



AGRICULTURE DEVELOPMENT DIVISION

Fiscal Year 2019

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LETTER FROM THE DIRECTOR

I am excited to present the Michigan Department of Agriculture and Rural Development 2019 Agriculture Development Division Annual Report. This report highlights the accomplishments that were realized in 2019 toward our mission of delivering expertise and leadership to support and promote economic development in Michigan's food and agriculture industries.

The Agriculture Development Division has a focus on accelerating the growth of food, agriculture, and forest products companies in Michigan; by supporting value-added opportunities for the diverse array of products that are grown and produced in the great State of Michigan.

Some of our highlights in 2019 include:

- Accelerating the growth of 26 Michigan companies with Food and Agriculture Investment Fund grants; leading to the creation of 224 new jobs and over \$109.3 million in new investment.
- Awarding over \$5.3 million of grant funding to 60 Value-Added, Rural Development and Specialty Crop Block projects that will enable the development, research, and promotion of Michigan companies, products, crops, and talent.
- Leading international market development for Michigan food, agriculture, and forest products companies; including the first ever Michigan Pavilion at the Summer Fancy Food Show and continuation of our annual trade mission to China.

Our dedicated and passionate team is proud to support the companies and people in our food, agriculture, and forest products industry. We will continue to work to identify opportunities for growth and development.

Peter Anastor
Division Director
Agriculture Development Division

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Commodity Coordination

PROGRAM MANAGER: Heather Throne | 517-712-0841 | throneh@Michigan.gov

The Michigan Department of Agriculture and Rural Development (MDARD) has legal, fiscal and program oversight responsibility for 14 legislatively established commodity boards that have producer check-offs or producer assessments. The MDARD Director delegates this authority to the Agriculture Development Division (AgD) to represent the MDARD Director at all regular and executive board meetings. MDARD also organizes and leads Commodity Executive meetings where staff from more than 60 agricultural and food organizations are invited to participate. These meetings cover a variety of important topics and current issues for Michigan's food and agriculture industry.

IMPACT FOR MICHIGAN:

- AgD is responsible for ensuring the Michigan Open Meetings Act and Freedom of Information Act regulations are being followed at the check-off boards.
- MDARD is responsible for ensuring funds are being used according to industry adopted programs; and, in compliance with State of Michigan statutory financial and generally-accepted accounting standards.
- MDARD reviews all commodity audits and provides a written review of the audits provided to ensure financial soundness and compliance are generally accepted.

ACCOMPLISHMENTS:

- In 2019, MDARD attended 62 commodity meetings, making 92% of all scheduled commodity meetings.
- Completed the third-party audit review of all 14 commodity groups, ensuring financial compliance.

MEASURING SUCCESS:

Commodity Meetings with MDARD Staff Participation	Meetings Attended in 2019	Percentage Attended 2019
Bean Commission	6	85%
Wheat Committee	3	60%
Soybean Committee	6	100%
Cherry Committee	4	100%
Tree Fruit Commission	4	80%
Apple Committee	4	75%
Beef Commission	4	100%
Corn Committee	5	100%
Asparagus Committee	4	100%
Carrot Committee	2	100%
Onion Committee	4	100%
Potato Commission	3	75%
Dairy Committee	3	100%
Blueberry Committee	3	75%

KEY STAKEHOLDERS:

- Michigan Wheat Committee
- Michigan Soybean Promotion Committee
- Michigan Onion Committee
- Michigan Carrot Committee
- Michigan Asparagus Committee
- Michigan Apple Committee
- Michigan Tree Fruit Commission
- Michigan Bean Commission
- Michigan Cherry Committee
- Michigan Corn Marketing Program
- Michigan Beef Industry Commission
- Michigan Dairy Marketing Program
- Michigan Potato Industry Commission
- Michigan Blueberry Commission

LEGAL AUTHORITY:

- PA 232 of 1965, the Michigan Agricultural Commodities Marketing Act (MI Apple, MI Asparagus, MI Carrot, MI Cherry, MI Corn, MI Dairy, MI Onion, MI Soybean, MI Tree Fruit, MI Blueberry, and MI Wheat Commissions)
- PA 29 Michigan Potato Industry Commission
- PA 114 Michigan Bean Commission
- PA 291 Michigan Beef Industry Commission



Food and Agriculture Development

PROGRAM MANAGER: Jamie Zmitko-Somers | 517-284-5738 | zmitkoj@michigan.gov

Mission - deliver expertise and leadership to support economic development in Michigan's food and agriculture industry.

