

# MICHIGAN COMMISSION OF AGRICULTURE AND RURAL DEVELOPMENT

Michigan State University  
Diagnostic Center for Population and Animal Health  
4125 Beaumont Road, Room 101  
Lansing, MI 48910

## MEETING MINUTES JULY 26, 2016

### **PRESENT:**

Fred Walcott, Chair, Michigan Commission of Agriculture and Rural Development  
Dru Montri, Vice Chair, Michigan Commission of Agriculture and Rural Development  
Bob Kennedy, Secretary, Michigan Commission of Agriculture and Rural Development  
Trevor Meachum, Past Chair, Michigan Commission of Agriculture and Rural Development  
Diane Hanson, Past Chair, Michigan Commission of Agriculture and Rural Development  
Jamie Clover Adams, Director, Michigan Department of Agriculture and Rural Development

### **CALL TO ORDER AND ROLL CALL**

Chairperson Walcott called the meeting of the Commission of Agriculture and Rural Development to order at 9:92 a.m. on July 26, 2016. Commissioner Kennedy called the roll with Commissioners Hanson, Kennedy, Meachum, Montri, and Walcott, and Director Clover Adams present.

### **APPROVAL OF AGENDA**

**MOTION: COMMISSIONER MEACHUM MOVED TO APPROVE THE MEETING AGENDA FOR JULY 26, 2016. SECONDED BY COMMISSIONER MONTRI. MOTION CARRIED.**

### **APPROVAL OF MAY 18, 2016, MEETING MINUTES**

**MOTION: COMMISSIONER MEACHUM MOVED TO APPROVE THE MAY 18, 2016, MEETING MINUTES. SECONDED BY COMMISSIONER HANSON. MOTION CARRIED.**

### **NEXT SCHEDULED MEETING**

The next scheduled meeting will be held on September 14, 2016, at Constitution Hall, 525 W. Allegan, Lansing, Michigan.

### **COMMISSIONER COMMENTS AND TRAVEL**

**Commissioner Kennedy** reported planting in the Saginaw Valley was late this year because it was too wet, and then drought conditions were experienced in June. There is a stark difference between the northern part of the Bay area, which is doing relatively well, and Saginaw Valley itself, where there has been no significant rain since very early in June. On a positive note, the wheat harvest is producing record yields.

He was unable to join the recent Route 23 tour with Senators Stamas and Schmidt, which included several stops in the Standish and Alpena areas. The Director advised it was a very interesting and successful tour.

**Commissioner Hanson** reported the Upper Peninsula (UP) has been fortunate in receiving adequate and timely rainfall and crops look fantastic; one grower reported corn as tall as 10 feet. A tornado hit the western end of the UP, which was devastating. Some of the state parks are closed and roads are washed out. Thankfully, no one was injured.

**Commissioner Meachum** reported it has been very hot and dry in his area, which actually has been beneficial for vegetable quality, because much less spraying is required. Any rain has been light and very spotty. The three-quarters of an inch of rain over the weekend came so quickly, the majority ran directly to the river. High temperatures have created problems for some growers, causing rapid ripening of the blueberries. And once again, there is a lack of labor in southwest Michigan for the fruit and vegetable industry. This presents growers with the option of leaving crops in the field, or trying to process them. However, the processing market is severely depressed due to an abundance of fruit being available.

The VanBuren County Fair concluded last week. Again this year, there were a record number of hog exhibitors, with approximately 350 hogs in comparison to only 18 steers. Because the auction reached a point where no one was purchasing hogs, two larger producers in the area stepped up to ensure each animal brought a fair amount.

**Commissioner Montri** reported their farm is also hot and dry, but because most of their crops grow on irrigated land, they are doing well. They have seen a large increase in demand for their products this year. The market in the Greater Lansing area is very interested in local fruits and vegetables and this is promising as they consider increasing their production. They are already seeding for winter and the next three weeks will be focused on transplant production.

She attended the June National Farm to Cafeteria Conference in Madison, Wisconsin, and the Commodity Executives meeting in Lansing. She had an opportunity to tour the Women's Huron Valley Prison Horticulture Program, which is an incredible effort working with the prisoners to provide job skills and training.

This year's first Farmers Market at the Capitol will be held Thursday, July 28, which is always a great event.

**Commissioner Walcott** confirmed labor is a considerable issue in their area, everything from livestock truck drivers to pickers and farm labor to people for work in the barns. Wheat harvest has been phenomenal with no signs of vomitoxin. Rain concerns are not as severe in their area, as they have had very timely rainfall.

