

RURAL DEVELOPMENT FUND BOARD

FRED J. TACCOLINI, MEMBER



RURAL DEVELOPMENT FUND BOARD

- Rural Development Fund Act – Act 411 of 2012
- Provide for sustainable projects leading to jobs and investment in rural communities.
- Five member board including
 - Fred Taccolini, Marquette
 - Margaret Minerick, Sagola
 - Laura Braun, Ovid
 - Justin Horvath
 - Gary McDowell, MDARD Director
- The purpose of the board is to establish criteria for evaluating project proposals that request funds from the Rural Development Fund.

RURAL DEVELOPMENT FUND HISTORY

Rural Development Fund Board Timeline

December, 2012

Legislation enacted - Funded by Nonferrous Metallic Minerals Extraction Severance Tax (State portion)

December, 2015

Rural Development Fund Board appointed by Gov. Snyder

March and June, 2016

Initial fact-finding meetings of the board

April, 2017

First funding awards announced - \$1.53 million

February, 2018

2nd funding awards announced - \$0.83 million

March, 2019

3rd funding awards announced - \$1.25 million

RURAL DEVELOPMENT FUND CRITERIA

- There is a **maximum request of \$100k**
- **A minimum 30% cash match** is required. In-kind match will be considered as part of the review of a proposal, but does not count toward minimum match requirements.
- Consideration will be given to projects that can leverage additional state, local, and federal funding.
- Eligible projects will fall within the focus areas of capacity building, infrastructure, business development, and talent and workforce development.
- Applicants may include individuals, organizations, businesses, local units of government, federally recognized tribes, or educational institutions.

RURAL DEVELOPMENT FUND CRITERIA

- Land-based industries
 - Food and agriculture
 - Forestry
 - Mining
 - Oil and gas production
 - Tourism
- Worker training related to land-based industries
- Infrastructure that further develops rural communities
 - Energy
 - Transportation
 - Communication
 - Water and wastewater

RURAL DEVELOPMENT FUND

- Preference is to be given to projects in Marquette County and all adjacent counties including Alger, Delta, Menominee, Dickinson, Iron, and Baraga.
- Only rural areas are eligible.
 - Rural being defined as a county with a population of 60,000 or less, and
 - Micropolitan statistic area as defined by the U.S. Office of Management and Budget (counties that include a cluster of population of at least 10,000 but less than 50,000).

Rural Development Fund Eligible and Priority Counties



RURAL DEVELOPMENT FUND 2019 GRANTS

Rural Development Fund Results

of Requests 66

Projects Selected 16

Dollars Awarded \$1.25 million

Match Dollars Leveraged \$1.50 million

Project Type Infrastructure Develop. \$715k, Rural Capacity \$307k, Business Develop. \$124k, Talent Develop. \$99k

Marquette County % 50.3%

RURAL DEVELOPMENT FUND BOARD

- Going forward, the board will meet twice each year:
 - Review projects
 - Update criteria

RURAL DEVELOPMENT FUND BOARD

Questions?