The Economic Development Team provides assistance to growers, producers, processors, and the food and agriculture industry in order to promote and accelerate the growth of and investment in Michigan agriculture. Assistance includes supply chain connections, regulatory assistance, funding, collaboration, and trade for the agriculture, food and forest products sectors. The team works collaboratively with other federal, state, and local economic development partners to provide seamless services to customers.

IMPACT FOR MICHIGAN:

- Increased jobs and investment for food, agriculture, and forest products companies.
- Accelerated growth of Michigan food and agriculture companies by supporting businesses with Food and Agriculture Investment Fund performance-based grants.
- Expansion of new food processors into Michigan that create jobs and economic impact.
- The state's food and agriculture sector generates more than \$104 billion of total economic activity for Michigan each year.

ACCOMPLISHMENTS:

- Accelerated the growth of Michigan food and agriculture companies by leveraging the Food and Agriculture Investment Program. In FY2019, 26 projects were approved, leading to 224 new jobs and over \$109.3 million in new investment.
- Mead Johnson, a child and infant formula manufacturer in Zeeland, was awarded a grant of \$175,000 from MDARD to upgrade its Zeeland manufacturing site for hypoallergenic infant formula. The project required an investment of \$67.7 million and will create 39 new jobs.
- Economic Development Team completed 385 visits to companies focusing on retention and growth while also assisting in a variety of ways, including regulatory assistance, supply chain connectivity, funding, and more.

MEASURING SUCCESS:

Metric	FY 2018	FY 2019
Company Visits	322	385
Economic Development Activities	580	686
Company Investment	\$886.1 Million	\$238.5 Million
New Jobs Created	860	600

** Numbers are reported using a fiscal year*

PROGRAM GOALS:

- Accelerate the growth of Michigan food and agriculture companies through an increase in value-added processing opportunities.
- Promote Michigan as a great place to locate and grow your food and agriculture company.
- Serve as a development consultant to food and agriculture companies in order to identify opportunities for growth, collaborate on supply chain efficiencies, and develop long-term plans to support the food and agriculture industry.
- Identify opportunities for growth in all food and agriculture sectors with an added emphasis on dairy, forestry, and valued-added food products.
- Identify development-ready sites that can accommodate food processing growth while working to engage with food and agriculture site selectors.
- Connect businesses with technical and business development resources in order to provide clear paths to growth and expansion in Michigan.



KEY STAKEHOLDERS:

- Food and agriculture businesses and processors
- Agricultural growers and producers
- Forest products industry
- Region and local economic development agencies
- Local communities
- Site selectors

FOOD AND AGRICULTURE INVESTMENT FUND:

The Food and Agriculture Investment Program is an incentive program providing support for food and agriculture projects helping expand food and agriculture processing to enable growth in the industry and Michigan's economy. Projects are selected based on their impact to the overall agriculture industry and their impact to food and agriculture growth and investment in Michigan. In Fiscal Year 2019, this program assisted 26 projects in Michigan, leading to over 224 new jobs and \$109.3 million of new investment.

FY 2019 Food and Agriculture Investment Fund Grants

Project	MI Locations	Amount	Investment	Project Outcome	Completion
Mead Johnson & Company LLC	Zeeland	\$175,000	\$67,700,000	Construction of new facilities	2/28/2022
Cherry Republic Inc.	Empire	\$135,000	\$1,700,000	Fulfillment and distribution center expansion and renovation	5/21/2020
Eastern UP Wood Shavings	Kincheloe	\$125,000	\$2,000,000	Rebuild and expansion of wood shavings facility	5/31/2020
Michigan Turkey Producers LLC	Wyoming	\$125,000	\$13,130,000	Installation of equipment and building renovations	Completed
KDS LLC dba Schramm's Mead	Ferndale	\$100,000	\$786,840	Construction orchard facility	8/31/2020
Brian's Food LLC	Southfield	\$100,000	\$1,192,500	Purchase of building, equipment and capital improvements	7/31/2020
Sklarczyk Seed Farm	Johannesburg	\$100,000	\$1,525,700	Construction of greenhouse, laboratory and storage facilities	1/31/2021
Bessemer Plywood Corporation	Bessemer	\$100,000	\$3,000,000	Building construction, purchase of new equipment and installation	1/31/2021
Northern Hardwoods Lumber LLC	Newberry	\$100,000	\$3,100,000	Purchase existing facility, equipment and installation of equipment	12/31/2020
Riveridge Produce Marketing Inc.	Grant	\$100,000	\$7,850,000	New building construction, renovations and purchase of equipment	Completed
Avalon International Breads LLC	Detroit	\$80,000	\$347,100	Building renovations and purchase of equipment	2/29/2020
Bear Creek Organics LLC	Petoskey	\$80,000	\$432,500	Building construction and purchase of equipment	Completed
Moersch Hospitality Group	Baroda	\$75,000	\$314,160	Improvements to site and purchase of equipment	5/21/2021