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

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

**DIRECTOR'S REPORT**

Director Clover Adams advised she attended the June Midwest State Departments of Agriculture meeting held in Kansas. It was an excellent meeting, with a good opportunity to network with colleagues. She shared with them concern regarding a sustainability group working nationally with some of the universities across the country, because one of their criteria states a CAFO (concentrated animal feeding operation) is not sustainable. No one from agriculture participates in the group, and in conversation with members, she understands why it makes sense from their perspective. They will be working with the group to help them find a way to measure that does not include directly restricting CAFOs from their definition of sustainability.

The Rural Development Fund Board held its second meeting in June and another is scheduled for September. They will be adopting criteria by which the department will utilize the approximately \$1.4 million in its budget designated for rural development, primarily for the UP and northern Lower Peninsula.

She has been conducting a number of agriculture visits across the state, including Indian Brook Trout Farm in Jackson and Kilbourn Produce in Marshall that is looking to expand. She also visited Top Hops, a hops farm just south of Flint.

She and Ben LaCross from Farm Bureau have been participating on the Governor's 21<sup>st</sup> Century Infrastructure Commission. Their common goal is to help members recognize there are rural areas in this state that have just as many infrastructure needs as the cities. Eric Frederick has been participating as well, in particular, regarding the broadband issue. Together, they hope to bring rural issues to the discussion.

The department honored Bayside Best Beans as the Agriculture Exporter of the Year during a well-attended event at their facility in Sebewaing that included staff, growers, and their customer businesses. Importance of that supply chain was very evident.

Last weekend, she attended the Council of State Governments Midwestern Legislative Conference held in Milwaukee. Now that the Food Safety Modernization Act (FSMA) rules are final, legislators need to begin taking action. She tried to help them walk through their options – basically, no action, partial action, or full action – and the pros and cons of each. It was a good opportunity to talk about agriculture.

There was some hail damage sustained in northwest Lower Peninsula on July 8 from a two-mile wide storm. Cherry and apple growers in the storm's path have significant crop damage. Given they were only seven-ten days from cherry harvest, it was very devastating to those growers. The Horticulture Station has been working with growers due to concern about spotted wing drosophila and how rotting fruit impacts insect numbers.

Through Mission Flint, the department has been working with Oran Hesterman on Double Up Food Bucks in Flint. The first month on the ground with an expanded program increased the number of people participating by 30 percent. Spreading the word and marketing the program is a large part of what is being accomplished. It will be a good model for how this can work in other parts of the state.

**PUBLIC COMMENT (AGENDA ITEMS ONLY)**

There was no public comment relative to agenda items.

**CONNECTED COMMUNITIES GRANT UPDATE: Eric Frederick, Executive Director, Connect Michigan**

Mr. Frederick reported Connected Nation is a non-profit dedicated to expanding broadband access, adoption, and use. Connect Michigan, a subsidiary of Connected Nation, implemented the State Broadband Initiative program in Michigan from 2009-2014. They currently are partnered with, and funded through September 30, 2016, by the Michigan Department of Agriculture and Rural Development (MDARD) and the Michigan Public Service Commission. The three items considered are access, adoption, and the use of that technology across sectors to ensure individuals and businesses are using and will be able to use that technology when it is available.

The definition of broadband has changed over the years. Simply, broadband is considered to be any internet connection better than dial-up. Since 2009, there has been a speed attached to that definition by FCC (Federal Communications Commission). Currently, 10 Mbps/1 Mbps download/upload speed is used by FCC for the Connect America Fund program. Defined as “advanced broadband” service, 25 Mbps/3 Mbps represents the optimal bar at this point in time. As demand increases, that definition is expected to increase as well.

Nearly 93 percent of Michigan rural households have 10 Mbps/1 Mbps download/upload speed available, with over 80 percent having the advanced broadband speed. While household availability data may indicate relatively wide accessibility, large gaps in geographic availability persist – there definitely is disparity geographically because rural households are spread further apart, creating a more difficult business case for private sector companies to expand infrastructure. He reviewed maps that depict the household density of areas in Michigan that are unserved by broadband, which includes data from 127 broadband carriers. The unserved at the advanced broadband speed are his target over the next few years.

Phase II of FCC’s Connect America Fund offers subsidy to three Michigan broadband providers. Collectively, these carriers will expand broadband at 10 Mbps/1 Mbps to 180,000 households and businesses over the next six years in Michigan. The total federal investment to connect these entities is \$363 million. He reviewed a map showing the areas of the state that are eligible for Connect America Fund subsidy for AT&T, CenturyLink, and Frontier, which does cover many of the unserved rural areas.

