arizona or New Mexico, at least not in the last 500 years. They also agree the recent sightings of jaguars have all been transient, male jaguars wandering into the U.S. from Mexico.

None of this science appears to matter to the Center for Biological Diversity or Defenders of Wildlife, however, who just keep suing the U.S. Fish and Wildlife Service over the jaguar. A close examination of the “best available science” that is the foundation of the proposed critical habitat designation shows that the Service has, over time, quietly abandoned their responsibility to make decisions based on sound science.

The proposed critical habitat for jaguars in the U.S. consists of 838,232 acres. Although that is an area larger than the state of Rhode Island, it is much smaller than the Center for Biological Diversity recommends as critical habitat. They want “53 million acres across New Mexico, Arizona, Southern California and West Texas.” Don’t worry though, these organizations will keep suing the taxpayers until they get their 53 million acres.

As a former member of the Arizona and New Mexico Jaguar Conservation Team, I’m very familiar with some of the individuals who drive these lawsuits. They are philosophical thinkers that believe they

can establish utopia on Earth. Their tools of choice are the lawsuits and tweaking management plans. The blue print they follow is called the Wildlands Project, the goal of which is to permanently remove as many people from rural American lands as possible. As a project funded by big business and multi-million-dollar nonprofits, it is a Goliath for small, family owned businesses and rural communities to fight.

The critical habitat designation called for in the federal register includes four mountain ranges in Arizona and New Mexico. It states the designation will prohibit federal agencies from funding and/or authorizing any activities that will result in destruction or adversely modify “critical habitat” for jaguars in the U.S.

This could adversely impact the EQIP and WHIP funding Natural Resource Conservation Districts need to assist local landowners in improving their lands. By extension, it could also restrict the use of wind and solar power and tie the hands of the Forest Service and Bureau of Land Management employees from doing anything to improve watershed conditions.

Without question, it would also weaken border security in Arizona and New Mexico. New border fencing may be prohibited, and existing border fencing may be removed. Communications towers could be prohibited. Law enforcement would be restricted from entering these borderland areas, leaving them open to criminals and terrorists, further compromising the safety not only of those of us who live along the border, but the security of our nation as well. In fact, any activity that might adversely impact critical habitat for jaguars, such as hunting, ranching, camping, bird-watching, and harvesting the natural resources, may eventually be prohibited or curtailed in these areas. This will harm the economies of small, local communities and counties, weakening the local cultures and customs.

The people living in these areas should be very concerned with the future impacts this new rule could have on their jobs, livelihoods, families, rural communities, schools, counties, states and eventually our nation.

Fall is a busy time at the Krentz Ranch. Time to reap the harvest of a very busy year caring for our livestock, raising their calves, developing new waterings, repairing fences, maintaining the infrastructure our forefathers built, as well as trying to preserve the economic viability of our ranching legacy for future generations! In addition to all these responsibilities, we’ve been busy improving our ranch by putting in our fourth solar pump. Solar does a great job reducing our dependency on fossil fuel, is easier to maintain than windmills, and helps us to be more energy efficient.

Fortunately, we got a little bit of rain this year. Not as much as we would have liked, but we’re sure thankful for what we did get. Our newly equipped solar wells will help tide us over in this tender, desert environment until a better next year comes along.

In the high desert of Southeast Arizona and Southwest New Mexico, water is a highly prized commodity. Most ranchers move their livestock to the mountains, usually forest leased lands, in the winter for several months to put the waters and grasses to beneficial use. We’ll wean the calves in early fall, ship around Thanksgiving, and move the cows back to the valleys.

The Krentz family has always been innovative ranchers. Our ancestors believed water development was critical for better distribution of their livestock. Over the last 20 years we’ve put miles and miles of pipelines in to help this factor. The pipelines provide much needed water not only for our livestock, but for the wildlife, too. They also help us protect the riparian areas during critical drought years, thereby maintaining excellent habitat for wildlife so they can flourish.



By Pam Potthoff
Nebraska

Trade Report

American ag machinery exports increase

Estimates by the Treasury Department released the week of September 21 indicated that over the 12 months through July, China reduced its position in Treasury securities by \$165 billion, cutting them to \$1.15 trillion. The Federal Reserve reported that China owned \$1.65 trillion in Treasury securities, \$17 billion less than it owned a year earlier.