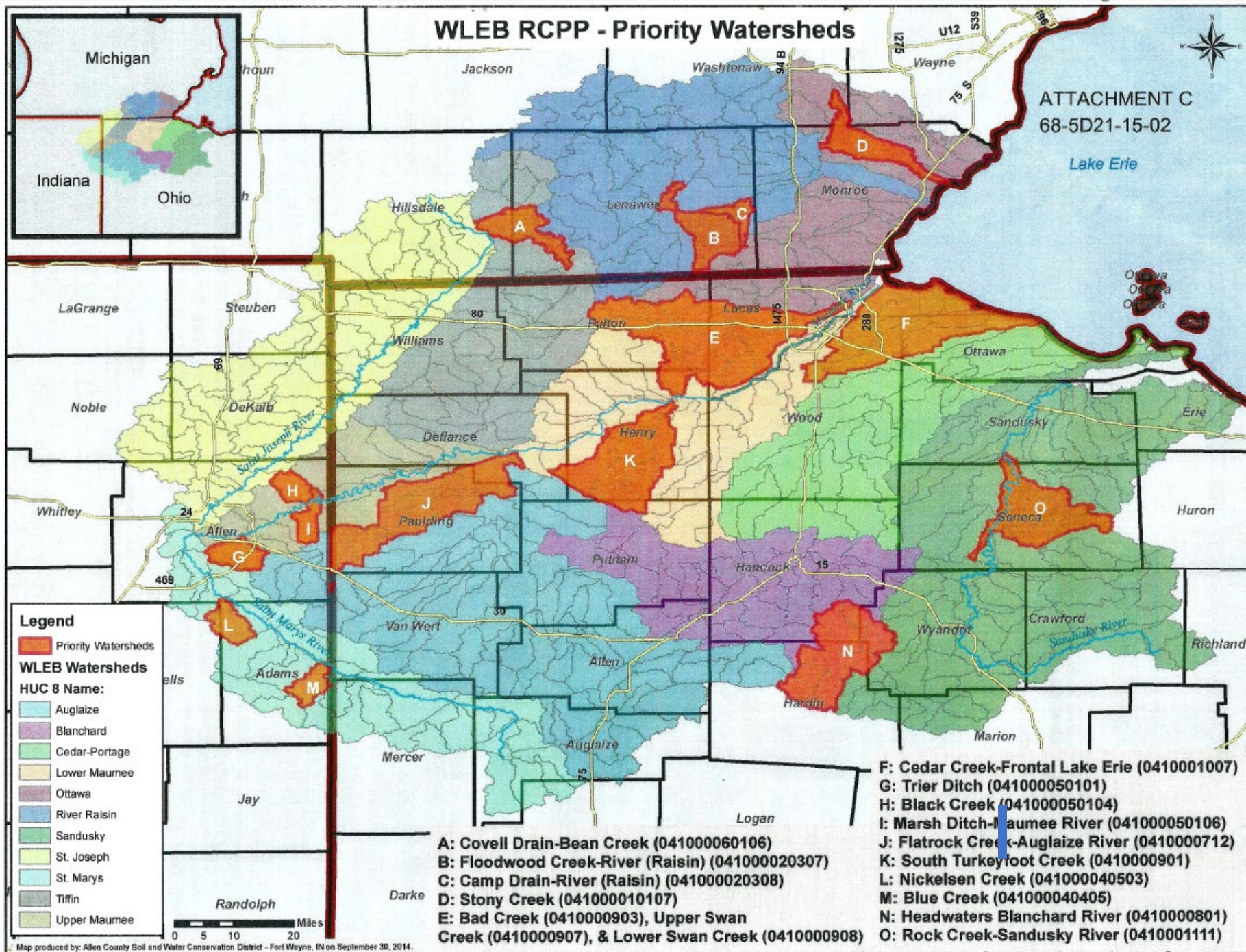
WLEB - Edge of
Field Study

Lake Erie Algal Bloom



WLEB RCPP - Priority Watersheds

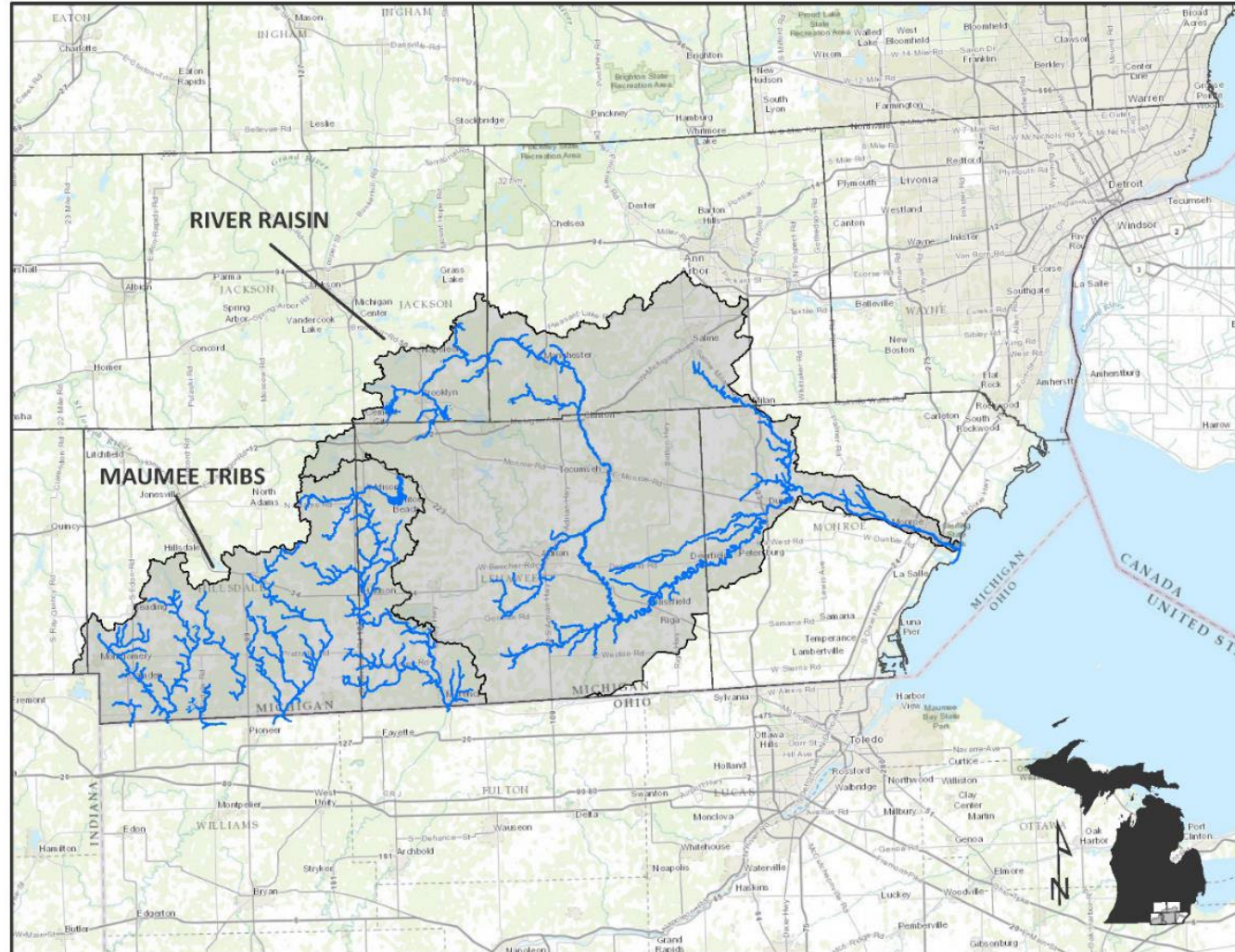
ATTACHMENT C
68-5D21-15-02



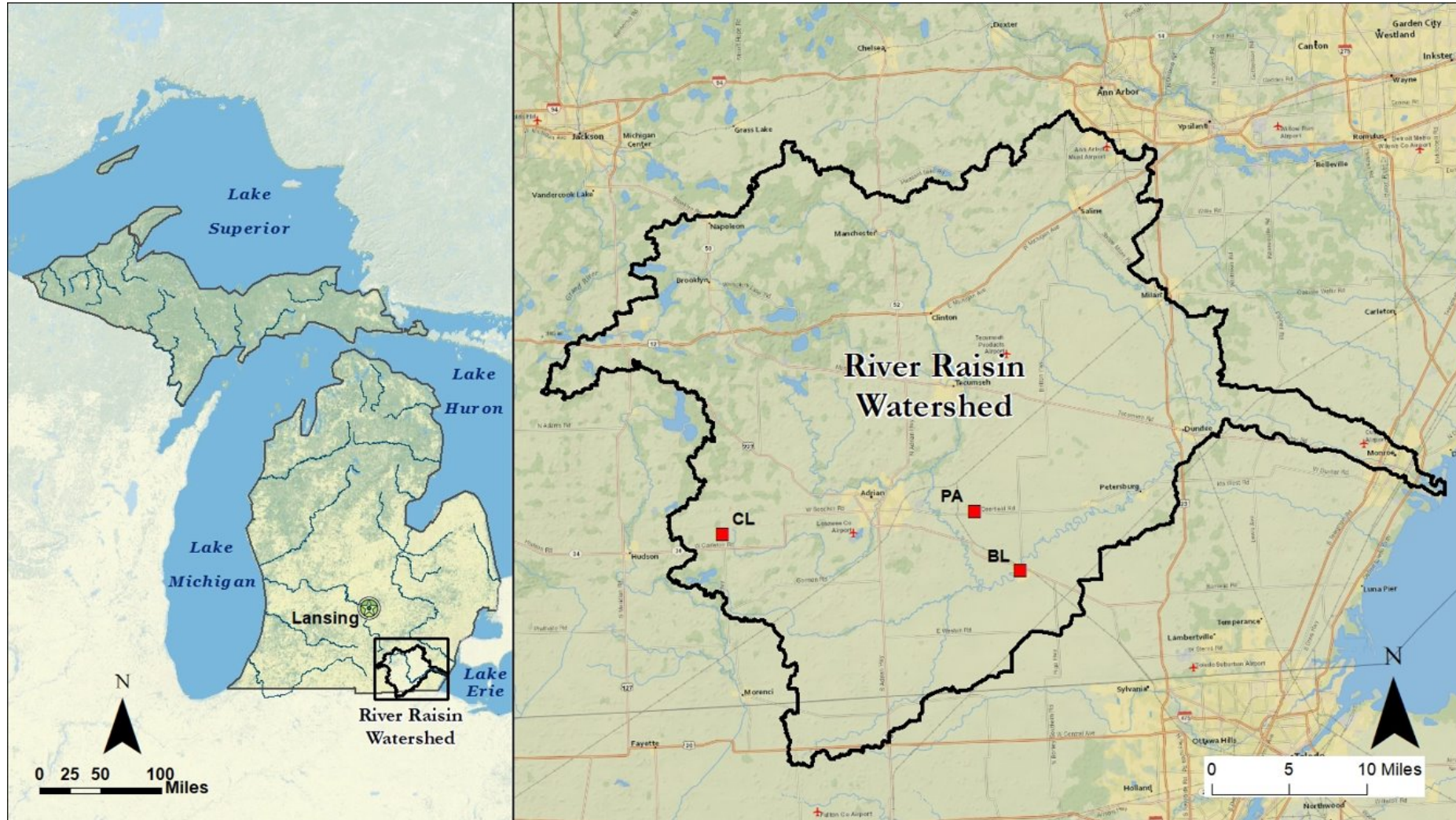
- A: Covell Drain-Bean Creek (041000060106)
- B: Floodwood Creek-River (Raisin) (041000020307)
- C: Camp Drain-River (Raisin) (041000020308)
- D: Stony Creek (041000010107)
- E: Bad Creek (0410000903), Upper Swan Creek (0410000907), & Lower Swan Creek (0410000908)
- F: Cedar Creek-Frontal Lake Erie (0410001007)
- G: Trier Ditch (041000050101)
- H: Black Creek (041000050104)
- I: Marsh Ditch-Maumee River (041000050106)
- J: Flatrock Creek-Auglaize River (0410000712)
- K: South Turkeyfoot Creek (0410000901)
- L: Nickelsen Creek (041000040503)
- M: Blue Creek (041000040405)
- N: Headwaters Blanchard River (0410000801)
- O: Rock Creek-Sandusky River (0410001111)

Map produced by: Allen County Soil and Water Conservation District - Fort Wayne, IN on September 30, 2014.

Michigan's Main Contributions



Western Lake Erie Basin - Michigan





Edge of Field Study

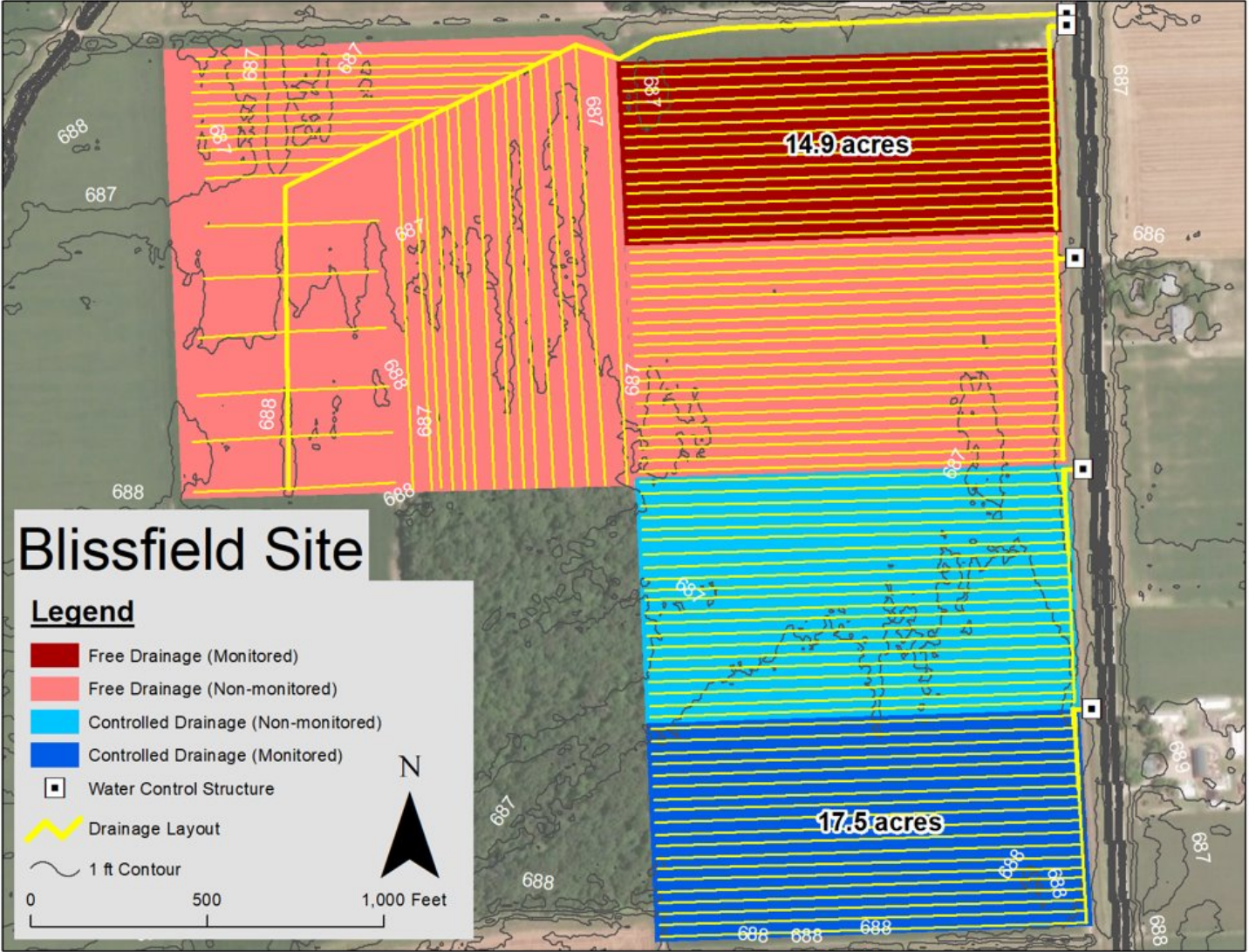
- 5 Years; Completing Water Year #1
- \$1.5 Million; MSU Dr Ehsan Ghane Principle Researcher
- Funded by MDARD, EGLE and MSU.
- Partnership between MDARD, EGLE, MSU and the Lenawee Conservation District.