In response to question from the Director, Mr. Frederick advised there is incentive for companies to add some of their own funding to help reach the advanced broadband speed. In anticipation of demand, he is hoping the companies build more than the bare

minimum and Connect Michigan has been encouraging them to do so. In addition, expansion to the farthest rural areas will bring faster speeds to those who already have service at the slower speeds.

Commissioner Montri reported Frontier advertises up to 25 Mbps, but, in reality she and her neighbor farmers do not have even 10 Mbps available functionally. Mr. Frederick advised the maps depict maximum advertised download speed. The difference between what they advertise and what is delivered is completely unregulated. Maximum speed advertised is typically what can be delivered at an optimal time.

While the Connect America Fund program is slated to bring significant broadband investment to rural Michigan, there will still be many areas of the state without access to adequate broadband service. Approximately 85,000 households will still be without 10/1 Mbps connections and 285,000 without 25/3 Mbps. This represents his challenge, where work needs to be accomplished to ensure those households obtain access to broadband at a speed that allows them to accomplish their work.

Since 2011, Connect Michigan has been working with communities (typically counties) across the state to help establish local teams, assess the local broadband landscape, and help develop customized Technology Action Plans to improve access, adoption, and use of broadband and technology. This facilitated program, "Connected," has been implemented in 54 communities in Michigan. It was begun under federal funding that ended in January of last year. MDARD's Strategic Growth Initiative (SGI) grant was received last year to continue that work within 10 new rural communities.

Participating communities often have significantly higher rates of broadband expansion, residential adoption, and businesses with an online presence than the state as a whole. More than 2,500 local stakeholders and providers have taken part in local broadband and technology conversations since the program's launch, raising the collective awareness and capacity for broadband with critical local agencies and organizations.

The SGI grant allowed Connect Michigan to work with 10 additional communities with a very rural focus. He reviewed a tracking document depicting progress in each community, beginning with a kick-off meeting, and progressing to a community team being formed and an assessment status being completed, followed by project implementation. All but one has completed their assessment status and seven have begun project implementation. The broadband surveys provide aggregated demand and detailed infrastructure information. Communities also host trainings to bring more businesses online by building awareness of what a website can accomplish. These 10 communities are well on their way to implementing their projects to help improve access, adoption, and use.

He shared some of the numerous successes realized in communities with whom they have previously worked. In Ogemaw County, the County Economic Development Corporation is undertaking a project to locate and map vertical assets in rural areas as a means to expand wireless internet. They are looking to catalog agricultural assets, including elevators, silos, water towers, etc.

The rural areas of Gogebic County, Michigan, and Iron County, Wisconsin, came together to identify solutions for expanding infrastructure. They conducted community surveys to help aggregate demand and identify pockets of unserved areas, sharing that information with carriers so they can better understand the demand.

Harbor Springs has taken off with their own digital literacy program for the community. They developed a training program for groups of all types covering latest technology, including social media, tablets, website development, etc.

Otsego County wanted to ensure all ages were able to access the Internet. Their County Commission on Aging worked with BeBloomin (an application developer) to implement user-friendly software that allows seniors to access a multitude of applications. Senior centers and libraries became training hubs for new software.

In Cheboygan County, they worked to establish the DigitalWorks facility, a partnership of 11 organizations, that trains and places workers in technology and customer service positions. It is already placing graduates.

The rural area of the west central part of the state needed to expand economic development. Instead of focusing on attracting new businesses, programs were aimed at retaining, growing, and sustaining those already in the community. The MichiganWorks office is conducting training programs to get more businesses online with social media and websites.

He has been working very closely with the Governor's 21<sup>st</sup> Century Infrastructure Commission, helping them compose some of their recommendations and ensure focus on those areas that do not have the infrastructure needed, as well as addressing the adoption and use issues.

In response to questions from Commissioner Montri, Mr. Frederick advised, in addition to the SGI grant funding that ends in September, they are also funded by the Michigan Public Service Commission to conduct mapping, and by some of the communities outside the 10 within the SGI grant. There are 28 rural counties with whom they have not yet worked and hope to do so in the future. They are looking forward to the Infrastructure Commission report, which is due in November. He advised most communities have been able to continue their broadband efforts beyond the planning efforts provided through Connect Michigan and his staff attempt to touch base with those communities to help keep those teams moving.

In response to inquiry from Commissioner Walcott, Mr. Frederick advised the small rural internet companies currently do not receive FCC's Connect America Fund subsidies. However, it is anticipated FCC will announce a similar program for the 34 independent companies in Michigan in the near future.