A year ago, 10 percent of the holdings were in securities that would mature within a year. Now, that figure is close to zero. The proportion of securities with maturities over 10 years has almost doubled, to 23 percent. China's selling of Treasuries over the 12-month period was offset by the actions of Japan, another country whose trade surplus with the United States remains large. The Japanese are estimated to have increased their holdings by \$232 billion over the 12 months, to \$1.12 trillion. Those figures include both government and private holders of Treasuries.

July was the first month that the total Treasury debt issued to the public topped \$10 trillion. Of that, 53 percent was held by overseas investors, 30 percent by American companies and investors, and the rest by the Fed. That \$10 trillion total is well below the number sometimes reported for the federal debt, which was almost \$16 trillion at the end of July. The larger figure includes money lent to the Treasury by other government agencies, principally the Social Security Administration.

Microsoft recently announced it had discovered several new computers, fresh from Chinese factory floors, that carried a particularly pernicious computer virus—one capable of invading bank accounts, starting computer attacks and creating back doors that allow criminals to have their way with infected machines. Microsoft's digital crime researchers purchased 20 new computers from different cities in China and discovered that four of them had been infected with viruses. In each

case, the computers were running counterfeit versions of Windows software that were infected with the Nitel virus. Bei Te Kang Mu Software Technology hosts 500 different strains of malware. Some are capable of switching on a victim's microphone or Web camera. Others record victims' keystrokes, giving cybercriminals access to their log-in credentials and online bank accounts.

According to the World Trade Organization, there were 186 reciprocal trade agreements (RTAs) in force in 2005, up from 50 just prior to the Uruguay Round in 1994, less than 25 in 1985, and just 13 agreements in 1975. As the number of agreements expanded, the RTA share of world trade rose from 22 percent in 1975 to over 50 percent in 2005.

China has signed 15 free trade agreements and is negotiating 20 more.

A WTO Panel, in a final report issued in July, ruled in favor of several U.S. claims that China maintains measures that unfairly discriminate against foreign suppliers of electronic payment services (including credit and debit cards) by modifying conditions of competition in favor of China's national bank card association, China UnionPay ("CUP").

Exports of American-made agricultural machinery increased 29 percent to total \$7.2 billion for the first half of 2012 compared to January-June 2011, according to the Association of Equipment Manufacturers.

In September Apple, Inc. became the most valuable company in U.S. history. However, China has new rules that will reduce their rare earth minerals output by 20 percent. Rare earth minerals are key inputs in the manufacture of the full spectrum of high-technology goods, including tablets, mobile phones, and televisions, batteries used in hybrid cars, wind turbines, and precision-guided bombs. The reduction presents serious

Continued on Page 9

Water, Private Property, Natural Resources, and Endangered Species **Report**



**By Alice Parker
Washington**

As fuel (gas, oil, and diesel) prices continue to rise, those of us in agriculture production see the margin of any profit there might be decline. What can we do about it? We can sit back and do nothing or we can make our voices be heard and support the development of the United States' energy sources. WIFE has made a difference on many issues over the past, and it is time we do so again.

When we see the chaos in the Middle East and what was done to Americans, it becomes very frightening that we are so dependent on such countries for something that is necessary to produce the food and fiber that is needed to maintain a viable U.S.

Marita Noon said in her newsletter, "The riots, rage, and ruin that have spread throughout the Middle East over the past few days emphasize the urgency of opening up and bringing online America's vast resources. If the events that erupted in the Middle East show us anything, it is that the U.S. dependence on Middle Eastern oil must come to an expeditious end. With America's new-found oil and gas reserves, recovered through hydraulic fracturing we now know that energy independence is possible." (Marita Noon is the Executive Director for Energy Makes America Great, Inc., and anyone who attended the National WIFE Convention in New Mexico last November had the privilege of hearing her speak.)

In her newsletter, she reports, "Congress requested EPA to do a Hydraulic Fracturing Study as part of FY 2010 appropriations bill, which states, 'The conferees urge the agency to carry out a study on the relationship between hydraulic fracturing and drinking water, using a credible approach that relies on the best

Rising fuel costs threaten ag profits

available science as well as independent sources of information. The conferees expect the study to be conducted through a transparent, peer-reviewed process that will ensure the validity and accuracy of the data.