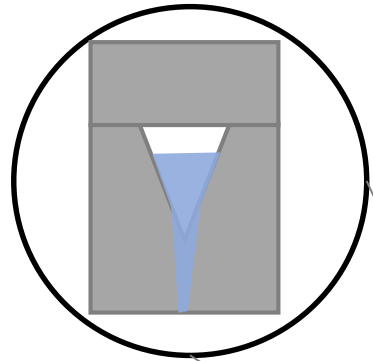
Goals:

- Determine a process for managing field level stormwater on tiled fields with the purpose of reducing nutrient loss.
 - Evaluate cultural practices (tillage, cover crops, fertilizer application, etc.) for impacting movement of nutrients.
 - Better nutrient utilization;
 - Yield benefits;
 - Eventual creation of another management plan (Stormwater Management Plan); Use in RTF and MAEAP

Drainage Tile and the Lateral Line



V-notch weir + orifice



Propane Tank

Equipment Shelter

Solar Panel facing south

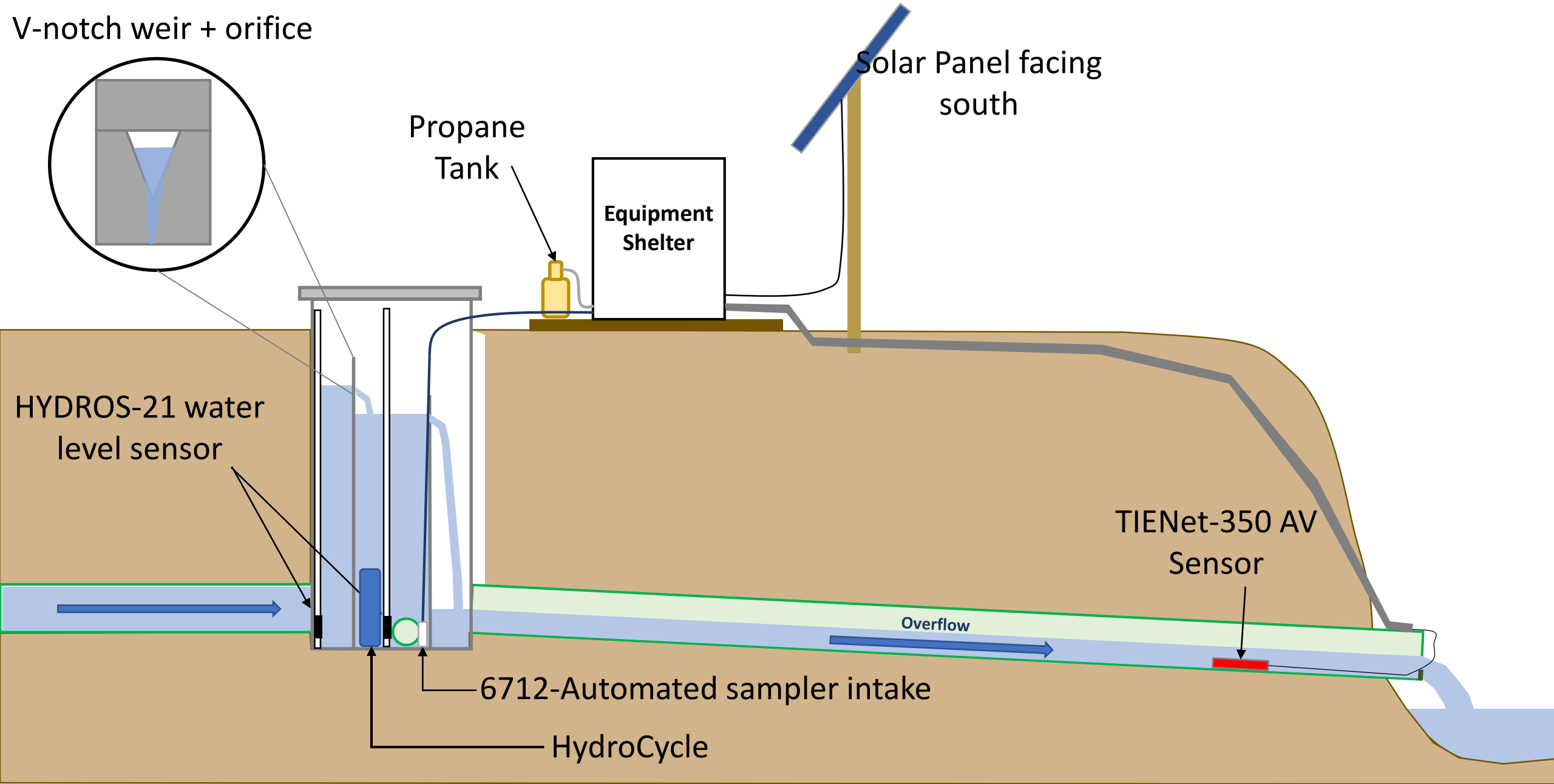
HYDROS-21 water level sensor

TIENet-350 AV Sensor

Overflow

6712-Automated sampler intake

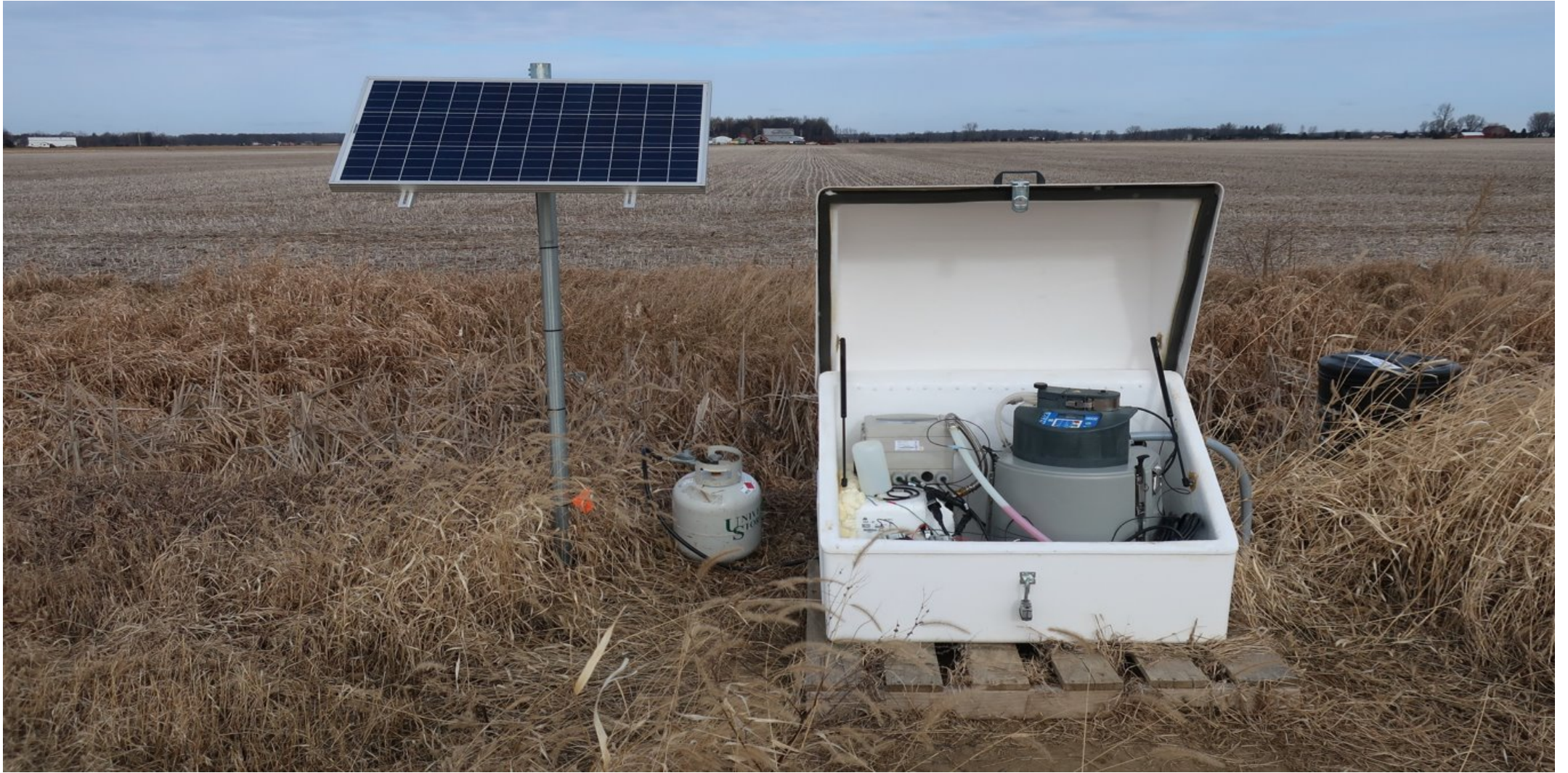
HydroCycle



Tile Line Outlet



Equipment/Computer Shelter





Environmental Conditions

Weather Station