**ENVIRONMENTAL STEWARDSHIP DIVISION OVERVIEW: Jim Johnson, Division Director; Mike Gregg, Intercounty Drains Program Manager; and Rick Harlow, Farmland Preservation and Qualified Forest Programs Manager; Environmental Stewardship Division**

Mr. Johnson advised today, they are taking the opportunity to share information about some of the Environmental Stewardship Division (ESD) programs the Commission does not typically see. ESD deals with land-based programs, involving a number of different activities. It is responsible for the 77 Conservation Districts across the state, which function as the outreach arm of the division at the local level. Other programs include the Migrant Housing Inspection and Licensing Program, Right to Farm and Siting Program, Conservation Reserve Enhancement Program, Michigan Agriculture Environmental Assurance Program, Forest Assistance Program, Water Use Reporting and Water Conflict Resolution Programs, and today, he would like to focus on the Intercounty Drain, Farmland Preservation, and Qualified Forest Programs.

Mr. Gregg thanked the Commission for the opportunity to provide an overview of the Intercounty Drain Program. Its purpose is to provide an expedient dispute resolution process for the planning, design, and construction of infrastructure for the movement of water across jurisdictional boundaries. Those boundaries are county lines that the department has the role to perform and facilitate. This is critical, because improved drainage is a prerequisite infrastructure for economic development and protection of public health. The alternative is costly and time-consuming litigation with limited ability to affect solutions.

Michigan soils are glacial till, clay, highly variable, and very dependent upon soil drainage in order to provide any type of improvement, rather agriculture, road, commercial, or urban. The state's climate produces 26-36 inches of rainfall each year, with 8-16 inches of runoff. In addition, the topography is generally flat. This all adds up to create the fact Michigan is the fifth wettest state in the nation. Many drains in the state are no longer functioning and urban flood conditions remain an issue.

The General Drain Law of 1923 initially established MDARD's role in the state's drainage, which was the third codification of drainage laws that date back to 1850. Current statutory authority is within P.A. 40 of 1956, as amended, termed The Drain Code of 1956. A drain can be virtually any method of moving water in terms of its legal definition under the Drain Code. Each of those is part of the program. They can be large, open channels in urban areas and they can be smaller agricultural drains. A drainage district is the legal, corporate structure by which drainage is financed and each property owner within a drainage district is liable for a special assessment levied to finance, operate, and maintain the drain.

There are over 1,100 intercounty drain districts with a combined length of over 6,000 miles. They serve about six million acres in 51 counties. An average of 225 drain board meetings are conducted each year, with over 85 maintenance projects, and 12-20 ongoing major improvement projects. The current estimated value of projects under contract is over \$72 million and the total infrastructure value is \$2 billion. The Director added this is all accomplished with only three staff members.

Mr. Gregg advised when a drain commissioner receives an application/petition for a drain project affecting lands in two or more counties, they shall notify the other drain commissioners and the Director of MDARD. The department is compelled to work with those drain commissioners and to form a drainage board, of which the Director is chair.

The Director is empowered to employ individuals within the department to represent him/her, and the department typically does not vote unless there is a tie.

The department chairs all intercounty drainage boards whose members are the drain/public works/water resources commissioner of each affected county. Each drainage district (defined by watershed) is an independent special purpose public corporation, the Director is CEO. Each district has the power to contract, sue and be sued, issue condemnation, notes, and bonds, and levy special assessment taxes.

MDARD coordinates these efforts by convening meetings and public hearings of the boards in accordance with the Open Meetings Act. Public notices are issued and legal documents and orders to evidence decisions are generated. The department maintains district records, documents, and plans. Board decisions are communicated to employ engineering, environmental, legal, and financial consultants, and enter into construction contracts. It is a very interactive process because these decisions are significant and affect people's economic abilities and their public health.

MDARD's involvement provides for institutional memory, long-term stability and predictability, engineering, environmental, finance, regulatory, and legal knowledge, and transferability of experience. It also ensures objective, non-partisan decision making with a can-do attitude being part of the solution.

He reviewed examples of projects, including the Milk River Combined Sewer Pumping Station serving Macomb and Wayne Counties. The department is currently in the process of a \$38 million renovation of this station that provides sanitary waste and storm water service for a population of 40,000 people.

The Oakland Macomb Interceptor Sewer has been the most significant project in the program's history, a \$174 million restoration of a tunnel that is 100 feet deep, serving all of Macomb County and the eastern third of Oakland County in moving sanitary waste to the Detroit Waste Water Treatment Plant. Many complexities never before experienced are involved in the project.