'The Agency shall consult with other Federal agencies as well as appropriate State and interstate regulatory agencies in carrying out the study, which should be prepared in accordance with the Agency's quality assurance principles.'

Business as usual continues with the regulatory Agencies. The study states 'environmental justice' and that language does not have anything to do with 'best available science.' Unfortunately the EPA is not following the requests of Congress

in the study as they have not consulted with any states where there is experience with hydraulic fracturing such as Pennsylvania, Colorado, Texas or any other state. It is reported that EPA has a rigorous Data Quality Assessment process but is not using it with this study. The agency continues to skew the data to meet their opinion while ignoring 'best available science.'"

Hydraulic fracturing is a controversial issue, but it too has/is undergoing improvements just like technology has changed the way agriculture does business today. Agriculture practices and technology used even five years ago are different and much more environmental sensitive today.

Delta plans to use Dakota oil

Continued from Page 3

and water contaminations. The Energy Department gave the company authority to proceed with plans on August 8 after environmental assessments were completed. In August it was announced that China Investment Corp. and Singapore Investment Corp. invested \$1 billion in the Sabine project. The facility would be the country's first LNG-exporting business since 1969.

General Motors rolled out the Chevrolet Volt two years ago with lofty sales goals and the promise of a new technology that someday would help end America's dependence on oil. So it seemed like a good thing in August when sales of the car set a monthly record of 2,800, but sales rose mostly because of discounts of almost \$10,000, or 25 percent of the Volt's sticker price. Discounts include low-interest financing, cash discounts to buyers, sales bonuses to dealers, and subsidized leases.

Electrics and gas-electric hybrids account for just 3.5 percent of U.S. auto sales this year. The Congressional Bud-

get Office says the cost of electric cars must drop to be competitive with gasoline-powered ones. It costs \$60,000 to \$75,000 to build a Volt, and much of the cost comes from an expensive combination of two power systems — electric and gasoline. With a sticker price of \$40,000, minus the \$10,000 discounts, GM gets roughly \$30,000 for every Volt, yet could be losing at least \$30,000 per car.

The Volt, a four-seat compact, was rolled out in a few states in December 2010 with a starting price of \$41,000. The Volt goes about 35 miles on battery power, and then a gasoline-powered generator can take over, giving it the same range as a car with a gasoline engine. The battery can be recharged in 10 hours from a standard home electrical outlet for about \$1.50. The Volt is now the top-selling electric car in the U.S. — 7,400 ahead of the Prius Plug-in. Nissan's Leaf is a distant third, and Volt sales could reach 20,000 this year. GM can subsidize the Volt's cost from profits on other cars, but eventually they will have to get closer to breakeven or make money. GM earned almost \$2.5 billion overall in the first half of this year.



By Klodette Stroh
Wyoming

Sugar Report

Maintaining strong domestic sugar program is a priority

Colorado, Montana, Nebraska and Wyoming sugar farmers started early harvest the first week of September. The sugar beet crop is looking good and growers are expecting another bumper crop this year. Hopefully the 2012 Farm Bill will progress soon out of the House of Agriculture Committee.

The 29th International Sugar Symposium was held at Coeur d'Alene, Idaho, in early August. There was good news about the Farm Bill and concern about the North America Free Trade Agreement (NAFTA) sugar section.

Mary Kay Thatcher, director of public policy for the American Farm Bureau Federation, one of the nation's biggest farm organizations, said, "Maintaining a strong domestic no-cost sugar program is important to this country."

We have to make sure to make it's a top priority because it's a key component of the farm safety net and is being unfairly attacked. It works as designed and at no cost to the American taxpayer. You don't get much better than that. There have been several Senate Bills introduced to cut the sugar program, which is part of the Farm Bill. Let me remind you that U.S. sugar policy has operated at no cost to taxpayers since 2002, and U.S. Department of Agriculture projections show the trend will continue through at least 2021. This is good news in time of record high budget deficit.

The drought monitor shows this

year is one of the worst droughts that has hit America since 1988. Weather conditions have sent crop prices through the roof, with one notable exception of sugar. The sugar price is dropping, according to Frank Jenkins, the president of Jenkins Sugar Group, a sugar market brokerage and consultancy firm. Jenkins expects higher surpluses of sugar than USDA had reported. He predicts sugar prices will continue a downward march unless the drought extends to sugar country or there is an unexpected swing in global sugar market conditions. Jenkins said, "With pressure from the large domestic crop holding U.S. raw [sugar prices] down."