Datalogger

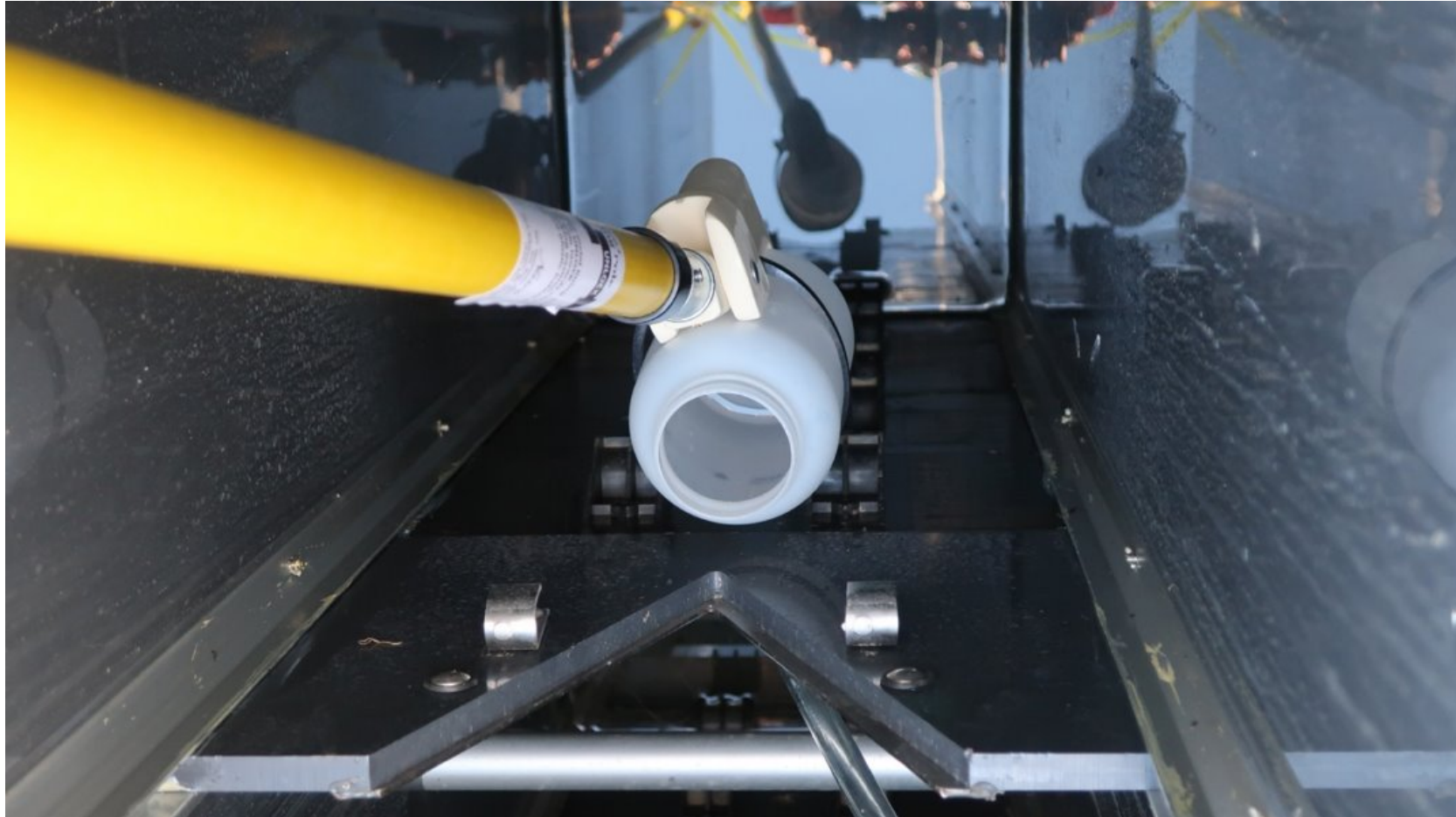




Soil Moisture Sensor



E.coli Grab Sample



AutoSampler



Water Year 1

- All systems are running wide open.
 - Purpose is to get baseline information (i.e. what happens when there is no control of the drainage tile)
 - We are doing this for one entire year looking at:
 - Rain fall
 - Tile line flow
 - Nutrient discharge (nitrogen, phosphorus concentrations)
 - E. coli

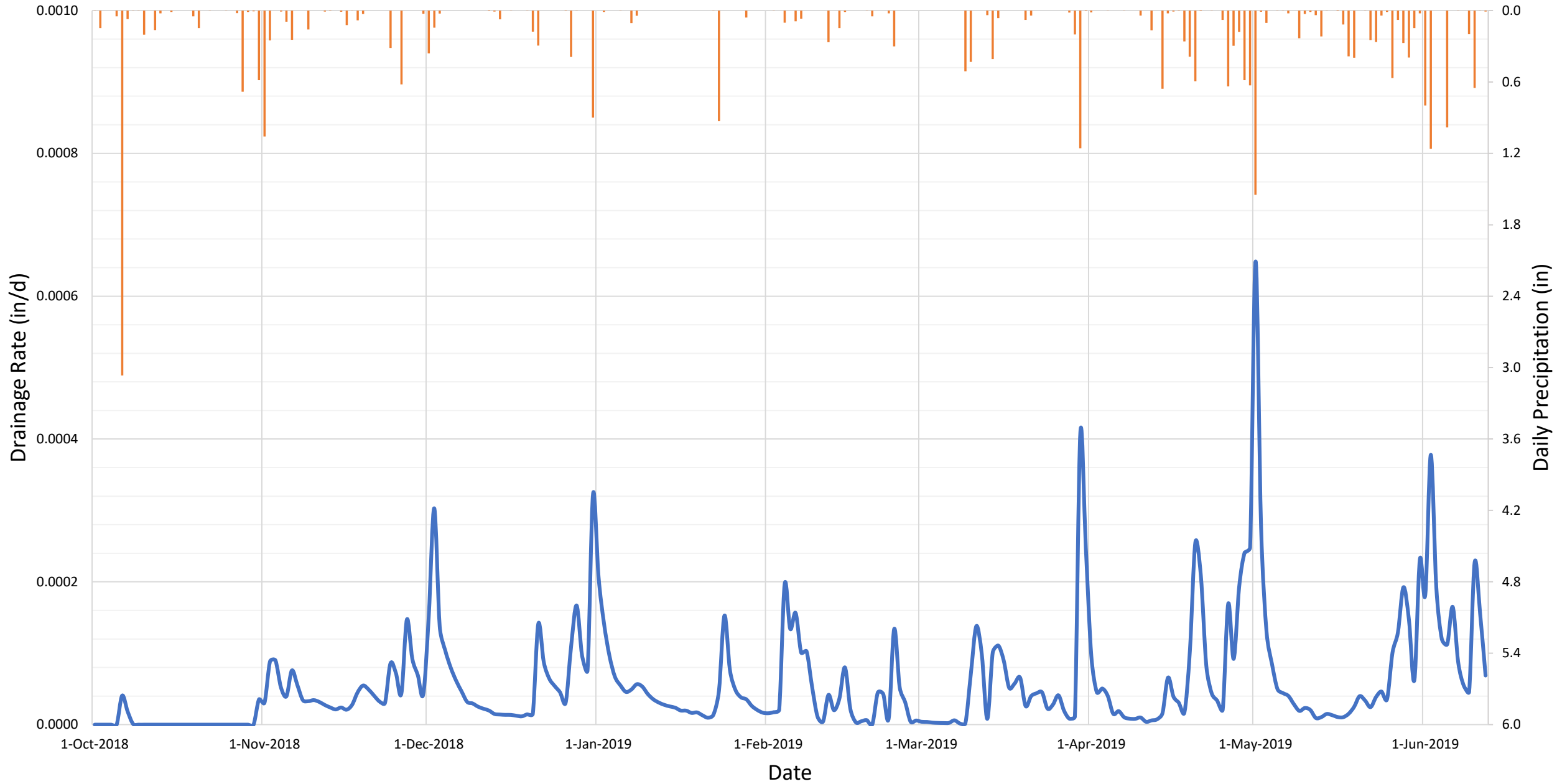


What are we learning... so far?

- Solved many technical problems (field isolation, critters, extreme cold)
- Provisions had to be made for separate E.coli sampling.
- Dissolved Reactive Phosphorus (DRP) sampling/handling everyday (making sure the sensor is accurate/calibrated)
- More robust than other studies; automated frequency and sampling ground-truthing.

