

MICHIGAN COMMISSION OF AGRICULTURE AND RURAL DEVELOPMENT

GreenStone Farm Credit Services
Corporate Offices, Training Room
3515 West Road
East Lansing, MI 48823

MEETING MINUTES JULY 18, 2018

PRESENT:

Bob Kennedy, Chair, Michigan Commission of Agriculture and Rural Development
Trevor Meachum, Vice Chair, Michigan Commission of Agriculture and Rural Development
Brian Pridgeon, Secretary, Michigan Commission of Agriculture and Rural Development
Diane Hanson, Past Chair, Michigan Commission of Agriculture and Rural Development
Dru Montri, Past Chair, Michigan Commission of Agriculture and Rural Development
Ken McFarlane, Chief Deputy Director, Michigan Department of Agriculture & Rural Development

CALL TO ORDER AND ROLL CALL

Chairperson Kennedy called the meeting of the Commission of Agriculture and Rural Development to order at 9:02 a.m. on July 18, 2018. Commissioner Pridgeon called the roll with Commissioners Hanson, Kennedy, Meachum, Montri, and Pridgeon, and Chief Deputy Director Ken McFarlane present.

APPROVAL OF AGENDA

MOTION: COMMISSIONER MONTRI MOVED TO APPROVE THE MEETING AGENDA FOR JULY 18, 2018. SECONDED BY COMMISSIONER HANSON. MOTION CARRIED.

APPROVAL OF MAY 9, 2018, MEETING MINUTES

MOTION: COMMISSIONER PRIDGEON MOVED TO APPROVE THE MAY 9, 2018, MEETING MINUTES. SECONDED BY COMMISSIONER HANSON. MOTION CARRIED.

NEXT SCHEDULED MEETING

The next scheduled meeting is Wednesday, September 19, 2018, to be held at Hillman Community Center, Hillman, Michigan.

COMMISSIONER COMMENTS AND TRAVEL

Commissioner Pridgeon reported they are in the midst of the growing season in the southern part of the state, which is greatly in need of rain. Crop conditions are stable in the heavier soils, but the sandy soil areas are looking tough. It is a good time to be in livestock, because it is not muddy.

Commissioner Montri advised she will be attending the West Michigan AgClub Breakfast and tour to be held at Victory Farms next week, and also plans to attend the Upper Peninsula (UP) State Fair in August.

In terms of their farm, they are also very dry and every day incredibly thankful for irrigation. They are in the middle of a good summer harvest and are working with some new markets in the Ann Arbor area. Yesterday, they also began seeding for the winter – timing still strange for her as a farmer.

She advised that John Durling requested she remind the Commission of the Michigan Agricultural Mediation Program available to farmers and to help ensure fellow farmers are aware of those services. She shared a brochure containing program details and contact information.

Commissioner Hanson reported the UP has been very hot, as well as wet in Houghton and Menominee Counties, where flood damage occurred recently. The central and eastern UP regions are very dry. On the eastern side, where hay is one of their primary commodities, a farmer reported the worst hay crop in his years of farming. On their farm, they have been irrigating potatoes all summer.

She attended the very successful Breakfast on the Farm in Menominee County sponsored by that county's Farm Bureau. A strawberry farmer in that area reported no plants were found after uncovering their strawberry fields this year, and for the first time in over 20 years, did not open for business; and, she is aware of a strawberry farm in Dickenson County in the same situation. She attended the Hiawatha Farm Bureau meeting at the UP Research and Extension Center in Chatham, and she is participating in the search for a new Center Coordinator to replace Ashley McFarland, who recently left for a position in Minnesota.

Commissioner Meachum advised the Ag Innovation Day held at the Southwest Michigan Research and Extension Center two weeks ago was well attended and resulted in several spin-off meetings, especially in the irrigation segment to determine how to more efficiently and effectively use our water, as well as incorporating new technology to accurately read water levels present in the soil. The VanBuren Youth County Fair began this week and his two six-year-old children are anxious to visit the pigs exhibits.

Southwest Michigan had a very wet and warm spring season, forcing them to give up planting soybeans in early July. Typically, corn is planted by May 15 and soybeans by the first of June. They finished with corn on June 20 and soybeans on July 10, leaving over 200 acres unplanted. Southwest Michigan has many fields with a combination of early and late plantings, as well as a great deal of weeds growing through, because of the rain having pushed through the nitrogen. Now, the rain has completely stopped, and they are watering what they can. Strawberry plants looked great until the heavy rains and high temperatures ruined the crop. They just finished picking a good tart cherry crop; however, prices are depressed. Blueberries are in full swing in Southwest Michigan and depending on the grower, success varies. Apples and grapes appear good and field crops depend upon the specific field. In response to question from Commissioner Kennedy, Commissioner Meachum advised the apple crop world-wide looks good, and the industry can feel the pain of others in surplus situations. With the current tariff situation, fruit will be one of those commodities targeted. Because the West Coast relies heavily on exports, it will be forced to market domestically if unable to export, putting considerable pressure on U.S. prices.

Challenges exist everywhere in commodity markets. In response to question from Commissioner Hanson, Commissioner Meachum advised labor has been adequate to this point, noting expansion of the H2A Program may be alleviating some the pressure.

Commissioner Kennedy echoed sentiments of the other Commissioners relative to the tough commodity market situations, adding a tariff would remove significant dollars from corn, soybeans, and wheat markets. The industry is trying to remain positive on the tariff situation and needs to weather the storm in the meantime, which is difficult for growers. Forward contracting completed prior to the season should help stem the tide. Although also a bit behind, crops in the Saginaw Valley are decent on the west side of Saginaw. Most all other areas of the state are extremely dry and facing challenges.

Commissioners Hanson, Kennedy, Meachum, Montri, and Pridgeon traveled to attend today's meeting. There was no other travel submitted for approval.

MOTION: COMMISSIONER MEACHUM MOVED TO APPROVE THE COMMISSIONERS' TRAVEL. SECONDED BY COMMISSIONER MONTRI. MOTION CARRIED.

COMMISSIONER ISSUES

Commissioner Kennedy reviewed three retirement resolutions before the Commission recognizing Sandra Walker, Barbara Coy, and Dennis Hunt.

Ms. Walker was a Michigan State University (MSU) graduate with a Master of Science in Food Safety, and unique in that she received her Bachelor's Degree from Ohio State University. She started her career with the U.S. Department of Agriculture (USDA) as a meat grader and began with the Michigan Department of Agriculture and Rural Development (MDARD) in 1995, amassing more than 28 years of public service. She is very oriented with her church and community, maintained a very caring nature with her staff, and will be enjoying time in community service and traveling with her family. The Commission wishes her well in her retirement.