He noted that wholesale-refined prices, currently about 40 cents per pound, could fall to the mid 30-cent range. The North America Free Trade Agreement has opened America's borders to unlimited imported sugar from Mexico (last year was the 10 year deadline period since the beginning of NAFTA for sugar provision). Four years ago, in the heat of election, President Barack Hussein Obama promised the U.S. sugar industry that he will look into NAFTA's agreement, but it did not happen.

I have neighbors who have invested heavily in sugar beet production such as sugar beet planters, diggers and toppers. Keep in mind American sugar cane and beet farmers own sugar cane mills and sugar factories. Sugar processors provide jobs in rural areas and add to small town's jobs and better small town economies. It weighs heavily on my mind to see my neighbors suffer financial setback after working so hard to grow their crops. Keep in

mind we are an agriculture family and we need all our farmers to secure America's food supply.

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Rural Health, Farm Finance, and Communications **Report**



**By Donna Bolz
Nebraska**

Experts consider boom and bust cycle

guished professor of agriculture economics at the Center for Food and Agricultural Business at Purdue University, provides these thoughts on this subject.

“The real question is: Is a bust inevitable? If you have high prices, under some conditions, even if it’s a boom, you could let the air out of that boom balloon pretty slowly or you could have a collapse.”

So the question is, What is different from the 80s? According to Boehlje:

- The wealth effect is not as strong. People are buying land and other assets for capital gain and inflation protection rather than earnings.
- The leverage effect, as increased debt use based on appreciating asset values, is not strong.
- Demand reduction is not likely to be as dramatic as the 80’s, as mandated biofuels demand is unlikely to be withdrawn, demand from China and the developing world for US agricultural products is not likely to collapse, and the US dollar is not likely to continue to rise while asset values are not under as much pressure as they were 30 years ago.
- There are fewer forced sales from foreclosures
- Most land purchases are by farmers rather than investors.

What could create a bust? Boehlje indicates the following:

- Unexpected demand reduction
- Reduced biofuels mandates
- Further aggressive bidding and rising values for farmland.
- More concentrated debt than we realize
- Rising interest rates resulting in increasing value of the dollar
- Imbalances in farmer balance sheets. Boehlje gives some uncertainties impacting agriculture that will be worth watching

- The financial crises in Europe and the EU.
- The sluggishness of the recovery of the US economy.
- The changing (now rising) value of the dollar
- The unpredictable future growth of income in China and Asia.
- The recent and current weather induced short supplies of corn, beans and wheat
- Uncertainty about changes in farm policy.

Boehlje states that the top thing that has driven us out of the recession has been exports.

“It’s important to know that 25 percent of what we in agriculture produce goes overseas. We are export dependent. If the Chinese economy stumbles it will be questionable whether our long-term prosperity can be sustained. In conclusion Boehlje states, “The major source of sustainable competitive advantage in the future is risk management capacities. It won’t be differentiation or low cost or production leadership. It will be risk management.”

Thanks to the High Plains Journal for help with this article.

Before I start my report, I want to encourage all to attend the National Convention in Bismarck. I will be talking about the Affordable Health Care Act from the perspective of the rural community in my caucus. Hope to see you there.

Strong capital spending and investments boosted farm lending at commercial banks in the first half of 2012. During the first quarter, commercial banks reported a 1.4 percent increase in total agricultural loan volume, led by stronger gains in non-real estate farm loans, according to a recent national survey of agricultural loans conducted by the Federal Reserve Bank of Kansas City.

Farmers continued to invest heavily in farm machinery, equipment and structures, machine sheds and land improvements. Bankers expected farm capital spending to remain strong over the next few months. However, farm operating loan demand remained sluggish as farmers paid off operating debts and used cash to prepay input costs.

Strong farm incomes pushed farmland values higher. Demand for good quality farmland, especially irrigated acreages, remained strong with lower quality ground causing some increased interest as prices went up. With the continuing increase in farm loan volume comes a question. Is the current boom in farm income and loan demand reminiscent of the 1970s and a precursor of another bust similar to the 1980s?