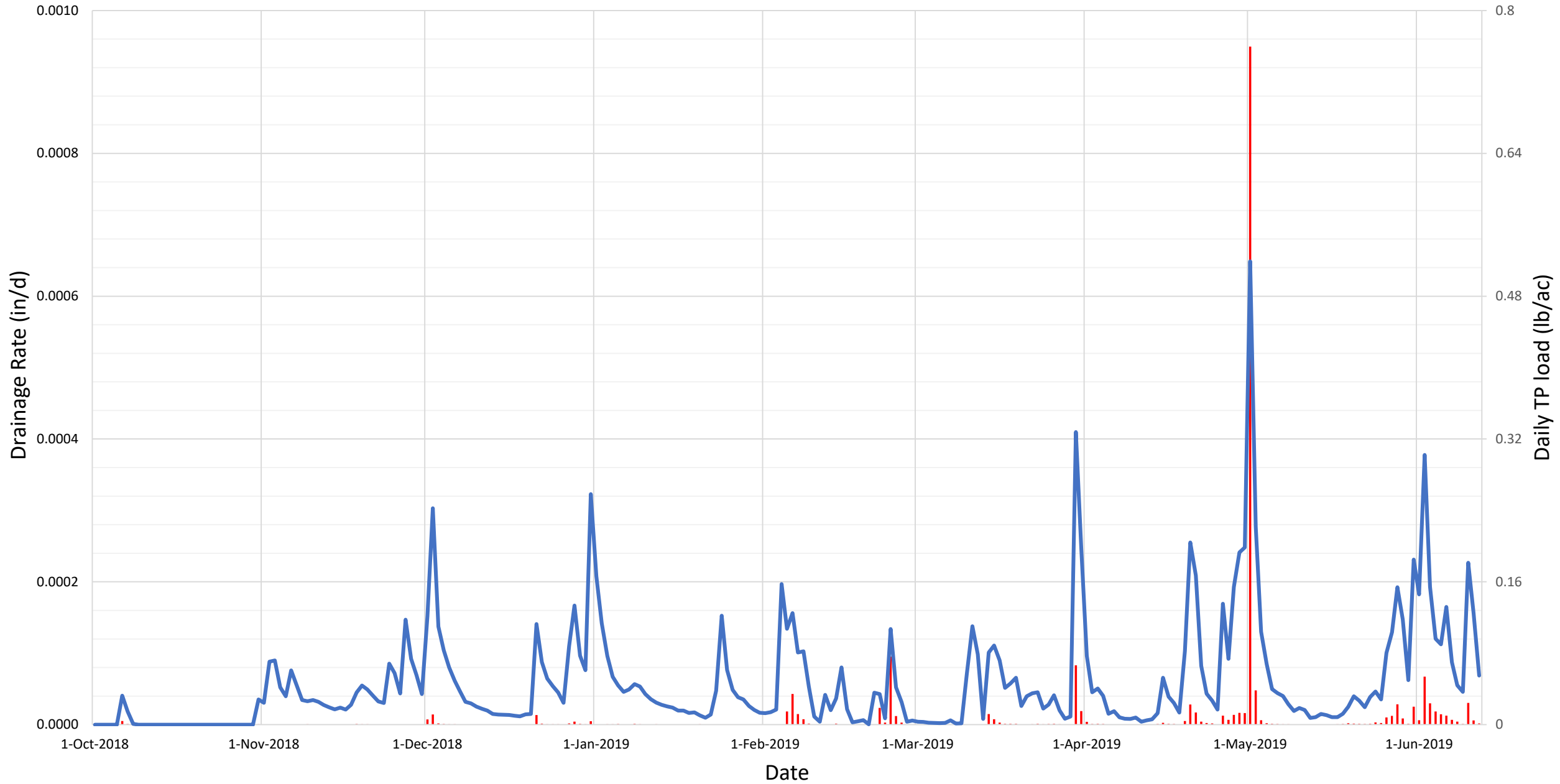
CL site Flow Rate

Precipitation Drainage rate



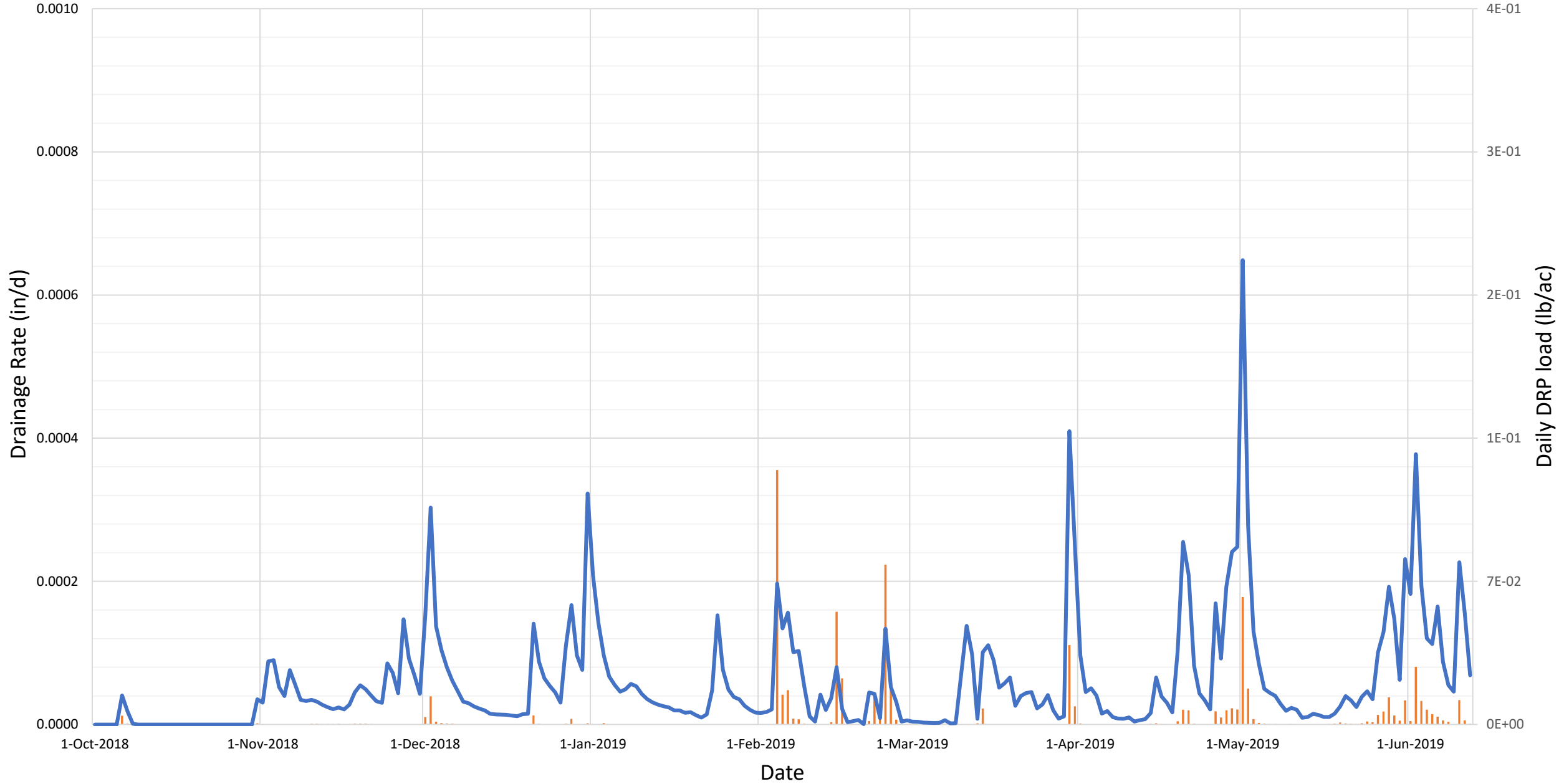
Clayton SB Daily Total Phosphorus Load

TP Load Drainage rate



CL SB Daily DRP Load

DRP Load Drainage rate

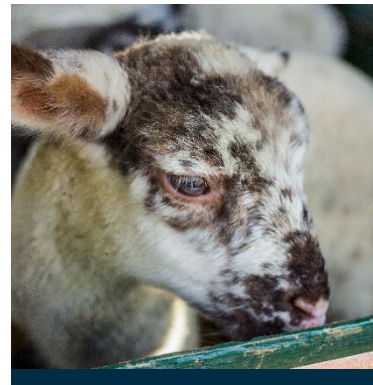


Where Do We Go Next?

- Water Year 1:
 - Update Advisory Team on November 1st.
 - Plan for Water Year 2
- Water Year 2:
 - All fields at each site will be managed the same; crop, fertilizer, tillage etc. Half at each site will have the drainage 'managed' the other half will be wide open.
 - Differences will be measured; improvements quantified.



RURAL BROADBAND UPDATE



Peter Anastor
Director, Agriculture Development Division

Rural Broadband Legislation

Public Act 618 of 2018

- Supplemental Appropriations Bill
- Signed December 28, 2018
- \$20 Million for Statewide Broadband
- One-time Funding
- Overseen by Department of Technology, Management and Budget



Rural Broadband Legislation

- Legislation Requires:
 - Applicant means an Internet Service Provider
 - Broadband Service means speeds of at least 10 megabits per second downstream and 1 megabit per second upstream
 - Projects must extend broadband service to unserved areas
 - Competitive Grant Process
 - No award more than \$5 million



Connecting Michigan Communities Grant



FOR IMMEDIATE RELEASE

July 2, 2019

Contact: Tiffany Brown, BrownT56@michigan.gov

\$20 Million in Grants Available to Expand Internet Access in Unserved Areas Michigan

Lansing, Mich. – Recognizing the impact access to high-speed internet has on educational and economic opportunities, Governor Gretchen Whitmer announced the opening of applications for the Connecting Michigan Communities (CMIC) grant program to increase broadband in underserved areas of Michigan. While much of Michigan has access to high-speed broadband internet service, there are still many rural areas lacking this vital connectivity.

“Access to high-speed internet is a must to compete in today’s society,” said Whitmer. “Connecting all Michigan communities with broadband service is about leveling the playing field for every child and small business in the state. Everyone should be able to fully explore their passions and talents, no matter where they live, and not be held back by a lack of infrastructure.”

The Department of Technology, Management, and Budget (DTMB) is now accepting applications for the CMIC grant program. It is offering \$20 million in grants to internet service providers that are willing to expand access in [unserved parts of the state](#).

“Information is opportunity,” said Lt. Governor Garlin Gilchrist. “In order to make Michigan a center for innovation, imagination, and entrepreneurship, everyone in our state needs and deserves the ability to participate in the global economy that is only accessible with high-speed internet. This grant will help close the gap that some Michiganders experience today.”

The application window opens today, July 1, and closes on August 30. Grant awards are tentatively scheduled to be announced in April of 2020, in time for the summer 2020 construction season, and all projects must be completed by September 30, 2023.

Priority will be given to applications that demonstrate collaboration to achieve community investment economic development goals in the areas impacted. Applicants must also show they have the financial, and technical abilities to build, operate, and manage a broadband network.



Application Process

- Application Period Open from July 1 to August 30
- Submitted Projects Reviewed by Steering Committee, including MDARD
- Preliminary Recommendations by November 30
- Comment/Objection Period
- Final Grant Awards in April 2020
- Projects Completed by September, 2023



Evaluation Criteria

- Locations Passed
- Experience, Financial Wherewithal and Long-Term Viability
- Readiness to Built, Operate and Maintain the Project
- Community and Economic Development
- Affordability and Service Limitations
- Adoption Strategy
- Grant to Project Cost
 - No more than 90 percent of project cost



Connecting Michigan Communities Grant

- www.Michigan.gov/CMICGrant
 - Grant Application
 - Grant Instructions
 - Grant FAQs
 - Grant Overview
 - Grant Criteria
 - Enabling Legislation
 - Map of Unserved Areas
 - List of Unserved Census Blocks
 - Michigan Broadband Roadmap



Questions?