FOOD AND AGRICULTURE INVESTMENT FUND – Projects Continued:

2019 Food and Agriculture Investment Fund Grants

Project	MI Locations	Amount	Investment	Project Outcome	Completion
Berrybrook Enterprises	Hartford	\$75,000	\$1,630,000	Building construction, site improvements, and equipment purchase	Completed
Browndog Creamery	Oak Park	\$75,000	\$876,200	Building and equipment purchase and renovation	12/31/2020
Michigan State University Mass Timber	East Lansing	\$75,000	\$351,200	Provide outreach on mass timber construction	9/15/2022
Dutch Treat Foods	Zeeland	\$60,000	\$255,000	Purchase and installation of new equipment	Completed
Hudsonville Creamery & Ice Cream Company	Holland	\$60,000	\$863,300	Purchase of new equipment	1/31/2021
Allen Neighborhood Center	Lansing	\$50,000	\$150,000	Building renovations and purchase equipment	1/31/2020
True Blue Processing Inc.	Grand Junction	\$50,000	\$226,500	Purchase of new equipment	8/30/2020
Dave’s Sweet Tooth LLC	Harrison Township	\$50,000	\$230,000	Building renovations and new equipment	Completed
The Gluten Free Bar	Grand Rapids	\$50,000	\$287,900	New equipment and infrastructure updates	Completed
9 Bean Rows LLC	Suttons Bay	\$50,000	\$514,500	Building construction and renovation, new equipment and site improvements	3/31/2020
Maple Drive Farms	Addison	\$40,000	\$294,600	New construction, and equipment purchase	1/31/2021
Liberty Farms and Flour Mill LLC	Skandia	\$40,000	\$448,000	Building construction and renovation, new equipment	Completed
Marne Specialties and Meats LLC	Kent City	\$35,000	\$97,500	Building renovations and equipment	3/31/2020





Grant Programs

PROGRAM MANAGER: Heather Throne | 517-712-0841 | throneh@michigan.gov

MDARD administered the following grant programs: Specialty Crop Block Grant, Value-Added Grant, Food & Agriculture Investment Fund Grant, Rural Development Fund Grant, and One-Time Grants. The grant funds are used to enhance the competitiveness of specialty crops, develop value-added agricultural processing, assist in efforts focused on removing barriers, and leverage food and agriculture opportunities, and enhance land-based industries in rural communities.

IMPACT FOR MICHIGAN:

- Enhances the competitiveness of specialty crops
- Provides research on new industry technology
- Provides research on implementing and developing waste management relating to agriculture or agricultural products
- Provides research on pest management
- Increases land-based industries in rural Michigan
- Works to increase food and agricultural jobs
- Stimulates growth in the value-added processing sector

LEGAL AUTHORITY:

- Rural Development Fund – Public Act 411 of 2012
- Value-Added Grants – Public Act 207 of 2018

ACCOMPLISHMENTS:

- MDARD administers an existing portfolio of 158 grant agreements totaling \$25,261,803.
- MDARD awarded \$1,850,006 in value-added grants and leveraged \$12,040,646 in matching funds.
- MDARD awarded \$1,245,050 in rural development grants and leveraged \$1,520,380 in matching funds.
- MDARD averaged six days for the review and disbursement of payments for existing grants.
- MDARD's Grants Team offered a grants training at the Great Lakes Fruit, Vegetable, and Farm Market Expo and conducted conference calls with grantees on processes and procedures for our grant programs.

MEASURING SUCCESS:

Metric	2018	2019
Awarded Grant Funds	\$4,323,089	\$5,303,050
Leveraged Grant Funds	\$2,296,795	\$12,561,026
Grant Disbursement Response Time (Days)	14.03	6
Active Grant Portfolios	139	158

PROGRAM GOALS:

- Maximize allocated grant funds with strong industry matches to maximize the funding for the industry.
- Continue to review and streamline grant review processes to improve disbursement response times for grantees and reporting processes.
- Implement additional checks and balances with grant financial reviews and conduct site visits for grant projects.

