

EXECUTIVE SUMMARY

MICHIGAN FOOD PROCESSORS SUMMIT
and
GOVERNOR'S SUMMIT ON PRODUCTION AGRICULTURE

GOVERNOR'S SUMMIT ON PRODUCTION AGRICULTURE

The Governor's Summit on Production Agriculture was held on August 3, 2011. It was designed to expand the partnership of industry, state government, and Michigan State University (MSU) to create a shared vision for research, outreach, and education in support of production agriculture in Michigan. Stakeholder input informed the process of identifying, assessing, and developing strategies to meet the shared vision of the partnership. This dialogue will help ensure that the state's investment is focused on critical issues that move agriculture forward in Michigan.

The Summit was informed by the following goals and issues:

Five-year Goals

- Increase the economic impact of the food and agriculture industry from \$71 to \$100 billion
- Double agricultural exports
- Increase food and agricultural career jobs by 10%
- Improve access to healthy foods for Michigan consumers by 20%

Key Issues

- Identify industry-based opportunities and challenges for production agriculture in Michigan
- Develop a framework for communication and collaboration between the industry, government, and MSU
- Assure resource allocation addresses key opportunities and challenges
- Clarify respective roles of partners
- Improve effectiveness of MSU and its partners in meeting the challenges and opportunities of production agriculture

Bill Rustem, the Governor's Director of Strategy, opened the Summit by stressing the need to look to the future and identify strategies for moving agriculture forward. Governor Snyder highlighted the strength of the agricultural economy, but challenged the industry to do even more through innovation and entrepreneurship. He concluded his remarks by asking the attendees to embrace the opportunity and partner together toward a better future. MSU President Lou Anna Simon remarked the University is committed to listening to the industry, creating partnerships to move agriculture forward, and developing its next generation of leaders. Doug Buhler, Interim Dean of the College of Agriculture and Natural Resources, concluded the opening session with an update on production agriculture programs at MSU and an overview of the history and accomplishments of the Animal Industry Initiative and Project GREEN.

Industry Needs

Attendees participated in two rounds of breakout sessions. The first round was organized by commodity/industry sectors and identified specific industry needs. Five critical needs were:

- Funding for research
- Fast, efficient transportation systems

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- Coordinated, clear, consistent guidance on regulatory compliance
- Marketing and promotion of Michigan products
- Increased awareness of the value of agriculture

Key Strategies

The second round of breakout sessions mixed attendees across commodities and industry sectors and focused on identifying research, extension, education, and government strategies to help meet the goals of growing the industry. Coordinating and cooperating with other land grant universities to bring the latest technology and information to Michigan was a highly ranked strategy in both research and extension. Other key themes in research included a mechanism for funding of short-term and emerging issues, and including industry, stakeholders, and government in the development of partnerships to identify funding streams.

Collaboration between public, private, and academia to create greater accountability, and being at the cutting edge of technology were key themes for extension. Key strategies in education highlighted educating a skilled workforce from the field to the research laboratory, the recruitment of more talent to agriculture, and better education of the public about food and agriculture. On the government side, the participants focused on the desire for clear and consistent regulatory guidelines and rules, review of antiquated rules and regulations, assignment of single-agency jurisdictions, and improved infrastructure.

Moving Forward

The Summit concluded with summary remarks from President Simon and Michigan Department of Agriculture and Rural Development (MDARD) Director Keith Creagh. The President reiterated that partnership was a key theme throughout the day and the importance of continuing that focus as we move forward. We need to work together to co-create the future through accountability, benchmarks and outcomes, and alignment with the Governor's agenda for Michigan. We live in a global marketplace that requires we re-think our approaches and maximize our influence on agriculture and related industries.

Director Creagh challenged the group to develop a sense of urgency and determine how to implement the strategies identified during the day. We must work together to develop a comprehensive strategy that includes state government, academia, and industry working together. The Director concluded by pledging that MDARD will work together with the rest of the industry to accomplish a shared vision for research, outreach, and education in support of production agriculture in Michigan.