Ms. Coy is from Ingalls, Indiana, practiced for 25 years as a licensed nurse, later continuing her education, earning a degree in biology. Her career in food safety began in 1995 with the Michigan Health Department, having joined MDARD in 2002. She is an FDA certified train-the-trainer, worked on the Voluntary National Retail Food Regulatory Program Standards, was an MDARD Team Excellence Award recipient, and was involved with the Great Lakes Conference on Food Protection, including terms as President and Vice President, as well as Secretary of the Michigan Environmental Health Association. She has been very diverse throughout her career. She looks forward to relaxing in retirement, which includes a move to the western UP. The Commission wishes her well in her retirement.

Mr. Hunt grew up in Ovid, Michigan, graduated from MSU with a music degree, and taught in Colorado several years. He returned to Michigan with the Michigan Milk Producers Association for 19 years as a supervisor. In 1998, he joined MDARD as a field inspector and later as a Dairy Rating Officer. Dennis is USDA certified for plant inspections and butter and powder grading, as well as an active member of the Atlantic Midwest Dairy Equipment Review Committee. He is recognized for his commitment and very literally

“going the extra miles” to ensure the safety of milk products. He plans to relax in retirement through writing and playing guitar and piano music. The Commission wishes him well in his retirement.

MOTION: COMMISSIONER MEACHUM MOVED THE RESOLUTIONS FOR SANDRA WALKER, BARBARA COY, AND DENNIS HUNT BE ADOPTED WITH BEST WISHES FOR THEIR LONG AND HEALTHY RETIREMENT. COMMISSIONER PRIDGEON SECONDED. MOTION CARRIED.

DIRECTOR’S REPORT

Chief Deputy Director McFarlane introduced Tim Slawinski, the new Food and Dairy Division (FDD) Director for the department. Mr. Slawinski joined the department in 2012 and has over 18 years of experience working in the field of food safety, and most recently served as FDD’s Acting Deputy Division Director. In his previous role as the Food Safety Modernization Act (FSMA) Unit Manager, he led the implementation of a Produce Safety Program in Michigan. He thanked him for assuming the FDD Division Director role and looks forward to what he brings to the division.

On May 23, Governor Snyder announced the creation of the Michigan Craft Beverage Council with an effective date of October 1, 2018, which replaces the current Michigan Grape and Wine Industry Council. The Council will award grants for research into winemaking, hops, barley, beer, and spirits; conduct market surveys and analyses; and offer other programs that encourage the agricultural elements related to Michigan’s craft beverage industries. MDARD’s director will serve as chair of the 10-member council, which will be housed within the department. An organizational meeting was held on June 29 and MDARD is in the process of seeking appointments to the Council.

As we speak, Director Wenk and Finance and Office Services Director Maria Tyszkiewicz are attending the Healthy Food Incentive Funders Summit in Washington, D.C. MDARD has been supportive of the Double Up Food Bucks Program, having provided funding over the past two years, and the program is now being expanded nationally.

The annual Michigan Wine Competition will be held on July 31 at the Kellogg Center, with the Gold Medal Wine Reception being held on August 9, also at the Kellogg Center. He invited Commissioners to join that event, which is always a great opportunity.

Director Wenk will continue the department’s work with Michigan businesses when he leads the next trade mission to China September 17-21. The mission includes retail tours, pre-scheduled one-on-one meetings with qualified Chinese buyers, and briefings with USDA officials. Space is limited to 12 Michigan food and agriculture companies. The participation fee is \$1,000 and companies are responsible for covering their hotel, flights, incidentals, and meal costs.

The Farmers Market on the Capitol Lawn event is something many look forward to every year and three will be held this summer – July 26, August 23, and September 20.

He and the Director attended the Midwest Association of State Departments of Agriculture (MASDA) meeting held June 17-20 in South Dakota. The interesting agenda generated a

great deal of good conversation, which included discussions with USDA Under Secretary Ibach. The main topics included the Farm Bill and tariffs. During the state updates, the common denominator was hemp and recreational marijuana and the implications they will have for the various state departments.

Jilbert Dairy has been providing dairy products for the State of Michigan Corrections facilities in the UP. Corrections recently contracted with a new food service provider and during that process, Jilbert Dairy was not selected as the dairy supplier. Jilbert's executives expressed their concerns to some legislators and the department directly. MDARD has put them in touch with the Department of Technology, Management, and Budget (DTMB), who handles the procurement process, and with the Department of Corrections to potentially find a resolution.

A high-profile food warehouse investigation is ongoing within the department. On June 18, MDARD received an anonymous complaint stating three separate unlicensed warehouse locations in Clinton, Ingham, and Shiawassee Counties had insanitary conditions and rodent infestations, as well as outdated foods being offered for sale. MDARD food inspectors visited all three locations on June 18 and 19. With additional information provided by the complainant and investigatory work by staff, a total of five facilities in four counties were tied to one owner. On June 28, MDARD obtained an administrative search warrant, and on June 29, five inspection teams, accompanied by U.S. Food and Drug Administration representatives and law enforcement, inspected the five warehouse locations and conducted site evaluations. Considerable effort and coordination has transpired, and investigation continues. The department was able to shut down the possible introduction of this food into the system.

Relative to emerging contaminants, the department continues to work with the Governor's Office and MPART (Michigan PFAS Action Response Team) on effects of that contaminant in locations where it has been detected. We remain on the discovery end, determining if any licensing or agricultural activity is being conducted in the immediate areas of sites identified. This will be a continuing issue and MDARD has considerable resources dedicated to the effort. Updates are available on a website hosted by the Michigan Department of Environmental Quality (MDEQ).

Commissioner Montri inquired about a recent Chronic Wasting Disease (CWD) case found near Jackson and whether that changes anything in terms of the department's plans for the fall and coordination with the Michigan Department of Natural Resources (MDNR) during hunting season. Chief Deputy Director McFarlane advised not immediately, but it will be part of ongoing discussions with MDNR. Commissioner Kennedy asked if there were anything new transpiring around the CWD Workgroup recommendations. Chief Deputy Director McFarlane advised the Executive Office has not yet seen a report.

Commissioner Montri questioned about the Michigan Consortium of Advanced Networks specific to the Governor's initiative focused on rural broadband infrastructure and if there were any updates in that regard. Chief Deputy Director McFarlane advised, although there have been many discussions, there currently is nothing definitive.

Commissioner Kennedy noted a considerable training effort has been coordinated around the new Dicamba products throughout the industry this past year, and he asked if the state had received any reports relative to crop issues. Chief Deputy Director McFarlane advised nothing major has been brought to the attention of the Executive Office during ongoing update meetings.

PUBLIC COMMENT (AGENDA ITEMS ONLY)

There was no public comment relative to agenda items.