KEY STAKEHOLDERS:

- Agricultural cooperatives
- Food and agriculture businesses
- Universities and research organizations
- Local governments
- Nonprofit corporations
- Economic development organizations

FY 2019 Rural Development Grants

Name	MI Locations	Amount	Match	Project Outcomes	Completion
County of Marquette	Marquette	\$100,000	\$65,000	KI Sawyer WWTF Influent Pumping Improvements	9/30/2020
Michigan Asparagus Industry Research Farm	Hart	\$100,000	\$123,800	Expand Processing Equipment	9/30/2020
City of Negaunee	Negaunee	\$100,000	\$425,000	Upgrade Brown Ave Sewer	9/30/2020
Powell Township	Big Bay	\$43,500	\$20,000	Expand the Big Bay Pathway to a Year-Round Trail	9/30/2020
Clare-Gladwin RESD	Clare	\$99,100	\$29,800	Workforce Development in Clare and Gladwin Counties	9/30/2020
Central UP Planning and Development Regional	Escanaba	\$83,000	\$25,000	Develop Economic Resiliency Strategy	9/30/2020
Austin Brothers' Beer Company LLC	Alpena	\$34,300	\$14,700	Expansion of Equipment	9/30/2020
Republic Township	Republic	\$100,000	\$60,000	Building Improvements on the Iron Ore Heritage Trail	9/30/2020
Bee Well Meadery LLC	Bellaire	\$89,800	\$48,300	Equipment Upgrades	9/30/2020
Village of Central Lake	Central Lake	\$14,750	\$14,750	Sewer Feasibility Study	9/30/2020
Coldwater Board of Public Utilities	Coldwater	\$100,000	\$30,000	Wastewater Infrastructure Plan	9/30/2020
City of Hillsdale	Hillsdale	\$100,000	\$368,000	Upgrades to Hallett Street	Completed
Northeast Michigan Council of Governments (NEMCOG)	Gaylord	\$10,100	\$10,000	Videoconferencing Capacity for Northeast Michigan	9/30/2020
Paddle Antrim	Elk Rapids	\$70,500	\$120,400	Marketing Paddling the Chain of Lakes	9/30/2020
Jones Farm Market	Saranac	\$100,000	\$61,300	Expand Processing Facility	Completed
Michigamme River Basin Tax Increment Financing and Water Improvement Authority	Republic	\$100,000	\$104,330	Republic Dam Renovations	9/30/2020

FY 2019 Value Added Grants

Name	MI Locations	Amount	Match	Project Outcomes	Completion
Allen Neighborhood Center	Lansing	\$79,216	\$85,400	Expand Programs and Share-Use Kitchen	2/28/2021
Battle Creek Unlimited	Battle Creek	\$125,000	\$4,206,559	Expand Southwest Accelerator Kitchen	2/28/2021
Escanaba Downtown Development	Escanaba	\$80,000	\$25,000	Expand Shared Use Kitchen in the UP	2/28/2021
Fluffy Bottom Farms/Upaya Creamery	Chelsea	\$73,000	\$37,300	Equipment Expansion	2/28/2021
Food Entrepreneur Accelerator & Startup Terminal LLC d/b/a FEAST Detroit	Inkster	\$120,000	\$36,000	HPP Packaging Line for Contract Manufacturing	2/28/2021
Gallagher's Vineyard & Winery d/b/a Rove Estate	Traverse City	\$125,000	\$101,100	Expand Facility and Processing Equipment	2/28/2021
JNelson Farms	Hope	\$40,390	\$17,310	Increase Cold Storage for Meat	2/28/2021
Lazy Ballerina Winery LLC	St. Joseph	\$30,000	\$30,000	Expand Processing Equipment	2/28/2021
McClure's Pickles LLC	Detroit	\$90,000	\$40,000	Expand Processing Equipment	2/28/2021
Michigan Bean Commission	Frankenmuth	\$125,000	\$37,500	Expand Milling Capabilities for Dry Bean Flours	2/28/2021
Next Phase Enterprises	Hillman	\$94,800	\$42,656	Establish Commercial Dry Bean and Hemp Flour Production	2/28/2021
North Bay Produce	Traverse City	\$125,000	\$375,000	Compostable Packaging Equipment or Blueberries	2/28/2021
North River Distillery LLC	Jackson	\$18,600	\$5,800	Expansion for Potato Vodka Production	2/28/2021
Oomen Brothers Inc.	Hart	\$100,000	\$101,000	Installation of Broccoli Floret Processing Line	2/28/2021
Pop Daddy Popcorn LLC	Whitmore Lake	\$125,000	\$92,735	Expansion of Popcorn and Pretzel Line	2/28/2021
River Rouge Brewing Company LLC	Oak Park	\$100,000	\$6,210,000	Expansion of Production Facility and Tasting Room	2/28/2021
Superior Sales Inc.	Hudsonville	\$125,000	\$441,000	Expansion of a Celery Stick Processing Line	2/28/2021
T&K King Fisheries Inc.	Moran	\$24,000	\$8,466	Increase Ice Making Capacity for Tribal Fishermen	Completed
TCB Food Processing LLC	Bangor	\$125,000	\$37,500	Increase & Expand Processing and Co-packing Capacity	2/28/2021
TCWC LLC d/b/a Traverse City Whiskey Co.	Traverse City	\$125,000	\$110,320	Expand Processing of Cherries and Spirits	2/28/2021