@MIDeptofAgriculture



@MichDeptofAg



Michigan Department
of Agriculture & Rural
Development



@MichiganAgriculture



Michigan Department
of Agriculture & Rural
Development



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF AGRICULTURE
AND RURAL DEVELOPMENT

GARY MCDOWELL
DIRECTOR

DATE: July 18, 2019

TO: Michigan Commission of Agriculture and Rural Development

FROM: Peter Anastor
Director, Agriculture Development Division

SUBJECT: West Thomas Partners, LLC (The Gluten Free Bar) – Food and Agriculture Investment Fund

Background

The Gluten Free Bar (GFB) opened its first facility in Grand Rapids in 2012 and has quickly grown by producing “ridiculously tasty” gluten free snacks that are carried at over 12,000 stores in the United States, Canada, United Kingdom, and Australia. Their major customers include Meijer, Kroger, Publix, Costco, CVS, Fresh Thyme, Whole Foods, Wal-Mart, Wegman’s, Nordstrom, and TJX, as well as leading Canadian retailers. GBF is a certified B-corporation that operates a zero-waste food production facility and builds its team through an inclusive hiring program that provides opportunities to individuals that face barriers to employment, particularly those with criminal backgrounds. GFB is owned and operated by two brothers diagnosed with celiac disease, who get along great with each other, but not with gluten. Their products are in the fastest growing food category of health and wellness and due to the incredible demand, they need to increase capacity and reduce bottlenecks in their manufacturing process.

Project Description

This project will lead to an investment of \$287,900 for the purchase of new machinery and equipment that is needed to increase capacity to meet current customer demand for products. Specifically, the company will acquire two pieces of equipment, a high-speed flow wrapper for packaging of bars, mini-bars, and bites twins, and a combination weigher for expanding capacity to package four-ounce bites and oatmeal packages. This packaging line will allow GFB to expand sales of three product lines and will position them to meet new customer demand. Gluten Free Bars are currently carried in major stores nationwide and are expanding further with both Kroger (1,200 stores) and Wal-Mart (550 stores) in July 2019. GFB launched their Bites Twins with Costco Midwest in January 2019 and this equipment will enable them to supply more Costco regions in the United States and Canada. Mini-Bars and Twins recently launched nationwide in TJX and are under consideration by American Airlines and United Airlines for placement in their snack assortment.

GFB sources from local and State of Michigan businesses for key ingredients and services including Cherry Central, Honey Tree, American International Foods, Nutra Foods, and Summit Labs. Recently, they were awarded business with Amway to start in late 2019 and are long-term customers with Meijer, SpartanNash, Lipari, Carmela, Cherry Capital, Heeren Brothers, Plum Market, Better Health, Kingma’s, Harvest Health, and many others throughout the state.

GFB also earned the first ever Rising Star award in 2017 by MDARD for international business growth in Canada.

MDARD Staff Recommendation

Michigan Department of Agriculture and Rural Development staff recommend the Michigan Commission of Agriculture and Rural Development approve a Food and Agriculture Investment Fund performance-based grant of \$50,000 for West Thomas Partners, LLC.



**FOOD AND AGRICULTURE INVESTMENT PROGRAM
MICHIGAN DEPARTMENT OF AGRICULTURE AND
RURAL DEVELOPMENT**

TERMS SHEET

PROJECT TITLE

Gluten Free Bar High Speed and Flexible Packaging Line Project

COMPANY INFORMATION

Company Legal Name: West Thomas Partners, LLC
Address: 4053 Brockton Drive, SE, Grand Rapids, Michigan 49512
Federal ID Number: 27-2835473

COMPANY PROJECT

Project Location (Address): 4053 Brockton Drive, SE, Grand Rapids, Michigan
Total Project Investment Amount: \$287,900
Total Project Jobs Created: 12

MDARD PROJECT SUPPORT

Type of Project: Performance Based Grant
Grant Amount: **\$50,000**


Milestones:

1. Purchase, installation and operation of new machinery and equipment, including new flow-wrapper, combination weigher and corresponding conveyor equipment at the existing facility in Grand Rapids; and;
2. Completion of electrical infrastructure improvements at the facility in Grand Rapids, and;
3. Documentation of necessary state food processing permits, and local building occupancy permits for the facility in Grand Rapids.

All milestones must be completed prior to receiving a disbursement of the performance-based grant.

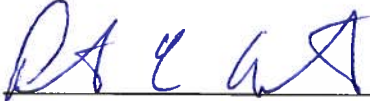
If the terms of this Letter of Intent for a grant are accepted, the project will be taken to the Agriculture and Rural Development Commission for approval. If approved by the Commission, a grant agreement will be signed between the company and MDARD incorporating the terms included in this term sheet.

ACKNOWLEDGEMENT OF TERMS OF SUPPORT FOR PROJECT:

Company _____ Date June 28, 2019


 Marshall Rader, CEO, The GFB

 Print Name and Title

MDARD _____ Date 6/27/19


 Peter C. Anastor, Director, Agriculture Development



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF AGRICULTURE
AND RURAL DEVELOPMENT

GARY MCDOWELL
DIRECTOR

DATE: July 18, 2019

TO: Michigan Commission of Agriculture and Rural Development

FROM: Peter Anastor
Director, Agriculture Development Division

SUBJECT: Bessemer Plywood Corporation – Food and Agriculture Investment Fund

Background

Bessemer Plywood Corp. ("Bessemer") began business on November 4, 1986, and has remained competitive over the years through hard work, innovation, and investing in new technology. Some technological advances include a lathe, which utilizes an XY charger to ensure maximum yield of the log, and a 20-unit veneer dryer. Close attention is paid to quality throughout the process. Truckload shipments may contain a variety of products, including certified sheathing, underlayments, Agency Certified, and industrial grades, ranging in thicknesses from one-quarter inch to one and one-eighth inches. The panels are stable and lighter in weight than comparable southern yellow pine and Douglas fir Oriented Strand Board (OSB) plywood panels. Along with Agency Certified panels, Bessemer can produce proprietary grades for specific customer needs.

Quality logs are procured, and the logs are debarked and steamed before being sent to the lathe for peeling. Peeling is done with close attention to thickness consistency. After peeling, the veneer is dried and graded. The graded veneer has glue applied before being pressed into plywood. The panels are trimmed and then pass through a delamination detector. The panels are sanded to specifications before shipment to customers. Current production of plywood at the facility is 43,876,000 square feet at three-eighths inch basis and current log usage is approximately 33,000 cords per year (approximately 75,000 green tons per year).

As a family owned company, they value honest, hard-working people who take pride in a job well done. Many employees start in entry-level positions with opportunities available for advancing. With a focus on maintaining a safe workplace, they offer competitive wages, insurance (medical, dental, life, and disability), a retirement plan, company supported training, and opportunity for advancement.

Project Description

This project will lead to the construction of a 30,000 square foot addition to the current building to house a more efficient veneer dryer and associated components in Bessemer, Michigan. The project will require a \$3 million investment and will lead to the creation of 10 to 20 new jobs (dependent on availability of employable talent). The investment will add capacity to the production process and increase throughput of the product, increasing the facility's capacity to respond to plywood market opportunities. The addition of the more efficient dryer is anticipated

to increase output by approximately 5 percent and improve efficiency in dryer operations by approximately 15 percent, thus providing area loggers with additional market outlet. The additional market for high quality logs will allow opportunity for landowners to harvest with a larger value-added market for higher-grade timber. Construction of the new dryer building, equipment installation and commissioning are anticipated to be completed by April 2020.

Recommendation

Michigan Department of Agriculture and Rural Development staff recommend the Michigan Commission of Agriculture and Rural Development approve a Food and Agriculture Investment Program performance-based grant of \$100,000 for Bessemer Plywood.



FOOD AND AGRICULTURE INVESTMENT PROGRAM
MICHIGAN DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

TERMS SHEET

PROJECT TITLE

Bessemer Plywood Expansion

COMPANY INFORMATION

Company Legal Name: Bessemer Plywood Corporation
Address: 1000 Yale Avenue, Bessemer, Michigan, 49911
Federal ID Number: 38-2673031

COMPANY PROJECT

Project Location (Address): 1000 Yale Avenue, Bessemer, Michigan
Total Project Investment Amount: \$3,000,000
Total Project Jobs Created: 10-20

MDARD PROJECT SUPPORT

Type of Project: Performance Based Grant
Grant Amount: \$100,000

Milestones:

- 1. Construction of a 30,000 square foot addition to the existing building that will house the new veneer dryer at the existing site in Bessemer, Michigan; and
2. Purchase, installation and operation of new machinery and equipment, including new veneer dryer and associated equipment at the existing facility in Bessemer; and;
3. Documentation of necessary local building occupancy permits for the expanded facility in Bessemer.

All milestones must be completed prior to receiving a disbursement of the performance-based grant.

If the terms of this Letter of Intent for a grant are accepted, the project will be taken to the Agriculture and Rural Development Commission for approval. If approved by the Commission, a grant agreement will be signed between the company and MDARD incorporating the terms included in this term sheet.

ACKNOWLEDGEMENT OF TERMS OF SUPPORT FOR PROJECT:

Company Date MDARD Date
Bill Thomasen V.P. 7-5-19 Peter C. Anastor, Director, Agriculture Development 6/27/19



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF AGRICULTURE
AND RURAL DEVELOPMENT

GARY MCDOWELL
DIRECTOR

DATE: July 18, 2019

TO: Michigan Commission of Agriculture and Rural Development

FROM: Peter Anastor
Director, Agriculture Development Division

SUBJECT: Sklarczyk Seed Farm LLC – Food and Agriculture Investment Fund

Background

In 1942, Michael and Theresa Sklarczyk purchased a farm in Johannesburg, Michigan, to grow potatoes and grain crops to feed their livestock. Mike trucked the potatoes to the Detroit Eastern Market, where a competitor soon realized the outstanding quality of potatoes that Mike was producing. The competitor asked Mike to start growing seed for his crop, eliminating Mike as his competition. In the early 1980s, Mike and Theresa's son Don wanted to continue in his father's footsteps by further improving their seed potatoes for a more progressive market. Don was determined that tissue culture was the best option to reduce asymptomatic bacteria and latent virus in seed.