GENE THOMPSON SCHOLARSHIP: Jeff Haarer, Producer Security and Agriculture Products Unit, Pesticide and Plant Pest Management Division

Mr. Haarer advised he is pleased to announce the 2018 Gene Thompson \$500 scholarships winners are Brandon Haarer, Stephanie Robinson, Thomas Trombley, Meredith Smith, and Mitchell Yelton.

Several years ago, Gene Thompson, a supervisor at the then Michigan Department of Agriculture and strong supporter of the department's annual employee golf outing, passed away and the annual golf outing and scholarship program was named in his honor. Thanks to the generosity of Dr. Gordon Guyer and the event participants, the fund has awarded 42 scholarships to MDARD employees and their children since 2007, for a total of \$21,000.

The scholarships are awarded to a student who is an employee of MDARD or a child of an MDARD employee attending MSU or enrolled in an agricultural-related program and seeking a Masters, Bachelors, Associate degree, or Certificate. All of the 2018 winners demonstrated a good academic record, a strong commitment to community and civic involvement, leadership roles in school, work and civic activities, plus an understanding of the importance of fun and enjoyment of the things they do and of the people they know. He introduced two of the scholarship winners who were able to join the meeting today, Meredith Smith and Mitchell Yelton.

Meredith Smith is from Lathrup Village and is attending Wayne State University to study Public Relations and Organizational Communications. Meredith works for the Environmental Stewardship Division. She expressed her appreciation to the Commission and the department.

Mitchell Yelton is from Kalamazoo and is attending MSU to study Human Biology with a desire to pursue Medical School. Mitchell's mother Lori works for the Food and Dairy Division. He thanked the department and the Commission.

To assist in raising funds for future scholarships, the department is excited to announce the sixth annual Quality of Life Scholarship Golf Outing honoring Gene Thompson will be held on September 14, 2018, at the Eldorado Golf Course in Mason, Michigan. The registration form is available on the MDARD intranet page. The planners will gladly find a team for individual golfers wishing to participate and accept prize donations from those unable to attend this great cause. The \$70 registration fee includes 18 holes of golf and cart, goodie bag and coupon for nine holes of golf, coffee/donuts, lunch, and a steak dinner. He invited Commissioners to donate an item or to join the outing for a fun day on the course.

Mr. Haarer advised they hope to maintain the scholarship tradition and continue to build the fund toward future awards. Another scholarship fund event was held last evening, the Michigan Youth Livestock Expo Sale of Champions at MSU. The sale proceeds were \$258,000, which is an all-time high for the auction event, with \$100,000 being raised for scholarship awards.

RECESS AND RECONVENE

Chairperson Kennedy recessed the meeting at 9:36 a.m. to allow for a photo opportunity with the scholarship winners. He reconvened the meeting at 9:40 a.m.

MICHIGAN CHERRY COMMITTEE UPDATE: Phil Korson, President, Cherry Marketing Institute

Mr. Korson thanked the Commission for the opportunity to be here today. He reported Michigan produces 75-80 percent of the U.S. supply of tart cherries on an annual basis and ranks fourth in sweet cherry production, behind Washington, Oregon, and California. Michigan actually ranks number one in the processing of sweet cherries and grows more maraschino cherries than any other state. There are 425 tart cherry growers and 3.7 million trees on 32,500 acres. In comparison, there are 380 sweet cherry growers and 760,000 trees on 72,000 acres. A normal farm, particularly in northern Michigan, would grow about two thirds tart and one third sweet cherries, and would mechanically harvest everything. Most of the sweet cherry infrastructure is in northern Michigan, with Seneca Foods being the largest processor of maraschino cherries in the world. Of the seven tart-producing states, Michigan is by far the largest, with its fruit-growing belt on the western side of the state.

He shared a video demonstrating the fascinating mechanical cherry harvesting process, which can handle a very large amount of fruit in a relatively short amount of time. In response to question from Commissioner Kennedy, Mr. Korson advised they began mechanically harvesting in the late 60s, which is remarkable technology, requiring calibrated tanks for the cherries. Each tank holds about 1,000 pounds of fruit and this year's harvest in just northern Michigan is estimated at 155 million pounds.

The Cherry Marketing Institute is a grower's organization with the key priorities of marketing, international issues, research, and various grower issues. The overarching objective is to increase demand for tart cherries. They interconnect their program with that of MDARD to help leverage resources, including export opportunities.

Current industry concerns include trade issues and Spotted Wing Drosophila (SWD). SWD is an invasive pest that came to Michigan about four years ago and is an extremely large problem for the industry. MDARD's Brian Verhougstraete was instrumental in helping the industry get in place 24C for Mustang Maxx to give them a three-day PHI (pre-harvest interval), which is critically important in controlling the pest. Cost is also an important factor, in that rather than \$60 per acre for one of the other leading materials for SWD, Mustang Maxx is only \$4 per acre, which is tremendously helpful in these economic times.

Until 10 years ago, tart cherries were traditionally a bakery ingredient and their goal became that of repositioning tart cherries as a super fruit. Marketing strategies include 1) spotlight science to reinforce relevance and differentiate from the competition, 2) elevate

taste to reinforce consumer appeal and show we are on the trend, and 3) re-ignite ingredient decision-maker focus to recapture lost markets. Their current platform is “Go Tart Instead” to appeal to existing market trends.

As competitors watched them develop that “super fruit” tag line and momentum, the imports followed the same track line. Importation of tart cherry juice has grown from about 25 million pounds in 2008 to nearly 230 million pounds in 2015, while domestic sales of tart cherry juice has remained flat. Over time on the domestic side, the value increased substantially, and imports continued to be a relatively cheap alternative for the manufacturing sector. Because cherry juice concentrate from Turkey enters the U.S. duty free, the U.S. cherry industry testified last month before the International Trade Commission to request denial of that duty-free access for Turkey, because they are in violation of import rules. Once any country exceeds over 50 percent of the world imports into a specific country, they no longer qualify for duty-free status. They exceeded that level in 2012 and have every year since. Hopefully, the duty will be back in place by fall to help slow the imports.

Mr. Korson shared another video, depicting highlights of their marketing promotions over the last year. In response to question from Commissioner Hanson, Mr. Korson emphasized the mechanical shaker operator is crucial to maintaining the life of the trees. He also confirmed they do have considerable problems with deer damage and farmers are being forced to fence their orchards. Commissioner Kennedy asked if MDNR has been responsive to the deer overpopulation. Mr. Korson deferred to Commissioner Meachum, who advised it is a grower one-on-one relationship with MDNR, who has a formula for how many deer per square mile they feel is healthy and if the grower is over that threshold and can demonstrate deer damage, MDNR will issue permits. Fencing is becoming more common in his area, but results in complaints from neighbors who then experience yard damage from deer who have been forced around growers’ fences.