FY 2019 Specialty Crop Block Grants

Name	MI Locations	Amount	Match	Project Outcomes	Completion
Michigan Asparagus Advisory Board	Dewitt	\$80,566	N/A	Improving Strategies to Limit Root Rots for Michigan Asparagus	9/30/2021
Michigan Blueberry Commission	Pullman	\$99,991	N/A	Risk Prediction to Improve IPM Programs for Spotted Wing Drosophila in Michigan	9/30/2021
Michigan Apple Committee	Lansing	\$99,119	N/A	Implementation of Precision Decision Support Systems to Protect and Optimize Michigan Tree Fruit Production	9/30/2021
Michigan Tree Fruit Commission	Lansing	\$99,992	N/A	Developing a Risk Model for Managing Spotted Wing Drosophila in Tart Cherry	9/30/2021
Michigan State Horticultural Society	Benton Harbor	\$99,000	N/A	Monitoring Fungicide Resistance in Botrytis ss. on Michigan Fruit Crops and Identifying Potential Alternatives to Management	9/30/2021
Michigan Cherry Committee	Dewitt	\$81,000	N/A	Elevating the Profile/Profitability of Michigan Cherries: Digitally, Regionally, and Nationally	9/30/2021
Michigan Onion Committee	Mason	\$82,721	N/A	Leaf Blight Decreases Michigan Onion Yields and May Increase Bulb Rot	9/30/2021
Michigan Wine Collaborative	Fennville	\$100,000	N/A	MWC Will Advance Michigan Wine Through Activities Contributing to Market Expansion, Access, and Workforce Development	9/30/2021
Michigan Carrot Industry Development Program	Dewitt	\$99,382	N/A	Developing Cultural Practices to Manage Critical Pests in Carrots	9/30/2021
Michigan Peach Sponsors	Coloma	\$55,940	N/A	Accelerated Cultivar and Rootstock for the Michigan Peach Industry	9/30/2021
Michigan Potato Industry Commission	East Lansing	\$97,967	N/A	Sustainable Management of Potato Early Die Complex with Custom Compost Blends	9/30/2021
Michigan State Horticultural Society	Benton Harbor	\$75,000	N/A	Small Fruit and Hops Acreage Inventory and Labor Survey	9/30/2021
Forgotten Harvest	Oak Park	\$17,503	N/A	Cultural Techniques for Improving Mid-Summer Leafing and Heading Brassica Crop Yields	9/30/2021
Traverse Wine Coast	Traverse City	\$75,500	N/A	Market Enhancement to the Traverse Wine Coast Region	9/30/2021
Cherry Market Institute	Dewitt	\$91,478	N/A	Influence and Ibotta: Getting Michigan Cherries a Slice of the Digital Pie	9/30/2021
Michigan Bean Commission	Frankenmuth	\$99,959	N/A	Verification of Proposed Fertilizer Recommendations for Michigan Dry Bean Growers	9/30/2021
Midwest Nut Producers Council	Montrose	\$97,495	N/A	Developing Integrated Field and Post-Harvest Pest Management Strategies to Advance Chestnut Quality and Market Expansion	9/30/2021
Michigan Potato Industry Commission	East Lansing	\$45,000	N/A	Expanding Consumer Awareness and Consumption of Michigan Potatoes	9/30/2021
Petoskey Wine Region	Alanson	\$87,500	N/A	Increase Awareness, Sales, and Sustainability of Our Region by Implementing an Interactive Vineyard Experience	9/30/2021
Michigan Ag Council	Lansing	\$50,000	N/A	Building Trust and Increasing Sales of Michigan GROWN, Michigan GREAT Specialty Crops	9/30/2021
Michigan Nursery and Landscape Association	Okemos	\$75,000	N/A	The Sagacious and Shrewd Weed Control Imperative for Herbaceous Perennials	9/30/2021
Michigan Christmas Tree Association	Durand	\$75,000	N/A	Raising Awareness of Real Michigan Christmas Trees Through Customer Education and Promotion	9/30/2021
Michigan Apple Committee	Lansing	\$100,000	N/A	Increasing Sales of Michigan Apples by Leveraging Online and Retail Outreach	9/30/2021



International Marketing Program

PROGRAM MANAGER: Jamie Zmitko-Somers | 517-384-5738 | zmitkoj@michigan.gov

Mission - Assist Michigan food and agricultural companies in developing domestic and international market opportunities to grow their businesses effectively.