More to the line of agriculture, one of three dam structures on Misteguay Creek in Saginaw, Shiawassee, and Genesee Counties nearly failed and would have had catastrophic affects downstream. Restoration implemented has proven to be a very effective way of controlling flows of water to downstream properties. The Misteguay Creek dams protect a 15,000-acre cooperative farm that is diked and the subject of a controversial project. In response to question from Commissioner Kennedy, Mr. Gregg advised the controversy revolves around who benefits and how much they should pay. It has been subject to litigation where drainage board actions were upheld with arbitration over the cost between the counties, and yet there still is resistance.

More typically, the program's work involves maintaining what we already have; very few new drains are constructed. For instance, tile outlets become obstructed and under water leading to reconstruction of channels and providing relief to agriculture, as well as roads and residences in those drainage districts.

Occasionally, projects are motivated by stabilizing soil erosion and improving water quality. This is a very transitional area of involvement for the program.

Mr. Harlow advised he shares with staff that the fundamental basis of modern society is agriculture – if the industry did not produce surplus, we would all be hunting and gathering or raising food our ourselves, and there would only be six million people on the planet, instead of approaching eight billion. Historically, agriculture has driven a considerable amount of what society accomplishes. In addition, in order to have an active agricultural menu within the State of Michigan, you must have land available and proper drainage of that land. MDARD also tracks the lack of water in California and the Ogallala aquifer depletion in the prairie states predicted sometime in 2030-2050. Michigan is well placed with active agricultural land and adequate water, which need to be preserved as much as possible.

The Farmland Preservation program was created in 1975 under P.A. 116. There currently are over 44,000 farmland agreements protecting more than 3.2 million acres of Michigan farmland. P.A. 116 provides for a temporary agreement with the State of Michigan where the landowner continues to farm the land. Agreements are for 10 to 90 years and are renewable. The state holds the Development Rights to the property for the duration of the agreement.

In exchange for participating, landowners receive a Michigan Income Tax Credit and special assessment exemptions for sanitary sewer, water, lights, and non-farm drainage. Tax credits issued to the agricultural community in 2015 equaled approximately \$40 million. He reviewed a map depicting location of properties with farmland agreements.

Reductions in P.A. 116 staff from seven to only three occurred October 1, 2013. This has created a considerable backlog of work, over two years in some processes. Staff reductions were a result of the funding structure for the program. Funding is counterintuitive, coming from repayments made when people leave the program. More landowners are staying in and new landowners are enrolling. In addition, landowners may exit the program without payment by not claiming the credits during the last seven years of their agreement.

Various solutions to the staffing problem have been implemented. Act No. 261, Public Acts of 2016, was signed into law on June 27, 2016, and requires agreements and relinquishments be recorded by landowners and no fee will be charged for transfers of agreements. Act No. 266, Public Acts of 2016, was signed into law June 27, 2016, and provides a sustainable program funding source based on tax credits claimed. This funding source does not reduce the farmer's tax credit, but creates a general fund payment to the program. As a result, replacement staff will be hired October 1, 2016.

The program is excited to have been able to operate through the lean times over the last three and one-half years and is looking forward to eliminating the program backlogs once new staff are on board.

In addition, they were fortunate to have been selected by the Office of Good Government to participate in a Lean Process Initiative in early 2016. Resulting process improvements implemented include identification of optimum staffing levels, reduction in processing levels by six or more weeks, creation of a paperless processing system, and realignment of work duties for efficiency.

The Director emphasized new funding will not restore the program to prior levels, and that is actually unnecessary due to work the staff has accomplished. Prior to the Lean Process Initiative, they implemented numerous efficiencies. These efficiencies, along with Lean Process improvements, provided a good argument when requesting funding – the program previously had four more people, but now only needs two. We were able to bring that much money to the table when meeting with the Governor to request the program funding increase.

Mr. Harlow noted another program with ESD is the Qualified Forest Program (QFP). We know there are about 10 million acres of non-industrial private forestland in the state and 220 million acres held by lumbering companies within the Commercial Forest Program. Of those 10 million private acres, studies indicate timber there is harvested at only one-third the rate of growth and we are losing timber in the market as a result. QFP is new to the department, having been transferred from the Michigan Department of Natural Resources (MDNR) on June 1, 2013. Within the program, private forest landowners are required to manage their forests based on an approved plan. In exchange, the land is exempt from school operation millage (typically 18 mills). The landowner pays a fee equivalent to two mills, which will be used to support program operation, including 20 Conservation District Foresters that help administer the program and three staff in the Lansing office. This funding mechanism is slowly replacing the general fund monies.