Commissioner Montri asked about the total processing timeframe for tart cherries. Mr. Korson advised tart cherries are relatively fragile and are processed within two days. Totally different processing equipment is utilized for tart and for sweet cherries. A processor must be positioned to run multiple fruits to be competitive, because if dedicated to tart cherry processing, they are in operation only three weeks a year.

In response to inquiry from Commissioner Hanson, Mr. Korson confirmed the Turkey situation also presents an unfair playing field relative to pesticide tolerances. Additionally, Turkey has subsidized the industry, which remains effective until 2020. It is difficult to compete against a government. Wherever Michigan goes in the world, Turkey follows – often using the same promotional materials Cherry Marketing developed.

In response to question from Commissioner Kennedy, Mr. Korson advised the average farm is 62 acres. The industry faces dramatic challenges this year – low prices, a huge crop of 43 million pounds, and issues with SWD – it is not a fun time to be in the cherry growing business.

Commissioner Meachum asked about dynamics of the Federal Marketing Order. Mr. Korson advised the final set-aside number of 31 percent is being projected and feels there would be opposition to increasing that in the fall.

He congratulated Mr. McFarlane on being appointed as Chief Deputy Director and advised he looks forward to continued work with the department and the Commission.

MICHIGAN BLUEBERRY COMMISSION UPDATE: Kevin Robson, Executive Director, Michigan Blueberry Commission

Mr. Robson advised he has the unique opportunity to work full-time for Michigan Farm Bureau (MFB) as a Commodity Specialist, as well as serve as the Executive Director of the Michigan Blueberry Commission.

He reported the Michigan Blueberry Commission (MBC) became official on May 30, 2017, having been voted in by an impressive favorable margin of 75 percent. Being a new organization, they do not yet have any of the foundation for promotion and marketing that other industries currently have in place. The seven members have been hard at work since the inception of the program, writing and approving multiple guiding principles, policies, and procedures that will shape the Commission's operating structure.

Research is of paramount importance to the industry, with SWD being a significant problem for blueberries. Fortunately, MSU has made considerable investment over the years relative to plant breeding to develop various late-season producers.

MBC was successful in attaining \$30,000 through MDARD's Specialty Crop Block Grant Program to be used for start-up of the program. Website, logo, and brand development were among the initial purchases. MBC is planning to hold their October meeting on the campus of MSU in order to include meetings with researchers, faculty, and extension representatives, who will be continued partners with the blueberry industry. They also plan to hold a meeting the day prior to the beginning of the 2018 Great Lakes Fruit and Vegetable Expo in Grand Rapids.

To date, MBC has assessed and collected nearly \$266,684, representing 88,894,795 pounds of blueberries. This money will be leveraged to support critical, industry-driven research projects benefiting Michigan's blueberry producers. MBC is especially proud to have been successful in receiving funds through the Rural Development Grant Fund to establish a five-acre, state-of-the-art blueberry planting at the Trevor Nichols Research and Extension Center in Fennville. They will be combining \$30,000 of grower-assessed dollars, along with \$100,000 of grant dollars to fund that project.

MBC was successful in being part of a \$100,000 Specialty Crop Block Grant to fund a Fruit Acreage Inventory Survey. This survey will aim to gauge the number of acres planted, and which varieties. In addition, MBC was successful in garnering \$99,303 for developing tactics for stem gall wasp control in Michigan blueberries.

Various research priorities have been established by MBC, including 1) development of pest biology and control management programs; 2) enhancing Michigan blueberry yields; 3) blueberry stem gall wasp control materials; 4) spotted winged drosophila management

techniques and management materials; 5) pesticide resistance management in crop protection materials being used to control invasive pests pathogens, and diseases; and creating an environment of better understanding of pesticide efficacy and residues, along with the impact of pesticide inert ingredients and adjuvants on fruit quality, wash-off rates, and maximum residue limits.

A good crop is expected this year and they have developed means to store blueberries for a few weeks, although that depends upon the variety. They are currently in the midst of harvest, which continues to be hand-picked for the fresh market. Mechanical harvesters are currently used only for processed fruit; however, techniques are continually being refined to hopefully include fresh market berries in the future. Wet conditions have affected the growers this year, making it difficult for the industry.

He hopes that within the first five years of this program, they are able to replicate and build upon the success they have enjoyed over the first year, as well as bring Michigan to the status of cutting edge of technology, research, and marketing in the blueberry industry across the country.

In response to questions from Commissioner Kennedy, Mr. Robson advised 21,000 acres of blueberries are grown in Michigan, with 500-600 growers producing the 100 million pounds picked in a good year. Commissioner Meachum added there also is a large segment of minority blueberry farmers in his area. It is an easy crop to propagate and grows in predominately poor soil, noting those growers typically sell through a coop.

Chief Deputy Director McFarlane asked what the industry's largest challenge is in maintaining its top number one or number two status in the country. Mr. Robson advised weather, market access, and pest pressure all play a part in industry success, with weather being crucial.

In response to question from Commissioner Hanson, Mr. Robson confirmed deer damage is a problem for the blueberry industry, as deer seem to be everywhere. At this point, he has not seen many growers resort to fencing. Commissioner Meachum advised another challenge he sees is the land, as a good blueberry crop requires low ground and a wetland area. Converting a corn field to blueberries presents a challenge in achieving correct PH balance. Mr. Robson added that various wetland mitigation programs have caused additional challenges and there actually is not much ground available for expansion.

RECESS AND RECONVENE

Chairperson Kennedy recessed the meeting at 10:33 a.m. for a brief break. He reconvened the meeting at 10:47 a.m.

MICHIGAN AGRICULTURE ENVIRONMENTAL ASSURANCE PROGRAM (MAEAP) STANDARDS – INTRODUCTION OF PROPOSED CHANGES: Jim Johnson, Division Director, and Joe Kelpinski, MAEAP Program Manager, Environmental Stewardship Division

Mr. Johnson distributed to the Commission binders containing the proposed MAEAP Standards revisions for this year. The Commission has the statutory responsibility to annually approve this set of standards, changes for which are being introduced today for review, with consideration for approval presented during the September Commission

meeting. The standards are the culmination of efforts by numerous individuals that begins early in the year. Chairs of the individual workgroups will join the September meeting to answer specific questions.

Mr. Kelpinski advised the binders are organized by Risk A*Syst Tools, with the first this year being Forest, Wetlands, and Habitat. Because it is a relatively new system, it constitutes most of the proposed changes. Because it was initially written by foresters, it was very forest centric. Additional materials have been developed specific to wetlands and habitat areas.