The program works to achieve its mission by assisting Michigan producers and processors in developing trade opportunities through new market development or expanding existing markets. To showcase Michigan companies in the global arena, the program organizes and implements activities such as export seminars, buyers' missions, trade missions, and Michigan Pavilions, a group of booth spaces at select domestic and international trade shows.

IMPACT FOR MICHIGAN:

Increasing exports of food and agriculture products and encouraging more companies to become involved in exporting increases the economic impact to the state. Benefits to the economy include increased jobs stable prices for Michigan growers and farmers.

ACCOMPLISHMENTS:

- First ever Michigan Pavilion at the Summer Fancy Food Show – four companies participated. Results: 93 leads/contacts and expected increase in sales of \$520,000 in domestic and \$135,000 in export sales over the next year.
- Led four Michigan companies and one commodity group on a trade mission to China with stops in Guangzhou, Chengdu, and Shanghai. Results: 62 leads/contacts and expected increase in export sales of \$1,200,000 over the next year.
- Collaborated with the Michigan Apple Committee to bring six international buyers to Michigan to view apple harvest and packing. Buyers were able to meet with apple exporters.
- Developed new programs and services including free primary market research reports, international buyer background checks, and an enhanced online company export directory.
- Exporter of the Year awarded to Sklarczyk Seed Farm.

Metric	2018	2019
Number of Michigan companies participating in Food Export programs and services	94	96
Number of visits to Michigan companies by export team	40	52
Number of followers on Twitter	1,590	1,732
Number of followers on Facebook	630	783

PROGRAM GOALS:

- Assist Michigan companies in the export of food and agriculture products leading to first time exports or an increase in exports
 - Assist companies in navigating federal export assistance programs
 - Increase meetings with Michigan companies
 - Increase the number of Michigan Pavilions offered at trade shows
- Collaborate with Michigan commodity groups to assist their industries to increase exports
- Develop and offer new export programs and services for Michigan companies



KEY STAKEHOLDERS:

- Michigan food and agriculture companies
- Michigan forest products companies
- Michigan growers and producers
- Commodity groups



Michigan Craft Beverage Council

PROGRAM MANAGER: Jenelle Jagmin | 517-284-5742 | jagminj@michigan.gov

The Michigan Craft Beverage Council is a program of the Michigan Department of Agriculture and Rural Development that supports the state’s thriving craft beverage industry and was established on October 1, 2018.

The purpose of this program is to provide research and education grants, business and supply chain connections, grower resources, consumer outreach and education, and promotion of the agricultural products used in craft beverage production.

IMPACT FOR MICHIGAN:

The Michigan Craft Beverage Council program contributes to an industry that serves as an important statewide economic driver. Craft beverage businesses create jobs and opportunities in multiple sectors, including tourism, manufacturing, distribution, and services.

Michigan farmers currently manage 3,050 acres of wine grape vineyards, and there are nearly 1,000 acres of hops in production. Barley and grain are also in demand, creating additional opportunities for the agricultural sector and communities.

ACCOMPLISHMENTS:

- The Council funded \$353,189 in research projects to advance knowledge of agriculture, production, and education to serve the craft beverage industry into the future.
- The Council created important outreach and branding items including a website (www.michigancraftbeverage.com), logo, brand identity, and social media channels.
- The Council participated in a goal-setting session that helped to identify direction and priorities moving forward.
- The Council’s Research Committee identified important research priorities to ensure the funding of timely, meaningful research projects.