FOOD PROCESSORS SUMMIT

The 2011 Michigan Food Processors Summit was held on April 27, 2011. Its purpose was to bring together Michigan food processors and regulatory and economic development leaders to address challenges and discuss opportunities to support the continued growth of the industry in Michigan. Two hundred and four individuals representing food processors, economic development agencies, government agencies, institutions of higher education, industry service providers, and the media were in attendance.

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The program included an update on the 2012 Farm Bill by the office of Senator Stabenow. Two panels of representatives from key State and Federal agencies (MDARD, DEQ, DNR, MEDC, and USDA-RD) provided a synopsis of what is new and different in their agency, especially with the new State administration. They then responded to questions from the audience.

After discussion by Department and Agency leaders about strategies for growth in the food processing industry, the participants self-selected to attend a breakout group representing a major sector of the Michigan food processing industry. Those groups and the number of people attending each group were:

<u>Group</u>	<u>Number Attending</u>
Grain/baking/cereal	23
Dairy	24
Meat	33
Fruit/vegetables	64

Each group was led by a trained facilitator and a recorder. The facilitators and recorders were asked to help each group identify the opportunities and barriers for expansion, then create a list of action items that Departments and Agencies might use to expand the Michigan food processor industry. The groups focused on what to do. Future implementation is left to appropriate State agencies and industry groups that have the resources and authority to execute. For some issues, the members of the groups suggested specifics as to how, who and when the actions should be taken. Those specifics are noted where applicable.

The following are issues and actions that were prevalent in all or most of the breakout sessions.

1. Marketing/Promotion
 - a. Increase the involvement of Pure Michigan is promoting Michigan's food processing industry – especially local and niche products (grass fed, organic, etc.)
 - b. Develop a Pure Michigan label for Michigan made products
 - c. Develop directory of Michigan processors
2. Infrastructure
 - a. Processors should be included in MDOT's revisions of the State Rail Plan
 - b. Address lack of broadband availability in rural areas
 - c. Control costs of electricity and size lines to future needs
 - d. Improve utilization of deep water sea ports
 - e. Coordinate processing plant locations with production areas
3. Labor
 - a. Need more trained workers
 - b. Programs that have worked
 - i. Texas A&M, North Dakota State for meat
 - ii. MSU Biosystems and Ag Engineering program
4. Education
 - a. Assure adequate funding for higher education
 - b. Include more ag/food processing in K-12 curriculum
5. Regulatory issues
 - a. Need to coordinate and simplify
 - b. More business input into policy development and interpretation of laws to create regulations
6. Food Safety
 - a. Need more communication about changes in food code

b. Coordination of current inspection programs

Evaluation forms were provided to all participants. All participants who completed an evaluation form found the Summit to be beneficial and would attend future summits. Networking opportunities and the presence of high level administration representatives with good discussion were noted as positive aspects of the Summit. Most participants prefer an annual summit located in the mid-Michigan area. Suggested topics for future summits included marketing and promotion (especially more information about Pure Michigan), regulatory issues (cost, compliance issues, standardization), training/education/ certification, and municipalities/processors relationships.

Based on input from the industry groups the planning committee formulated recommendations for review and refinement. Those recommendations focused on:

- Promotion and marketing - Michigan's diverse fresh and processed agricultural products could benefit from generic promotion similar to Jersey Fresh, Colorado Proud, or Kentucky Proud.
- Infrastructure - Improvements are needed in our transportation system to move products within the State as well as out of the State. The lack of access to broadband internet services in rural areas is a detriment to expanding some food processing businesses.
- Workforce development - The industry needs employees with specific skills related to food processing. Many of these positions do not require an advanced degree or even a four-year degree. In some cases the curriculum for training the employees already exists within Universities or community colleges. It appears there is a breakdown in communications between processors and educators about the needs of the industry, as well as in communicating opportunities to students who are potential employees about the opportunities that exist if they take classes to give them expertise in food processing.
- Regulations - Industry input into the development of regulations is needed, along with the elimination of duplicative and conflicting regulations. Investigate the creation of an advisory committee to work with multiple departments/agencies to resolve these issues.
- Statewide agri-business advisory committee - Develop specific regional agribusiness/food processing business retention/ expansion/attraction plans and provide funding to assist their development.