With this being the eighth year for the standards review process since codification, the tools are relatively mature, and no major issues have risen in any of the agricultural sectors. Most of the changes are for consistency between the tools, or additional questions based on other affecting changes. There are no revisions to the Christmas Tree and Livestock systems.

The first item under each system tab is a document summarizing changes the Systems Committees requested for this year, highlighted by standards numbers, section numbers, and educational question numbers. The next page in each shows how those are laid out in the documents themselves. The current document is also provided to allow comparison of the wording changes.

The standards are merely being introduced today. The Commission will have the next two months to review and formulate any questions for discussion at the September Commission meeting. Any questions in the meantime can be directed to him.

FOOD AND AGRICULTURE INVESTMENT FUND REQUESTS: Peter Anastor, Division Director, Agriculture Development Division

Mr. Anastor advised the department is presenting five Food and Agriculture Investment Fund projects for the Commission's consideration today, representing a diverse array of Michigan food and agriculture companies. He introduced four of his five Economic Development Team members, which included Jodi Gruner, the Northwest Michigan and Grand Rapids Regions; Joe McCulloch, the Thumb Area and Saginaw Valley Regions; Terri Barker, the Southeast Michigan Region; and Jennelle Jagmin, the Southwest Michigan and Capitol Regions. Donna LaCourt, who was unable to be here today, is the representative for the UP and Northeast Michigan Regions.

He introduced Dr. John and Deb Bruinsma with Sugar Free Specialties, doing business as Dr. John's Candies. Dr. Bruinsma advised they are a company manufacturing the healthiest candies in the world, and for Michigan, are very proud of that. He thanked Mr. Anastor, Ms. Gruner, and the department for helping them reach this point. They are also working with the Michigan Economic Development Corporation (MEDC) and The Right Place. Everyone in his office has been impressed by the State of Michigan departments working with them.

They currently manufacture in White Pidgeon and are establishing a new facility in the Grand Rapids area. They produce sugar-free lollipops, hard candies, caramels, taffies and mints, as well as outsourcing gourmet chocolates and gum.

They began their company in 1995. As a dentist, he would handout sugar-free candies in his office. One day, he tried one and it tasted awful, so he wanted to develop something more flavorful for his patients. He found a good-tasting sugar-free candy manufacturer in White Pidgeon and initially targeted distributors selling to dental professionals. In 2002, they were approached by UCLA and Delta Dental to potentially incorporate an herbal extract that kills bacteria causing dental decay. The development took nearly six years to perfect in order to keep the extract active. In 2011, they also began incorporating Xylitol, which is also good for dental health, as well as other herbal extracts in 2013. With their current herbal lollipop, Harvard University has established funding for a study in the country of Guita, which has the highest decay rate in the world for children two-four years old. If this is successful, they will have a lollipop that reduces dental decay, and that would be significant.

Their distribution has now grown into a significant, international presence. Due to this growth, they acquired their manufacturer in 2013, and have become a leading innovator in the candy industry and with medical/dental institutions looking for healthy substitutes. In addition, Amazon Prime has ranked their lollipops and caramel products in the top four percent of all gourmet grocery food items, and ABC's Good Morning America show broadcasted a four-minute segment on the "Lollipop that Licks Decay" creating significant demand for their products.

They are launching the world's first all-natural sugar-free lollipop and branded it Healthy Sweets™. The inspiration for these lollipops came from children's cancer non-profit organizations, who asked them to produce a lollipop with a low glycemic index, with no artificial colors, flavors, sweeteners, or major allergens, as a healthy treat for children undergoing cancer treatments. They developed sugar-free lollipops and hard candies with all-natural ingredients that contain 20 percent of the Food and Drug Administration's daily recommended fiber requirement, as well as Vitamins C and D. A portion of those sales are donated to non-profit children's cancer organizations. Additionally, a patented probiotic has been added to the fiber-based lollipop and a new product called "Dr. John's Probiotic Pop for Kids™" was created and is the first of its kind in the world.

This project includes the purchase and renovation of a 50,000 square-foot facility in Comstock Park, Michigan, with 35,000 square feet dedicated to manufacturing and 15,000 square feet dedicated to new office space. In addition, new machinery and equipment will be added to manufacture the unique Dr. John's® Healthy Sweets™ product line. This product will be distributed nationally (retail, medical, e-commerce) and internationally. The facility will allow for a 50 percent increase in capacity for production of 700,000 pounds of candy in 2019. A European-style caramel is being piloted with butter sourced from Continental Dairy, and the natural flavors in all lollipops and hard candy collections are manufactured by Michigan vendors like National Flavors. Capital investment for this project is \$2,128,000 with 12-24 new jobs anticipated. The project represents a key sector (Candy/Confectionary) in our accelerating food processing initiative outlined by Euromonitor for 2018.

Mr. Anastor advised MDARD staff recommend the Michigan Commission of Agriculture and Rural Development approve a Food and Agriculture Investment Fund performance-based grant of \$75,000 for Sugar Free Specialties, LLC.

MOTION: COMMISSIONER MEACHUM MOVED TO APPROVE A FOOD AND AGRICULTURE INVESTMENT FUND PERFORMANCE-BASED GRANT OF \$75,000 FOR SUGAR FREE SPECIALTIES, LLC. SECONDED BY COMMISSIONER MONTRI. MOTION CARRIED.

Mr. Anastor advised the second project today is S&F Foods, operating out of Romulus, Michigan, and introduced President and CEO, David Spencer. Mr. Spencer thanked Mr. Anastor and his team for the opportunity.

They are a Michigan-based family-owned and operated frozen food manufacturing company founded in 2003. The company has a USDA/FDA inspected facility located in Romulus, Michigan, that also maintains Organic and Gluten-Free certifications. They also obtained a Grade A Global Food Safety Initiative BRC (British Retail Consortium) certification.

S&F specializes in creating and manufacturing open-faced and enrobed frozen products for USDA Institutional School Lunch and Breakfast Programs across 30 states. In addition, S&F provides co-manufacturing services for a variety of private-label retail brands in supermarkets, such as ALDI and Walmart.

About four years ago, a friend of theirs was diagnosed with Celiac disease, for which gluten caused significant problems. She commented there were not many foods available to individuals needing to avoid gluten. That set them along the path of developing product that was affordable, tasted good, and was gluten-free. Over the course of two-year development, they also decided to eliminate all artificial ingredients. They created Gluten-Free Delights®, which is a Clean Label, certified gluten-free version of a Hot Pockets®. Their products are also affordable when compared to similar products.

S&F Foods needs to expand their production and freezer storage capacity at their facility in Romulus to meet the demand for their first proprietary retail brand, Gluten-Free Delights® for the retail industry. They also co-pack for several large supermarket chains and through those ties, are able to market the Gluten-Free Delights®, along with a new Paleo product, into the retail markets.