Conservation District Foresters promote the program to landowners, review stocking densities and promoting sustainable forest practices. At this point, 53 of 83 counties are covered. Parcels are a minimum of 20 acres with a maximum of 640 acres per taxing unit. Landowners must submit an application by September 1 of a given year to receive the tax exemption in the following year.

There are nearly 300,000 acres currently in the program, representing 25 percent of its enrollment cap of 1.2 million acres. Over \$2.8 million in harvested wood products and \$146,428 in revenue were received during the 2016 application cycle.

Two new options are now available in the program. Combined agriculture/forest QFP allows parcels, which alone would not qualify for the 18-mill exemption for agriculture or forest use, to combine both to qualify for the exemption. Transitional QFP allows commercial forestland to be converted to qualified forestland without penalty, with a gradual increase in property taxes over five years. This affects a potential 200,000 acres.

Program staff are participating in a Lean Process Initiative that began in June, led by the Office of Good Government that is expected to be completed in the next few weeks. Significant process improvements are anticipated.

In response to inquiry from Commissioners Meachum and Walcott, Mr. Harlow advised foresters are working as able within southern counties that contain forested areas. The issue for the program is funding, and hopefully, enrollment will increase sufficiently to provide for additional staff to better focus on the southern part of the state. There is no lien on the deed for QFP, landowners sign an affidavit attesting the land will continue in forested use. If QFP land changes hands, it can remain in the program by filing an affidavit and adhering to the established management plan. Under the MDNR QFP, if a structure were constructed on QFP land, it had to be removed from the program. Under the new program, a landowner is permitted to have structures on QFP land; and simply, the structure and hypothetical one acre around it do not receive the exemption.

The Director noted QFP was one of the factors that brought the Arauco project to Gaylord, Michigan. The program will help provide a known supply of timber for their business.

In response to question from Commissioner Meachum, Mr. Harlow advised the Farmland Preservation Program provides informational enrollee spreadsheets, primarily to certified public accountants. For QFP, it could be accomplished through generating a query of the database. They already know how much timber will be harvested, as well as the type and age, and that can be provided to industry consultants to assist in their business decisions.

#### **RECESS AND RECONVENE**

Chairperson Walcott recessed the meeting at 10:30 a.m. for a brief break. He reconvened the meeting at 10:41 a.m.

#### **GENERALLY ACCEPTED FRUIT, VEGETABLES, DAIRY, MEAT, AND GRAIN PROCESSING PRACTICES FOR NOISE AND ODOR (GAPPs): Jim Johnson, Division Director, Environmental Stewardship Division**

Mr. Johnson advised Public Act 381 provides nuisance protection to agriculture processing facilities, referred to as Right to Process. It requires the Commission to approve the standards used for that protection on an annual basis. The department received no protection requests relative to the GAPPs this year, but does continue to educate processing facilities on the standards and the availability of the protection.

Since following review of the standards no changes were recommended by the committee, the Commission is being asked to approve the same set of standards that was in place last year.

**MOTION: COMMISSIONER MEACHUM MOVED TO APPROVE THE GENERALLY ACCEPTED FRUIT, VEGETABLES, DAIRY, MEAT, AND GRAIN PROCESSING PRACTICES FOR NOISE AND ODOR. SECONDED BY COMMISSIONER MONTRI. MOTION CARRIED.**

#### **MICHIGAN AGRICULTURE ENVIRONMENTAL ASSURANCE PROGRAM (MAEAP) STANDARDS PROPOSED REVISIONS: Jim Johnson, Division Director; and Joe Kelpinski, MAEAP Manager; Environmental Stewardship Division**

Mr. Johnson distributed to the Commission binders containing the proposed MAEAP Standards revisions. 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. He introduced Joe Kelpinski, the MAEAP Program Manager, who will review the recommendations.

Mr. Kelpinski advised, with this being the sixth year for the review process, the standards are now quite mature and recommended changes this year are not significant. After approval each year, the system subcommittees – livestock, cropping, and farmstead – begin meeting bi-monthly to address any new issues that arise in any of the various systems. Each of those committees is represented by agency, university, and industry individuals.

The binder is organized by livestock, farmstead, and field crops, followed by the various sub-cropping systems, and finally, forestry, wetlands, and habitat. The first item under each system tab is a document summarizing the changes the specific system committee requested for this year, highlighted by standards numbers, section numbers, and educational question numbers. He pointed out under livestock, questions 3.10 and 7.03 refer to changes to records of evidence required for verifications, which are simply corrections to approved recommendations that were inadvertently eliminated from last year's publication.