Michael Boehlje, Ph.D, distin-

FAED

NOTICE of FAED Annual Meeting

The annual meeting of the Foundation for Agricultural Education and Development (FAED) will be held Friday, November 16, 2012, at 7:30 a.m. at the Best Western Doublewood Inn – Bismarck, ND. This meeting will be held during breakfast and all are encouraged to attend.



By Dianna Reed
Kansas

Dairy Report

New York to change CAFO regulations

New York Governor Andrew Cuomo announced at the first yogurt summit at the State Capitol in August that he is easing some environmental regulations so that dairy farmers can more easily own more cows.

Cuomo chaired a public meeting that brought together dairy farmers, yogurt makers and an array of state officials.

With the phenomenal success of Greek yogurt, the struggling upstate economy has been presented with one of the best entrepreneurial opportunities in "30 or 40 years." Two new processing plants employ 1,800 people, and Chobani yogurt, based near Utica, is now the No. 3 yogurt producer in the nation.

The industry has been growing so quickly, however, that the state does not have enough cows to produce all the milk that is needed. It is estimated that 180,000 more cows are needed to keep up with the growing production.

Smaller dairy farmers say that some state environmental regulations, especially the Concentrated Animal Feeding

Operations (CAFO) rules, are holding them back from producing more milk for the yogurt industry. CAFO rules currently require operations with more than 200 cows to take extra steps to protect water supplies from pollution by cow waste.

After hearing testimony from several farmers during the summit, Agriculture Commissioner Darrell Aubertine announced that the rule would be changed to increase the animal threshold required for the CAGO permit from 200 to 300.

The governor said it will take several months for the rule change to go through the process. Those with objections will get a chance to comment.

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U.S. machinery exports rise

Continued from Page 5

challenges to U.S. manufacturers who utilize rare earths in their products, like Apple, Inc.

Russian became a member of the WTO and immediately officials there announced they have found a loophole that would allow them to slow or stop some meat and livestock imported from the US (because of ractopamine) and the European Union (because of BSE).

On September 25, following release of a rat study on NK603 GMO corn, Russia suspended imports of Monsanto corn while the French continue investigations into the possible dangers of GMOs to human health. The study ran over a period of two years, which is the lifetime of the rats being studied, and was the first animal feeding trial set up to study the lifetime effects of exposure to NK603 Roundup tolerant GM maize, and also to Roundup, the world's best-selling herbicide and weed killer. So far, forty countries (including many European countries, China, Japan and Australia) have biotech labelling requirements. Health concerns over GMOs

have high negative implications for the export of US meat and grains.

WIFE recognizes the health, nutrition, economic and environmental benefits of biotechnology. We support continued research using validated scientific data to ensure the development of beneficial and safe products. WIFE Policy, Food P26, #6.

The United States and Japan filed complaints with the WTO against Argentina alleging that its import licensing rules are protectionist because they discriminate against foreign goods. Argentina retaliated with a complaint on U.S. restrictions, applied on sanitary grounds, against their meat and other products of animal origin. The European Union brought a similar complaint and was hit back with a complaint. And so the trade war at the WTO continues.

It is predicted there will be some movement of jobs from China to the U.S. if wages and living standards in China continue to rise. Did you know that Kitchen Aid mixers and blenders and other Whirlpool products are manufactured in the USA? Look for the label. Buy American. Help the economy.

National Convention Agenda

Tentative Agenda for Nov. 13-17

TUESDAY, NOVEMBER 13

7:00 pm - 10:00 pm Registration Hospitality Rm
 7:00 pm - 10:00 pm FAED Board of Directors
 Dinner will be served

WEDNESDAY, NOVEMBER 14

Pre-Convention Committee Meetings

8:00 am - 6:00 pm Registration
 8:00 am - 11:00 am Executive Committee Meeting
 11:00 am - Noon Budget & Finance Committee Meeting
 9:00 am - 11:00 am Nominating Committee
 State Presidents Meeting
 Noon LUNCH on your own
 1:00 pm - 5:00 pm Resolutions Committee Meeting
 7:00 pm - 9:00 pm DINNER on your own
 9:00 pm - 11:00 pm Hospitality Room Open

THURSDAY, NOVEMBER 15

7:00 am - 8:00 am BREAKFAST
 8:15 am 36th Annual WIFE
 Convention Opens
 10:00am - 10:15 am BREAK
 10:30 am - 5:00 pm Men's Tour
 10:20 am - Noon Convention continues
 Noon - 1:00 pm LUNCHEON
 1:15 pm Convention Reconvenes
 3:15 pm - 3:30 pm BREAK