The project will require a \$1.4 million investment in the Romulus facility that would add 27,000 cubic square-feet of dedicated gluten-free production and cold storage space, as well as an extruding line. The investment will improve production efficiency and increase capacity of the Gluten-Free Delights® private label and co-manufacturing production by 20 percent. Furthermore, the expansion will allow S&F to meet the demands of a private label account with a major global retailer that plans to expand their gluten-free product line from 500 to 10,000 stores within 24 months. After expansion, the company will be well positioned to grow and compete with their closest competitors, Amy's, a leading natural food brand and Nestle, the producer of Hot Pockets®.

The funding will lead to the creation of 10 new jobs and will help to accelerate the growth of the product line and the Michigan-based farm and food processing suppliers. S&F Foods products are 30 percent sourced from companies located in Michigan, including more than two million pounds of cheese per year from DFA (Dairy Farmers of America) and USDA commodity sources.

Mr. Anastor advised MDARD staff recommend the Michigan Commission of Agriculture and Rural Development approve a Food and Agriculture Investment Fund performance-based grant of \$75,000 for S&F Foods, Inc.

MOTION: COMMISSIONER MEACHUM MOVED TO APPROVE A FOOD AND AGRICULTURE INVESTMENT FUND PERFORMANCE-BASED GRANT OF \$75,000 FOR S&F FOODS, INC. SECONDED BY COMMISSIONER HANSON. MOTION CARRIED.

Mr. Anastor advised the next project is Quality Roasting, LLC, which is a new joint venture formed by Quality Roasting, Inc. (QRI) and the DeLong Co., Inc. (DeLCo). He introduced Erin Davis, President, and Scott Rabe, Manager.

Ms. Davis thanked the State of Michigan and Mr. Anastor's team for helping them with the project, adding that Tuscola County has also been extremely welcoming. QRI was established in 1991 to meet the demand for high quality soybean products in cattle diets. Their original roasting facility was built with 4,000 bushel of storage space. Today, they have grown to over 2,000,000 bushels of storage space and employ 20 people between their two Wisconsin facilities.

They met the DeLong family two years ago, which is another family-based business. DeLCo was established in 1929 in Clinton, Wisconsin, and built what was at the time the largest elevator/feed mill in the State of Wisconsin. Since then, the company has remained family-owned, now in its sixth generation. Currently, DeLCo has five divisions consisting of agronomy, grain, seed, wholesale distribution, and transportation. The grain division is a top ten exporter of containerized shipments in the United States and the top containerized shipper of agricultural products. DeLCo has facilities in seven states and employs over 300 people.

The joint venture was formed to create an entity that would process soybeans to produce crude soybean oil and Exceller Meal® using QRI's existing process and business model. The joint venture is named Quality Roasting, LLC (QRLLC), to utilize QRI's existing branding and reputation. They looked to Michigan for their expansion because a significant amount of soybeans were leaving the state and the Thumb Region of the state offered a good opportunity.

This project will construct a new soybean processing facility in Caro, Michigan, with an estimated capital investment of \$10 million. This investment will lead to the construction of a new 33,000 square-foot processing and office building. The facility will be located on a 20-acre Greenfield Site in Caro and will also include a truck scale, sampling probe, and raw soybean storage bins, with an initial storage capacity of 300,000 bushels. This project will

also create eight full-time jobs. They hope to be processing by June of next year, will source beans directly from farmers, and sell direct to feed manufacturers.

QRLLC's main finished product will be Exceller Meal®, a hi-bypass soybean meal. The product is an expelled soybean meal with no chemicals or solvents used in the manufacturing process. Other products to be manufactured include a crude soybean oil, which is a by-product from the process.

It is anticipated that QRLLC would use approximately 2.2 million bushels of soybeans, or about two percent of the statewide annual soybean yield. The finished product will not be competing with Zeeland Farm Services (ZFS), as a balanced dairy cow ration includes both high by-pass soybean meal and solvent extracted soybean meal, the product expected to be produced by ZFS. By having Quality Roasting expand in Michigan, producers will see an increase in price for the soybeans they produce, as well as an increase in the availability of the processing of soybeans in Michigan.

Mr. Anastor reported MEDC has approved a Michigan Business Development Program incentive for the project in the amount of \$80,000. The company is also expected to receive approval of a PA 198 Tax Abatement for 12 years and a 6.0 mill State Education Tax Abatement for 12 years.

MDARD staff recommend the Michigan Commission of Agriculture and Rural Development approve a Food and Agriculture Investment Fund performance-based grant of \$75,000 for Quality Roasting, LLC.

MOTION: COMMISSIONER PRIDGEON MOVED TO APPROVE A FOOD AND AGRICULTURE INVESTMENT FUND PERFORMANCE-BASED GRANT OF \$75,000 FOR QUALITY ROASTING, INC. SECONDED BY COMMISSIONER MONTRI. MOTION CARRIED.

Mr. Anastor reported the fourth project today is the Michigan Milk Producers Association (MMPA), which is a dairy farmer-owned cooperative and dairy processor. He introduced Sheila Burkhardt, Senior Director of Member and Government Relations, Dave Davis, Plant Manager, and Aaron Beak, Director of Business Development.

Ms. Burkhardt thanked the Commission for the opportunity to be here today and making the investment funds available to them. They appreciated working with Mr. Anastor and Ms. Gruner on the project.

Founded in 1916, MMPA serves over 1,100 dairy farmers in Michigan, Indiana, Ohio, and Wisconsin. MMPA works to best serve members every day by providing leading on-farm support, including focus on sustainability and animal care. MMPA members produce high quality milk and are recognized annually through the National Dairy Quality Awards Program. In 2016, one quarter of all farms recognized were members of MMPA.

MMPA operates two SQF Level-3 certified manufacturing plants in Ovid and Constantine, Michigan, as well as a recently acquired plant in Middlebury, Indiana. Products made at MMPA's plants include butter, nonfat dry milk, cream, and condensed skim milk. In

addition, MMPA manufactures specialty cheeses at the Middlebury plant. In addition to dairy ingredients, MMPA supplies over one billion pounds of milk annually to local bottlers to fill the milk jugs found on the shelves of our grocery stores. Having a robust Michigan dairy industry means we have a consistent and ample supply of fresh milk from local farms throughout the year. Milk production in Michigan has been expanding, with members investing over \$100 million since 2008 and doubling capacity within the state for milk production.

To help capture all of that milk, Mr. Beak advised Project Extreme gives MMPA the ability to process more milk and meet the modernizing need for specialty milk solids for their customers, servicing various types of markets. With the current depressed milk market, there is considerable butter fat loss, because it is being sold as fluid milk. This system will allow them to capture that butter fat value. Being a concentration system, it allows for transportation efficiencies and expands the sale market. The system also captures all of the flushes and solids, concentrates that, and sells it as animal feed.