Don, his wife Mary Kay, and their three children visited Ed and Barbara Jones at their greenhouse and tissue culture laboratory at Cornell University. Mary Kay learned the correct methods for cutting potato plantlets under a clean air hood from Barbara. After the visit, Don was even more confident in the future of tissue culture seed production. Upon returning home, a small lab was built in Don and Mary Kay's basement to expand the 50 small plantlets received from Ed and Barbara. The following spring, the first potato plants were placed in a small greenhouse in their backyard and in an isolated test plot in their field.

The first crop was a success! There was only one hurdle left – the seed industry was not ready to change the tuber-to-tuber process they were accustomed to. Don was persistent. He was asked to present an overview of tissue culture seed production at the North American Seed Potato Seminar in 1988, and now the use of tissue culture is a requirement of all certification agencies in the United States and Canada.

In the late 1990s, Sklarczyk Seed Farm (SSF) converted from soil to 100 percent hydroponic greenhouse production and they stopped growing a field crop of potatoes. Without the demands of growing field seed, all the focus and resources could be put into the greenhouse. Don and Mary Kay's son Ben graduated from Michigan State in 2003 with an agribusiness degree and the desire to work alongside his parents, filling the position as COO for several years. Ben's wife Alison joined the team in 2008 and joined Mary Kay in the tissue culture lab, expanding on the lab knowledge Alison gained while completing her degree in Animal Sciences at MSU. Mary Kay devastatingly passed away from a courageous battle with breast cancer in 2011, but the family business was able to persevere because of the foundation she worked so hard to create.

In 2017, Ben and Alison purchased SSF from his father, who continues to work with Ben and Alison and to improve the industry, and now has more time to enjoy with his new wife Nancy. Roles have shifted slightly with Ben stepping into the position of CEO and Alison taking the responsibilities of Tissue Culture Lab Manager and overseeing the finances. In April of this year, Alison was named "Spudwoman of the Year" by Spudman Magazine. Ben and Allison both remain very hands-on with the business and are assisted by a great team of long-standing employees.

SSF currently produces 5.5 to 6 million mini tubers hydroponically each year within three poly-top greenhouses and two five-bay gutter-connect glasshouses. All plant needs are propagated onsite in a laboratory devoted entirely to seed potato tissue culture production. SSF mini tubers are shipped throughout the United States, Canada, Chile, Thailand, Brazil, and the Middle East. While field potatoes are no longer grown, SSF still farms about 1,110 acres of corn, wheat, soybeans, and oats to supply markets throughout Michigan.

Project Description

In order to continue to meet the demand for their product, this project will lead to the construction of a 14,364 square-foot greenhouse and 6,400 square-foot building to house the new tissue culture laboratory and potato storage in Johannesburg. The investment and new facilities will increase production by 30 percent and create approximately 7 new jobs.

The project will allow for better production efficiency, as well as separation of GMO from non-GMO material. As potato mini tubers are the front-end of the potato chip and processed potato supply chain, this will assure seed potato producers, chip and processed potato producers, and end consumers of the separation of GMO and non-GMO material.

Construction of the new greenhouse and tissue culture laboratory and storage will begin in the Fall and should be fully completed by June 2020. The tissue culture laboratory will be completed first, followed by completion of the greenhouse building.

Recommendation

Michigan Department of Agriculture and Rural Development staff recommend the Michigan Commission of Agriculture and Rural Development approve a Food and Agriculture Investment Program performance-based grant of \$100,000 for Sklarczyk Seed Farm LLC.



**FOOD AND AGRICULTURE INVESTMENT PROGRAM
MICHIGAN DEPARTMENT OF AGRICULTURE AND
RURAL DEVELOPMENT**

TERMS SHEET

PROJECT TITLE

Sklarczyk Seed Farm New Greenhouse, Hydroponic System and Tissue Culture Laboratory to Segregate GMO From Non-GMO Material

COMPANY INFORMATION

Company Legal Name: Sklarczyk Seed Farm, LLC
Address: 8710 M-32 East, Johannesburg, Michigan 49841
Federal ID Number: 20-2717806

COMPANY PROJECT

Project Location (Address): 8710 M-32 East, Johannesburg, Michigan
Total Project Investment Amount: \$1,525,700
Total Project Jobs Created: 7

MDARD PROJECT SUPPORT

Type of Project: Performance Based Grant
 Grant Amount: **\$100,000**

Milestones:

1. Construction of a new 14,364 square foot greenhouse and a 6,400 square foot building to house the new tissue culture laboratory and potato storage at the existing site in Johannesburg, Michigan; and
2. Purchase, installation and operation of new machinery and equipment, including new hydroponic system, laboratory equipment, and controls for greenhouse and lab at the existing facility in Johannesburg; and;
3. Completion of necessary infrastructure improvements including electrical, natural gas, drain tile/water shed control and a new driveway at the facility in Johannesburg, and;
4. Documentation of local building occupancy permits for the new buildings in Johannesburg.

All milestones must be completed prior to receiving a disbursement of the performance-based grant.

If the terms of this Letter of Intent for a grant are accepted, the project will be taken to the Agriculture and Rural Development Commission for approval. If approved by the Commission, a grant agreement will be signed between the company and MDARD incorporating the terms included in this term sheet.

ACKNOWLEDGEMENT OF TERMS OF SUPPORT FOR PROJECT:

Company	Date	MDARD	Date
<i>Sklarczyk Seed Farm LLC</i>			
<u><i>Benjamin Sklarczyk</i></u>	<u><i>7-3-19</i></u>	<u><i>Peter C. Anastor</i></u>	<u><i>6/28/19</i></u>
<i>Benjamin Sklarczyk</i>	<i>CEO</i>	<i>Peter C. Anastor, Director, Agriculture Development</i>	
Print Name and Title			



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF AGRICULTURE
AND RURAL DEVELOPMENT

GARY MCDOWELL
DIRECTOR

DATE: July 18, 2019

TO: Michigan Commission of Agriculture and Rural Development

FROM: Peter Anastor
Director, Agriculture Development Division

SUBJECT: Maple Drive Farms/Tenera Grains - Food and Agriculture Investment Fund

Background

Maple Drive Farms (dba Tenera Grains) is an on-farm grain cleaning facility, owned and operated by attorney, engineer and sixth generation farmer, Brad Smith of Maple Drive Farms. Like many crop farmers in south-central Michigan, the farm has typically raised corn, soybeans, and winter wheat. Prices for these crops have fallen dramatically since 2013, while input costs have risen, making these crops unprofitable. Brad found there were opportunities for farmers like him in specialty crops, raising ancient grains like teff, a tiny grain indigenous to Ethiopia, that is high in fiber and protein, and lauded for its many health benefits. However, there are two major obstacles hindering farmers from diversifying into teff: the inability to clean and to sell the specialty crops they might try to grow; and the freight costs to the nearest cleaning facility make growing teff untenable. Seeing that there was an opportunity to improve the economic fortunes for both his family and the surrounding community, Brad started a small cleaning facility. Since 2016, Maple Drive Farms has proved the concept, successfully growing hundreds of acres of teff and cleaning more than 100,000 pounds at its gluten-free facility near Addison, Michigan.

Project Description

Maple Drive Farms, LLC (dba Tenera Grains) will improve and equip a new cleaning and packaging facility for gluten-free grains, specifically teff grain, to be utilized by farmers in south-central Michigan. Teff requires specialized harvesting and cleaning equipment and very precise cleaning techniques to remove impurities from the tiny teff grains (primarily broken grain, weed seeds, chaff, dust, and soil particles). The \$294,600 project includes the purchase of a gravity table, additional grain storage, and pneumatic conveying equipment to supplement existing equipment. The result is an increased capacity to clean, store, and package gluten-free grains. When fully equipped, the gluten-free grain handling facility will be able to clean and package more than one million of pounds of teff and other gluten-free grains annually, then sell to specialized ingredient suppliers and manufacturers of gluten-free cereals, snacks, and flour mixes.

Building an expanded, dedicated processing facility for teff and other ancient grains will allow Tenera Grains to meet the demand of buyers such as The Andersons and Teffola, a local granola company that is rapidly growing and whose product is a bestselling item in its category in regional and national grocery chains like Lucky's and Plum Market. Among other ingredients, Teffola is made with buckwheat and oats, which can be grown by area farmers, and cleaned

and processed in the Tenera Grains facility. Teffola sales are modest but growing rapidly, doubling every two or three months. As well, Brad will educate farmers, regardless of farm acreage, that diversification is possible, and teach them the techniques to successfully grow and harvest teff.

MDARD Staff Recommendation

Michigan Department of Agriculture and Rural Development staff recommend the Michigan Commission of Agriculture and Rural Development approve a Food and Agriculture Investment Program performance-based grant of \$40,000 for Maple Drive Farms.



**FOOD AND AGRICULTURE INVESTMENT PROGRAM
MICHIGAN DEPARTMENT OF AGRICULTURE AND
RURAL DEVELOPMENT**

TERMS SHEET

PROJECT TITLE

Maple Drive Farms Gluten-Free Grain Cleaning Facility

COMPANY INFORMATION

Company Legal Name: Maple Drive Farms, LLC
Address: 14191 Calhoun Road, Addison, Michigan 49220
Federal ID Number: 20-2717806

COMPANY PROJECT

Project Location (Address): 14191 Calhoun Road, Addison, Michigan
Total Project Investment Amount: \$294,600
Total Project Jobs Created: 0.5

MDARD PROJECT SUPPORT

Type of Project: Performance Based Grant
Grant Amount: **\$40,000**

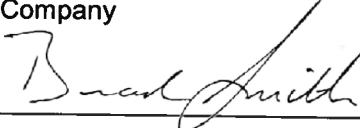

Milestones:

1. Construction of a new cleaning facility building to house the grain separator and other necessary equipment at the existing site in Addison, Michigan; and
2. Purchase, installation and operation of new machinery and equipment, including new grain separator, pneumatic grain transfer system and grain storage bins at the existing facility in Addison, and;
3. Documentation of necessary food processing permits, and local building occupancy permits for the new facility in Addison.