Pollinator and invasive species are two expanding areas currently in the educational question sections, which most likely will become standards in the future. Those are strictly educational at this point to drive conversations with producers.

The Commissioners can review recommended changes to each system over the next two months and bring any questions to the September meeting for discussion.

In response to question from Commissioner Walcott, Mr. Kelpinski advised staff are currently doing well in terms of verification work and the skill level of the technicians is good. Grants were revised last year to help districts provide for more accountability from technicians. Verifications are down a bit from last year, most likely due to the currently depressed farm economy.

Commissioner Montri asked if there were any complaints relative to the program. Mr. Kelpinski advised none have been received regarding the standards. Two issues that always continue on the livestock side are distances from wells to manure storages and evaluating manure storages. More interestingly, during the last funding cycle, they were required to develop a database to better capture what is happening in the program. The MAEAP Advisory Committee and the department are excited to be able to truly tell the scope of the program and what is being accomplished ongoing as our technicians work with producers. Individual producer information will remain confidential, but the system will provide various data by county, including environmental outcomes, which will be phenomenal. This will also provide a way to identify any impediments within some of the systems.

**MICHIGAN DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT**  
**SCORECARD: Ken McFarlane, Deputy Director**

Mr. McFarlane advised that through Operation Excellence (OpEx), the department has closely considered what it is measuring and why to clarify the desired outcomes. Format of the Scorecard currently being shared with the Commissioners each month is a product of the Office of Good Government to help standardize how every department in the state could reflect their measures. MDARD will continue to utilize that; however, through the OpEx process, the actual measures on that Scorecard will change dramatically.

Through OpEx, we measure the quality, quantity, and timeliness of the things we are required to accomplish. Strategic Excellence is the adopted approach to visually describe activities. He reviewed an example Fundamentals Map, which is a visual description of the department's fundamental activities and what measures of success will be utilized.

Four key goals are basic to each divisional fundamentals map – economic development, environmental sustainability, food safety and human health, and efficient effective government. Down the vertical alignment are outcome measures (how goals are defined), core processes (things that actually influence that outcome measure), sub-process (outlines the key steps), and process/output measures (measures of the sub-process that support the core process). This all provides indication of whether we are headed in the right direction with outcome measures. The outcome measures will be depicted on the Scorecard moving forward. The monthly, quarterly, and annual results will continue to be measured through OpEx discussions.

The first iteration of the new Scorecard will be developed for June and shared with the Commission as soon as approved. Because some of the items are new, they may not yet have data indicated. However, listing them allows the public and the Commission to understand what we are trying to measure, which represents those most important measures for the department.

In response to question from Commissioner Kennedy, Mr. McFarlane advised the goal of the process is efficiency and to ensure the department is meeting its outcomes. The Director added, if review of outcome measures and goals indicates something that is not driving those, then we question why it is being done and whether those resources are better spent elsewhere.

In response to inquiry from Commissioners Montri and Meachum, Mr. McFarlane advised the four key goals are consistent across the department and each division has an individual fundamentals map. Measures of quality vary from program to program, but the majority of that is supervisor review of front line staff performance as defined within the Standard Operating Procedure (SOP) for that activity. Department customer service is a key part of the internal maps within each division and reaching out to those customers will be a primary focus as the process moves forward.

In response to question from Commissioner Kennedy, Mr. McFarlane advised OpEx began January 2015 and the visual Strategic Excellence process began in November of

last year. There is a considerable amount of information behind each of the measures on the fundamentals maps. Every outcome measure has seven questions that need to be answered in order for it to be included to ensure calculation can be accomplished. The Director added the process allows each and every staff person to see why what they accomplish on a daily basis is important.

**GENE THOMPSON SCHOLARSHIP AWARDS: Jim Bowes, Deputy Division Director, Animal Industry Division**

Mr. Bowes reported that 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 31 scholarships to MDARD employees and their children since 2007, for a total of \$15,500.

The scholarships are awarded to a student who is an employee of MDARD or a child of an MDARD employee attending Michigan State University or enrolled in an agricultural-related program and seeking a Masters, Bachelors, Associate degree, or Certificate. Each of the 2016 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.