Mr. Davis advised this latest project will expand MMPA's existing operations in Constantine, Michigan, to increase milk processing capacity by 1.3 million pounds per day, helping MMPA manage the increasing milk production in Michigan through manufacturing of new value-added products. The project will allow MMPA to install milk filtration equipment that processes up to two million pounds of fluid milk and create several varieties of ultra-filtrated (UF) milk. The project includes a 7,500 square-foot building addition to the main processing area for new milk filtration and cow water treatment equipment, allowing MMPA to turn excess water into Class I water. They are also installing a wastewater pre-treatment system designed to potentially merge with the Village of Constantine's municipal system to provide for future expansion at the plant. This project will assist in consuming a portion of the excess milk being produced in the State of Michigan that is depressing commodity markets. The project's capital investment is \$24,000,000, with 11 new jobs created.

The project has an aggressive timeline with planning and design beginning in June and building construction and new machinery and equipment installed by October 2018. New hiring and startup is expected in October.

In response to inquiry from Commissioner Montri, Mr. Beak advised the dairy farmers essentially are forced to sell distressed milk (milk that doesn't have a home) at a lower price. This project will capture the value from that milk and sell it at class pricing. The project will allow for expansion in the future. There are also other projects across the state that will capture some of the excess milk volume.

Mr. Anastor advised the project is also working with state and local officials on additional support, including a Michigan Business Development Program incentive from MEDC and a P.A. 198 Tax Abatement from the Village of Constantine.

MDARD staff recommend the Michigan Commission of Agriculture and Rural Development approve a Food and Agriculture Investment Fund performance-based grant of \$200,000 for MMPA.

MOTION: COMMISSIONER MEACHUM MOVED TO APPROVE A FOOD AND AGRICULTURE INVESTMENT FUND PERFORMANCE-BASED GRANT OF \$200,000 FOR MICHIGAN MILK PRODUCERS ASSOCIATION. SECONDED BY COMMISSIONER HANSON. MOTION CARRIED.

Mr. Anastor advised the final project presented today is St. Julian Wine Company. He introduced John Braganini, President, and Nancy Oxley, Vice President and Head Winemaker.

Mr. Braganini reported St. Julian Wine Company has been owned and operated by the family for four generations. The company's passion for Michigan-grown fruit, and the production of quality wine and juice has been upheld for nearly 100 years. All of the fruit used in their wine production is sourced from Michigan growers, most within 50 miles of the Paw Paw production facility. This long-term commitment to Michigan and quality wine has helped to make St. Julian one of the most widely recognized, largest, and most awarded wineries in Michigan.

In recent years, Michigan's largest Concord grape processors reduced their input, causing local farmers to seek out alternative buyers for their grapes or repurpose their land. Some of the state's largest cherry processors have closed their doors, leaving the cherry growers in a similar situation. St. Julian has been able to help sustain these growers by purchasing and processing their fruit.

St. Julian currently does business with more than 190 wineries, 65 of which are in Michigan (roughly 40 percent of the wineries in the state). They regularly provide support to new Michigan wineries by supplying wine, juice, testing, and expertise.

Ms. Oxley advised St. Julian Wine Company and its staff are committed to the company's growth and are very proud to hang their hat on Michigan agriculture. In the past 18 months, St. Julian has created nine new full-time positions, and in the last three years, they have planted and contracted over 230 acres of Michigan-grown fruit. As part of their forecasted growth, the amount of fruit they process will increase annually.

To meet their \$9 million growth plan, St. Julian Wine Company has developed a five-year growth strategy that will increase production capacity and upgrade facilities. They also have an aggressive 10 year plan to increase their own wine grape acreage. Some investments have already been completed, including an update of their main tasting room in Paw Paw.

The current phase of the project will upgrade facilities and equipment, specifically increasing tank capacity and replacing the chilling system. With the purchase and installation of 11 tanks in 2018, St. Julian will add 132,000 gallons to their current capacity, which will process roughly 725 tons of additional fruit. St. Julian plans to purchase 11 tanks every year over the next five years.

A reliable chilling system is crucial in winemaking. Replacing the ammonia chilling system that is currently in place at St. Julian with an expanded capacity glycol chilling system will allow the company to operate in a more efficient and environmentally sustainable manner.

This efficiency will reduce production costs, enabling St. Julian to compete with California in bulk wine sales to regional wineries. The increased capacity also allows them to support additional vineyard acreage and purchase more fruit from Michigan growers.

Additional facility upgrades must be performed to facilitate processing projections. In total, St. Julian Wine Company plans to invest \$1,487,250 in equipment and facility upgrades to meet growth projections. The project is expected to create three new full-time positions.

Ms. Oxley reported St. Julian recently competed in the International Wine Competition, at which they were awarded White Wine of the Year. Having competed with wines from 32 countries, they are very proud of that spectacular achievement.

In response to question from Commissioner Meachum, Mr. Braganini advised the company purchased additional land years ago to provide for future expansions, as well as having first right of refusal on other property in the area. This provides the potential to grow four times the current volume.

Commissioner Montri noted in 2013, a law was passed to allow qualified small wine makers to direct market through farmers markets, and that limit currently stands at 6,000 gallons. She inquired if St. Julian is in support of increasing that limit to 15,000 gallons, as currently proposed. Mr. Braganini advised St. Julian would have liked the same opportunity, and they would support an increase.

Mr. Anastor reported the company is working with Van Buren County and the Village of Paw Paw on potential property tax abatements for the project.

MDARD staff recommend the Michigan Commission of Agriculture and Rural Development approve a Food and Agriculture Investment Program performance-based grant of \$125,000 for St. Julian Wine Company.

MOTION: COMMISSIONER MEACHUM MOVED TO APPROVE A FOOD AND AGRICULTURE INVESTMENT FUND PERFORMANCE-BASED GRANT OF \$125,000 FOR ST. JULIAN WINE COMPANY. SECONDED BY COMMISSIONER MONTRI. MOTION CARRIED.

Mr. Anastor advised the projects today will together create a minimum of 50 new jobs, representing \$39 million of investment. During this fiscal year, the Commission has approved 20 grants, for a total of \$126 million, creating 200 jobs. This program has offered far more opportunities than he envisioned when the program began.

Commissioner Montri confirmed it is very exciting to learn about the increasing growth in the food and agriculture businesses in Michigan and extremely inspiring to see what the department is doing to invest in processing and move the industry forward. She requested a report be developed listing each company, location, brief summary of the project, MDARD grant amount and date approved, project timeline, number of jobs, and total project investment. She suggested the summary be cumulative and copies included with materials for each Commission meeting. Mr. Anastor advised that report is something the division would be happy to provide.