All milestones must be completed prior to receiving a disbursement of the performance-based grant.

If the terms of this Letter of Intent for a grant are accepted, the project will be taken to the Agriculture and Rural Development Commission for approval. If approved by the Commission, a grant agreement will be signed between the company and MDARD incorporating the terms included in this term sheet.

ACKNOWLEDGEMENT OF TERMS OF SUPPORT FOR PROJECT:

Company	Date	MDARD	Date
 Brad Smith, Owner	9 July 2019	 Peter C. Anastor, Director, Agriculture Development	7/2/19
Print Name and Title			



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF AGRICULTURE
AND RURAL DEVELOPMENT

GARY MCDOWELL
DIRECTOR

DATE: July 18, 2019

TO: Michigan Commission of Agriculture and Rural Development

FROM: Peter Anastor
Director, Agriculture Development Division

SUBJECT: Hudsonville Creamery and Ice Cream Company, LLC – Food and Agriculture Investment Fund

Background

Hudsonville Creamery was a dairy co-operative created in 1895 by local farmers who were looking for a better way of selling their dairy products. Their first location was on Chicago Drive in Hudsonville, Michigan. The creamery started producing ice cream in 1926 and was making six flavors by 1940. Today, Hudsonville Ice Cream produces over 50 flavors sold primarily in grocery stores and scoops shops with a focus on Michigan, Illinois, Indiana, Wisconsin, and Ohio. Hudsonville also produces ice cream for numerous other brands, and is recognized as a leading manufacturer, not only for their quality, cleanliness, and reliability, but for their reputation as an employer of choice.

Project Description

This project will assist Hudsonville in welcoming a substantial new customer to the group of brands for which it produces ice cream. More specifically, the company will invest \$863,300 to allow Hudsonville to adapt one of its major production lines to accommodate a customer specific package shape and size and successfully onboard the new business. This investment will significantly increase the likelihood of additional business from this customer and others. This project includes the installation of a new filling equipment, as well as alterations to existing packaging equipment to support robotic palletization required by the new customer. As a result of this new volume of business, Hudsonville will establish a separate sanitation crew that focuses solely on sanitizing production equipment at the end of the production day and setting-up production for the next day. That crew will require the hiring of three additional full-time employees and will allow Hudsonville to add roughly 10 hours per week to its production schedule to accommodate the added volumes.

This new project will utilize 8.9 million pounds of cream and 19.4 million pounds of milk, which will be sourced from Michigan Milk Producers Association and Greenville Ventures, which is the Foremost Farms cooperative. These volumes will be used to produce 17 million, 56-ounce containers of ice cream. The project will also benefit Rockford, Michigan, based Integrated Packaging Machinery, who will assist with the integration of the new equipment, as well as local electricians.

MDARD Staff Recommendation

Michigan Department of Agriculture and Rural Development staff recommend the Michigan Commission of Agriculture and Rural Development approve a Food and Agriculture Investment Fund performance-based grant of \$60,000 for Hudsonville Creamery and Ice Cream Company, LLC.



FOOD AND AGRICULTURE INVESTMENT PROGRAM
MICHIGAN DEPARTMENT OF AGRICULTURE AND
RURAL DEVELOPMENT

TERMS SHEET

PROJECT TITLE

Hudsonville Creamery and Ice Cream Production Line Enhancement Project

COMPANY INFORMATION

Company Legal Name: Hudsonville Creamery & Ice Cream Co., LLC
Address: 345 East 48th Street, Suite 200, Holland, Michigan, 49423
Federal ID Number: 32-0069084

COMPANY PROJECT

Project Location (Address): 345 East 48th Street, Suite 200, Holland, Michigan
Total Project Investment Amount: \$863,300
Total Project Jobs Created: 3

MDARD PROJECT SUPPORT

Type of Project: Performance Based Grant
Grant Amount: **\$60,000**

Milestones:

1. Purchase, installation and operation of new machinery and equipment, including new cable conveyor, inkjet printer, and darifill equipment at the existing facility in Holland; and;
2. Installation, operation and documentation of a 5-year lease for the convocan packaging former to be installed at the facility in Holland, and;
3. Documentation of necessary state food processing permits, and local building occupancy permits for the facility in Holland.

All milestones must be completed prior to receiving a disbursement of the performance-based grant.

If the terms of this Letter of Intent for a grant are accepted, the project will be taken to the Agriculture and Rural Development Commission for approval. If approved by the Commission, a grant agreement will be signed between the company and MDARD incorporating the terms included in this term sheet.

ACKNOWLEDGEMENT OF TERMS OF SUPPORT FOR PROJECT:

Company	Date	MDARD	Date
	7/8/19		7/11/19
Kevin A. Phillips, Chief Financial Officer		Peter C. Anastor, Director, Agriculture Development	
Print Name and Title			



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF AGRICULTURE
AND RURAL DEVELOPMENT

GARY MCDOWELL
DIRECTOR

DATE: July 18, 2019

TO: Michigan Commission of Agriculture and Rural Development

FROM: Peter Anastor
Director, Agriculture Development Division

SUBJECT: Mead Johnson and Company, LLC. – Food and Agriculture Investment Fund

Background

Mead Johnson develops and markets safe, high quality, innovative products that help meet the nutritional needs of infants and children. With more than 70 products in over 50 countries, Mead Johnson's products are trusted by millions of parents and healthcare professionals around the world. The Zeeland facility is one of nine infant formula plants with Mead Johnson globally. The plant was obtained in 1924 and is a centerpiece in the Zeeland community to this day. The plant produces both routine and hypoallergenic infant formulas.

Project Description

This project is a series of capital expenditures that will upgrade the Zeeland Manufacturing site to meet regulatory standards for multiple export markets. The end goal of the project will be for Zeeland to be the Mead Johnson Global Supply and Technical Center for Hypoallergenic Infant Formulas. Currently, Zeeland produces Hypoallergenic Infant Formula for the Americas and a few countries in the European Union. This project will develop as a key to support domestic growth, as well as the ability to export to all the European Union and South East Asia. The series of projects will include the addition of a new employee entrance to meet regulatory hygiene standards, a new packaging line, and spray-drying capacity upgrades. The project will require \$67.7 million capital investment and will lead to the creation of 39 new jobs.

The Zeeland facility is the largest infant formula plant in the Mead Johnson supply network. This investment will ensure the Zeeland site's longevity within the supply network, as the new parent company, Reckitt Benckiser, is looking to grow the business and manage overall gross margin. The Zeeland manufacturing site procures a good portion of its agricultural raw materials from the Michigan agricultural supply, which includes Zeeland Farm Services.

Other support for the project is coming from a six-mill State Education Tax abatement from the Michigan Economic Development Corporation and a PA198 Property Tax abatement from the City of Zeeland. The abatements have an estimated value of \$3.9 million.

MDARD Staff Recommendation

Michigan Department of Agriculture and Rural Development staff recommend the Michigan Commission of Agriculture and Rural Development approve a Food and Agriculture Investment Fund performance-based grant of \$175,000 for Mead Johnson and Company, LLC.



**FOOD AND AGRICULTURE INVESTMENT PROGRAM
MICHIGAN DEPARTMENT OF AGRICULTURE AND
RURAL DEVELOPMENT**

TERMS SHEET

PROJECT TITLE

Mead Johnson Facility Upgrades to Support Regulatory Requirements and to Invest in the Processing and Packaging Capacity to Support the Plant's Global Supply Footprint Growth

COMPANY INFORMATION

Company Legal Name: Mead Johnson & Company, LLC
Address: 725 East Main Avenue, Zeeland, Michigan 49464
Federal ID Number: 35-1140848

COMPANY PROJECT

Project Location (Address): 725 East Main Avenue, Zeeland, Michigan
Total Project Investment Amount: \$67,700,000
Total Project Jobs Created: 39

MDARD PROJECT SUPPORT

Type of Project: Performance Based Grant
 Grant Amount: **\$175,000**

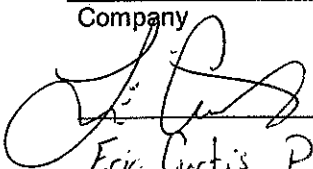
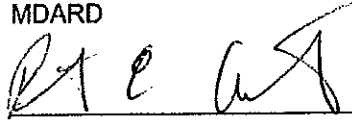
Milestones:

1. Construction of a new two-story, 30,000 square foot office building, and two-story building for packaging equipment and packing material storage at the existing site in Zeeland, Michigan; and
2. Purchase, installation and operation of new machinery and equipment, including new packaging equipment, HVAC equipment, precision weighing equipment, raw ingredient tanks and drying equipment at the new facility in Zeeland; and;
3. Completion of new road and electrical infrastructure improvements at the facility in Zeeland, and;
4. Documentation of necessary state food processing permits, and local building occupancy permits for the facility in Zeeland.

All milestones must be completed prior to receiving a disbursement of the performance-based grant.

If the terms of this Letter of Intent for a grant are accepted, the project will be taken to the Agriculture and Rural Development Commission for approval. If approved by the Commission, a grant agreement will be signed between the company and MDARD incorporating the terms included in this term sheet.

ACKNOWLEDGEMENT OF TERMS OF SUPPORT FOR PROJECT:

Company	Date	MDARD	Date
 Eric Curtis, Plant Director Print Name and Title	03 MAY 2019	 Peter C. Anastor, Director, Agriculture Development	4/26/19