The 2016 Gene Thompson \$500 scholarships winners were introduced: 1) Sydni Bearss is from Westphalia and will be attending Lansing Community College to study nursing; Sydni's mother Amy works for the Agriculture Development Division; 2) Quentin Blonde is from Concord and will be attending Michigan State University to study electrical technology; Quentin's mother Shari works for the Operational Services and Central Licensing Division; 3) Samson Dankert (unable to join the meeting today) is from Kingsley and is attending Michigan State University to study human biology; Samson's mother Paula works for the Food and Dairy Division; 4) Troy Davis is from Leslie and is attending Michigan State University to study Finance and Marketing; Troy's mother Gina works for the Pesticide and Plant Pest Management Division; and 5) Travis Winans (unable to join the meeting today) is from Westphalia and is attending Michigan State University to study applied engineering sciences; Travis's mother Sandy works for the Pesticide and Plant Pest Management Division. Certificates were presented to the awardees.

To assist in raising funds for future scholarships, we are excited to announce the fourth annual Quality of Life Scholarship Golf Outing honoring Gene Thompson (formerly the Gene Thompson scholarship golf outing) will be held on September 16, 2016. The outing will be held this year at the Eldorado Golf Course in Mason, Michigan. The QOL Scholarship Golf outing registration form is available on the MDARD intranet page. The department 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 with cart, goodie bag with a coupon for 9 holes of golf, coffee/donuts, lunch, and a steak dinner. Based upon past outings, this event promises to be a good time. He invited the Commissioners to join the outing.

## **RECESS AND RECONVENE**

Chairperson Walcott recessed the meeting at 11:12 a.m. for a Scholarship Awardee photo shoot. He reconvened the meeting at 11:15 a.m.

## **LEGISLATIVE UPDATE: Matt Blakely, Director of Policy Development and Legislative Affairs**

Mr. Blakely reported the electronic version of the Legislative Status Report shared with the Commissioners earlier this week is color-coded. Green highlighted are bills that have passed and are now Public Acts; yellow are those potentially to be addressed during Lane Duck; orange are possible for Lane Duck; and red are likely dead issues for this term. He invited Commissioners to contact him with any questions.

Many of the department's priorities and ideas have already been passed, and hopefully, the Commission is happy with what has been accomplished. Legislatively, some larger issues remain that the department plans to address during the next session.

The mushroom legislation is likely to be addressed again during the next session. Good messaging has been shared, because it potentially is not a good course of action. Commissioner Montri advised she received a complaint from a certified forager about the basic idea of this legislation and, in particular, the potential problems related to allergens. Mr. Blakely advised there is good reason that mushrooms are not covered under food safety and that was the impetus behind the department implementing the Wild-Foraged Mushroom Certification Program, which is an excellent measure. He stands behind that and the direction of the department thus far. There are some compromises that can be made and those have been discussed in general.

He is currently playing defense on several bills that may or may not come to session. The issues either have not been sufficiently vetted to where the department is comfortable, or they are relatively bad ideas.

In response to question from Commissioner Montri regarding the potential Urban Agriculture legislation, Mr. Blakely advised he has been working with Senator Hune's office on development of a draft, but it has not yet been introduced. Because it is a misunderstood topic, it is unlikely to be passed in its current form. Senator Hune's solution was a good step forward.

## **COMMISSIONER ISSUES**

Commissioner Walcott reviewed a retirement resolution before the Commission recognizing Joseph K. McDonnell.

**MOTION: COMMISSIONER MEACHUM MOVED THE RESOLUTION FOR JOSEPH McDONNELL BE ADOPTED WITH BEST WISHES FOR HIS LONG AND HEALTHY RETIREMENT. COMMISSIONER KENNEDY SECONDED. MOTION CARRIED.**

Commissioner Meachum requested the department produce a white paper delineating the potential issues and effects – what could or could not happen – of removing zoning

requirements from consideration for Categories I, II, III, and IV within the Site Selection GAAMP, and present the paper during the September 14 Commission meeting.

**PUBLIC COMMENT**

No public comment was requested.

**ADJOURN**

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

There being no further business, the meeting was adjourned at 11:25 a.m.

Attachments:

- A) *Agenda*
- B) *Agriculture and Rural Development Commission Meeting Minutes May 18, 2016*
- C) *Director Jamie Clover Adams – Issues of Interest Report*
- D) *Broadband in Michigan: Status and Developments Presentation*
- E) *Intercounty Drain Program Presentation*
- F) *Qualified Forest and Farmland Preservation Programs Presentation*
- G) *Generally Accepted Fruit, Vegetables, Dairy, Meat, and Grain Processing Practices for Noise and Odor*
- H) *MDARD Environmental Stewardship Division Fundamentals Map*
- I) *Gene Thompson Scholarship Fund MDARD Scholarship Winners Briefing*
- J) *Legislative Status – July 22, 2016*
- K) *Retirement Resolution for Joseph McDonnell*