Commissioner Meachum thanked Mr. Anasator and his team for the great work they have accomplished.

BUDGET UPDATE: Ken McFarlane, Chief Deputy Director

Chief Deputy Director McFarlane reported the Fiscal Year (FY) 2019 enacted budget for MDARD represents a \$107.9 million gross appropriation, of which \$58.6 million is general fund/general purpose (GF/GP). This is an 11 percent total GF/GP and 6 percent gross appropriation decrease from FY 2018.

Program enhancements include a \$780,000 GF/GP increase that included 5.0 full-time employees (FTEs) for the Dairy Program. This will provide funding to support additional staff required due to 33 consecutive months of increased milk production, increased complexity of inspections, and robotic milkers having increased by 89 percent over the last five years.

The Office of Organizational Innovation will see a \$307,100 GF/GP increase that will provide for reclassifying two limited term staff to permanent status. This will support the data reclassification process and information technology support around the licensing and inspection systems.

An increase of \$381,100 in GF/GP funds for the Food and Agriculture Investment Program will bring total funding for the program to \$5.1 million for the upcoming year. We anticipate this will again provide support for numerous food and agriculture businesses across the state.

There also is some one-time grant funding allocated: 1) County Fair Capital Improvement Grants of \$775,000, with \$275,000 being earmarked for Tuscola County Fair grandstand renovations and construction of a community center at the fair; 2) MSU Animal Agriculture Initiative receives \$ 2.0 million; 3) \$260,000 for ACRE to support and agriculture incubator located in Ottawa County; and 4) \$120,000 for the Outdoor Discovery Center Network to support a phosphorus removal pilot program in Ottawa County.

Reductions and fund shifts included various GF/GP reductions: 1) reduction of \$249,300 for County Fairs, Shows, and Expositions Grants; 2) decrease of \$99,900 for the Farmland and Open Space Preservation Program, which removes the staffing surge to eliminate their backlog; 3) \$100,000 reduction for MAEAP, which was replaced with a higher than projected restricted revenue; 4) reduction of \$230,000 for the Qualified Forest Program, which was replaced with increasing revenue due to program growth; 5) decrease of \$250,000 for Food Safety and Quality Assurance Program, which is a fund shift due to higher than projected restricted revenue; and (6) \$200,000 reduction in the Pesticide and Plant Pest Management Division, which is a fund shift due to higher than projected restricted revenue.

The budget eliminates most one-time appropriations included in the current year: 1) Intercounty Drain Mapping Project; 2) Food Bank Council of Michigan; 3) Enhanced Wildlife Risk Management Program; and 4) reduces the MSU Agriculture Industry Research and Development Program (decreases the Animal Agriculture Initiative from \$2.5 million to \$2.0

million, eliminates \$4.4 million for the Mobile Labs and Workforce Initiative, and eliminates \$1.5 for the Tree Fruit Commission, which was the final payment).

The department is currently working on a large Information Technology Investment Fund (ITIF) project and has made a request through the Information Technology Investment Fund, which is funding set aside by the Governor for enterprise-wide efforts. MDARD was informed it should be next in line to receive funds. There is an ITIF Board meeting scheduled for August, at which point final allocations will be determined.

Commissioner Meachum inquired about the status of the Farmland Preservation backlog. Chief Deputy Director McFarlane advised, for the most part, that considerable backlog has been eliminated and most transactions are being completed within the normal 60 days of receipt.

Commissioner Montri asked if there were any major changes or departmental needs anticipated for FY 2020. Chief Deputy Director McFarlane advised discussions around the transition year have just begun.

LEGISLATIVE UPDATE: Ken McFarlane Chief Deputy Director

Chief Deputy Director McFarlane advised although Director of Policy Development and Legislative Affairs Matt Blakely is attending an out-of-state National Hemp Convention and unable to join the meeting today, he shared a few notes regarding current key legislation.

Senate Bill 576 was introduced by Senator Casperson and clarifies the distance allowed by the Pesticide Notification Registration. Registered pesticide applicators who are applying turf and ornamental pesticides will be required to notify persons who have registered on this list and includes applications on properties that are adjacent or within 100 feet of the property line. Previously, a physician could advise any distance for notifications from the individual's property, which this would eliminate.

House Bills 6205-6214 and 6216 are changes to the Animal Industry Act. These bills are a culmination of over two years of work by Dr. James Averill and industry members. Many of the changes are simply reorganizing and updating current language so the industry can more easily access and understand the laws. A hearing on this package is anticipated early in September.

Commissioner Meachum inquired if it were illegal to raise chickens and roosters for fighting. Chief Deputy Director McFarlane advised he would investigate that issue and advise the Commission.

In response to question from Commissioner Meachum, Commissioner Montri advised she has heard nothing on the Urban Agriculture legislation. Chief Deputy Director McFarlane advised he would also ask Mr. Blakely to advise Commissioners.

Commissioners are welcome to contact Mr. Blakely with any questions or concerns.

PUBLIC COMMENT

No public comment on non-agenda items was requested.

ADJOURN

**MOTION: COMMISSIONER PRIDGEON MOVED TO ADJOURN THE MEETING.
COMMISSIONER MONTRI SECONDED. MOTION CARRIED.**

There being no further business, the meeting adjourned at 12:06 p.m.

Attachments:

- A) *Agenda*
- B) *Agriculture and Rural Development Commission Meeting Minutes May 9, 2018*
- C) *Michigan Agricultural Mediation Program Brochure*
- D) *Retirement Resolutions:*
 - a. *Sandra Walker*
 - b. *Barbara Coy*
 - c. *Dennis Hunt*
- E) *Director Gordon Wenk – Issues of Interest Report*
- F) *2018 Gene Thompson Scholarship Fund MDARD Scholarship Winners Report*
- G) *Cherry Marketing Institute Presentation*
- H) *Michigan Blueberry Commission Talking Points*
- I) *Food and Agriculture Investment Fund Briefing Memo and Terms Sheet – Sugar Free Specialties, LLC*
- J) *Food and Agriculture Investment Fund Briefing Memo and Terms Sheet – S&F Foods, Inc.*
- K) *Food and Agriculture Investment Fund Briefing Memo and Terms Sheet – Quality Roasting, LLC*
- L) *Food and Agriculture Investment Fund Briefing Memo and Terms Sheet – Michigan Milk Producers Assoc.*
- M) *Michigan Milk Producers Association Presentation*
- N) *Food and Agriculture Investment Fund Briefing Memo and Terms Sheet – St. Julian Wine Company*
- O) *Legislative Status – July 2018*