Metric	2018	2019
Visits to michigancraftbeverage.com	N/A	935
Number of combined followers on social media channels	N/A	14,049
Outreach visits to businesses and stakeholders	N/A	9
Number of grant projects funded	8	10

PROGRAM GOALS:

- Engage stakeholders in identifying critical industry research needs and specific, timely research priorities
- Further develop Michigan crops for use in craft beverages and enhance consumer knowledge and desire for Michigan craft beverages
- Develop and support business to business connections among growers and producers
- Increase website traffic to michigancraftbeverage.com to 50,000 visits annually
- Build Council brand awareness through stakeholder engagement activities and social media



KEY STAKEHOLDERS:

- Wineries, breweries, distillers, and hard cider producers
- Wine grape growers, Hops growers, Grain and Barley growers, and malters
- Industry trade partners: retailers, restaurants, and wholesalers
- Michigan State University and other educational institutions
- Tourism organizations

LEGAL AUTHORITY:

- Public Act 155 of 2018
- Public Act 154 of 2018

2019 Michigan Craft Beverage Grants

Applicant	MI Locations	Amount	Match	Project Outcomes	Completion
Michigan State University - Paolo Sabbatini	East Lansing	\$37,364	\$33,200	Environmental cues for grapevine cold hardiness	2/15/2020
Michigan State University - Martin Chilvers	East Lansing	\$39,000	N/A	Plant pathology hops and barley research	7/30/2020
JPG Resources	Battle Creek	\$50,000	\$15,000	Upcycling spent grain waste research	2/15/2020
Michigan State University - Timothy Miles	East Lansing	\$49,750	\$70,000	Vineyard sustainability and fruit quality	2/15/2020
Michigan State University - Dean Bass	Hickory Corners	\$13,523	N/A	Evaluation of cereal rye varieties for craft distilling	2/15/2020
Michigan State University - Dennis Pennington	East Lansing	\$50,000	\$11,800	Agronomy practice for soft winter wheat malting	9/20/2020
Michigan State University - Steven Van Knocker	East Lansing	\$34,376	\$4,976	MI PureRed: Development of red-juiced apple cultivars for MI hard cider production	2/15/2020
Petoskey Wine Region	Alanson	\$37,510	N/A	Enhancing the Competitiveness of Michigan's Newest American Viticulture Area	2/15/2020
Parallel 45	Traverse City	\$3,100	\$1,450	Educational and Training Opportunities to Michigan's Grape & Wine Industry	2/15/2020
Michigan State University - Robert Serrine	Suttons Bay	\$38,566	\$24,475	Investigating the terroir-influenced quality attributes of hops (<i>Humulus lupulus</i>)	2/15/2020

Expenditures	FY19
Administration	\$187,894
Council Expenses	\$3,743
Research and Education Grants	\$353,189
Promotion and Consumer Education	\$49,819

FY18 Michigan Grape & Wine Industry Council Grant Results

Primary Researcher	Grant Proposals and Results	Amount
Sabbatini, Paolo	<p>Implementation of alternative canopy management techniques in the NW and SW to improve fruit technological maturity of grapes grown in Michigan</p> <p>Pre-bloom turned out to be better timing for leaf removal than after-bloom, and machine had shown its potential to replace hand treatment. The amount of leaf area removed by machine should be optimized, and therefore, field machine calibration needs further research to achieve the match between timing and method.</p>	\$17,621
Isaacs, Rufus	<p>Reducing harvest losses to late season insects and their associated diseases in Michigan vineyards</p> <p>Researchers made advances in the type of traps to use for capturing yellow jackets and the baits that work best for attracting them. They also found some promising findings related to perimeter trapping for these insects in Michigan wine grape vineyards. The project supported delivery of information about management of late-season insect pests to the Michigan grape industry through summertime field days and through formal winter and spring extension events.</p>	\$23,000
Isaacs, Rufus	<p>Michigan Vineyard IPM Extension Program</p> <p>Growers have been able to see the performance of new pest management programs at the whole vineyard scale, and these commercial sites have provided venues through the growing season for discussion of relevant issues in the plant pathology, entomology, and horticulture. Through the support of this project, researchers were also able to inform the industry about the increasing incidence of grapevine mealybug and the spread of grapevine leaf roll virus.</p>	\$17,017
Parallel 45	<p>Bring More Educational and Training Opportunities to Michigan's Grape and Wine</p> <p>The P45 board of directors, in collaboration with MSU Extension, believe the original goals outlined in the grant proposal were met. By bringing in new and revered speakers, they were able to double outreach at the Spring Kickoff, from around 45 people annually to a new high of 89 attendees, largely due to the presence of highly-regarded speaker Clark Smith and the material he presented.</p>	\$3,000