COMMODITY/TOPIC CAUCUS SCHEDULE

3:15 pm - 4:15 pm Session 1
 4:20 pm - 5:05 pm Session 2
 6:00 pm DINNER
 7:00 pm Energy Panel
 After Dinner - 11:00 pm Hospitality Room Open

FRIDAY - NOVEMBER 16

7:00 am - 8:30 am Election - Wear your name
 badges - No Badge...No Vote!
 7:00 am - 8:00 am BREAKFAST
 8:15 am Convention reconvenes
 Commodity/Topic Chairmen
 Reports
 Standing Committee & Other
 Chairmen Reports
 State Presidents Reports
 Resolution Chairman's Report
 Policy/Directory Book:
 Daneen Dressler, Chairman
 9:00 am - 9:15 am BREAK
 9:15 am - 11:15 am General Session Continues
 *Resolutions
 11:30 am - 12:15 pm LUNCHEON
 12:30 pm GROUP TOUR
 6:00 pm DINNER
 After Tour - 11:00 pm Hospitality Room Open

SATURDAY - NOVEMBER 17

7:00 am - 8:00 am BREAKFAST
 8:15 am Convention Reconvenes
 9:30 am BREAK
 9:45 am - Noon Convention Reconvenes
 Noon - 1:00 pm LUNCHEON
 1:15 pm - 3:00 pm General Session Continues
 3:00 pm - 3:15 pm BREAK
 3:15 pm - 5:00 pm General Session Continues
 5:45 pm - 7:00 pm Social Hour
 7:00 pm BANQUET
 After Banquet Hospitality Room Open
 Closes at 1 a.m.

National Convention Registration

Women Involved in Farm Economics 36th Annual Convention **Bismarck, North Dakota** **November 15-17, 2012**

Preconvention meetings will be held on November 14, 2012

Hotel

Best Western Doublewood Inn
1400 E. Interchange Ave.
Bismarck, ND. 58501
Phone: (701) 258-7000 Fax: (701) 258-5353
ROOM BLOCK CODE WIFE
Room Rates \$95 plus tax \$8.55
Specify if you prefer main floor rooms no elevator

Registration & Hotel Reservations Deadline: Oct. 30, 2011

Return to:
Diana Adam
9601 42 ST SE
Minot, ND 58701
email: dadam@srt.com
Phone: (701) 833-0535

Registration:

Member: \$150.00
Spouse/Guest: \$135.00

Make checks payable to: WIFE Convention

Member Name: _____

Address: _____ City: _____ State: ____ Zip: _____

Phone: _____ E-mail: _____

National Position: (specify) _____

Please check all that apply:

National Officer () Office position _____

National Commodity/Topic Chair or Standing Committee Chair () Specify: _____

State President () BOD Delegate () Member () Guest () HOW ()

Check if roommate needed () Special diet required: _____

Nominating Committee Report

There are several Commodity and Topic Chairmanships where there are no nominations. We have at least one nomination for all of the Executive Board positions. I would like to remind members that nominations for any of the positions can be made from the convention floor. I would encourage you to think about running for a position or encourage one of your WIFE friends to run for a position. There is nothing that would please the nominating committee more than to see contests in all of the positions.

Since the nominations process deadline has passed you would need to be nominated from the floor at this year's convention. You will need to have the endorsements from your State Association and Chapter or 5 regular member endorsements. Those endorsements can be sent to me prior to the convention or they may submitted at the convention. All nominees for the Executive Board and Commodity and Topic Chairmen shall have one minute to present their speeches.

The Commodity and Topic Chairmanships positions that are open are:

- Cereal Grains (Wheat, Barley, Oats)
- Dairy
- Energy
- Pork
- Poultry
- Grains (Dry Beans, Feed Grains, Oilseeds)

I have received an endorsement from one member who will be running for the Cereal Grains position and is to be nominated from the convention floor.

All nominees for the Executive Board, which is comprised of President, Vice President, Recording Secretary, Treasurer and Area 1 and Area 2 Directors, shall have one minute to present their speeches. All nominees for Commodity and Topic Chairmen shall also have one minute to present their speeches.

Contact Information:

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