FY18 Michigan Grape & Wine Industry Council Grant Results – Continued

Primary Researcher	Grant Proposals and Results	Amount
Todaro, Thomas	<p>Improving Northwest Michigan Horticulture Research Center for a Data Driven Wine Grape Extension Program</p> <p>This research focused on vine spacing variables. It determined that vines cane-pruned to four canes produced larger yields, as well as fruit with more sugar accumulation and higher pH. It was also determined that reduced cluster weight may indirectly reduce cluster compactness and thus decrease disease incidence in tight clustered cultivars.</p>	\$23,000
Stabile, Ralph	<p>New Enviro-Weather Station</p> <p>Wineries used the data from the weather station to gauge their spray program based on temperature, wind, and humidity. They used the soil moisture information for determining draught stress and irrigation decisions on vines planted in June of 2019. In at least one instance, a winery accumulated GDD data for tracking veraison periods and sugar development for future year to year comparisons.</p>	\$10,000
Chou, Karen	<p>Level-of-concern analysis of pesticides applied in viticulture</p> <p>This project is not yet complete.</p>	\$10,000
Safferman, Steven	<p>Low Cost Vertical Flow Constructed Wetland Wastewater Treatment System for Small Wineries</p> <p>Overall performance of the VFCWs was satisfactory. Systems without nitrogen adsorption media performed as well as systems with the media. The VFCWs continued to treat the wastewater to low effluent concentrations even when subjected to varying loading concentrations and frequencies, and at reduced temperatures.</p>	\$31,755



Producer Securities

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The Producer Securities Program regulates the storage, warehousing, and sale of farm produce in Michigan. The Farm Produce Insurance Authority (FPIA) administers the collection of producer assessments, the payment of producer claims, and the investment of producer funds.

This program assists with producer security regulations under the Wholesale Potato Dealers and the Manufacturing and Fluid Milk Programs. The program also provides financial, compliance and assessment review services for legislatively enacted commodity associations.

The Agricultural Marketing and Bargaining Program works with the industry to establish marketing and processing pricing for asparagus and apple crops grown in Michigan.

IMPACT FOR MICHIGAN:

Producers rely on licensed grain dealers to hold and protect grain deposits similar to when we deposit our savings in a bank. The Farm Produce Insurance Act was enacted to protect farmers in the event of a farm produce dealer’s financial failure. In 2018, there were over \$2.2 billion in cash receipts for corn, dry beans, oats, soybeans, and wheat handled by Michigan’s 205 licensed grain dealers (192 in-state). Since 2003, 280 producers have recovered \$5,178,461 in claims under the Farm Produce Insurance Act. Insolvencies among grain dealers, wholesale potato dealers, livestock auctions, and dairy plants impact communities, businesses, and farmers through loss of jobs, income, and market.

ACCOMPLISHMENTS:

- On October 1, 2017, the Grain Dealers Act amendment went into effect, establishing a priority lien for producers and lenders for farm produce delivered to a licensed grain dealer for sale or storage, prioritizing a producer’s claim over a general line of credit.
- On September 30, 2019, the Farm Produce Insurance Fund’s balance was \$10,860,376.
- Ongoing FPIA administrative assessments are at .00015 or 15 cents on \$1,000 of grain sold.
- In 2019, the FPIA paid \$170,945 for 26 producer claims from the one grain dealer failure that occurred in 2018.

Metric	2018	2019
180 in-state-risked based audits are performed on a 12 month cycle	174	163
30 working capital exams are performed on a 12 month cycle	12	35

PROGRAM GOALS:

- For 2020, licensing programs will monitor renewal applications to ensure previously licensed businesses maintain business licenses, if they remain active.
- For 2020, increase number of working capital audits through a risk-based analysis approach.
- For 2020, provide support for Farm Produce Insurance Authority in liquidation, claim payment, and recovery regarding financial losses to producers from grain dealer failure in central Michigan.
- For 2020, review inventory, working capital, and enforcement procedures to determine the most efficient and effective methods for safeguarding and administering the \$10 million Farm Produce Insurance Fund and providing adequate producer security to Michigan producers.



KEY STAKEHOLDERS:

- Agricultural producers
- Michigan Agri-Business Association
- Michigan Farm Bureau
- Michigan Agricultural Commodity Marketing Associations
- Agricultural lenders

LEGAL AUTHORITY:

- Grain Dealers Act, PA 141 of 1939, as amended
- Farm Produce Insurance Act, PA 198 of 2003, as amended
- Wholesale Potato Dealers Act, PA 158 of 1964
- Manufacturing, PA 266 of 2001, and Fluid Milk, PA 267 of 2001, Acts, as amended
- Livestock Dealers Act, PA 284 of 1937, as amended
- Agricultural Commodities Marketing Act, PA 232 of 1965, as amended
- Agricultural Marketing and Bargaining Act, PA 344 of 1972, as amended

