Overview of Michigan Potato Industry and Opportunities

Mike Wenkel
Michigan Potato Industry Commission
Michigan Potato Production

• 46,000+ acres
• 1.8 billion pounds (18 mil CWT)
• More than 3,200 employed
• $554 million in economic activity
• Ranked 1\textsuperscript{st} in chip stock production (28%)
• Ranked 6\textsuperscript{th} in value of crop
• Ranked 8\textsuperscript{th} in overall US production
How the industry works

- Referendum Mandate
- State Promotion & Research
- National Promotion & Research
- State Advocacy
- National Advocacy
- Voluntary Membership
Industry Vision

Mission:
To grow an economically viable potato industry in Michigan

Strategic Goals:
• Expand talent development and collaboration within the industry
• Provide research and sustainability direction
• Lead promotion of farms and potatoes to the public
• Foster economic growth initiatives
Michigan Potato Industry Commission

• Formed under state law to:
  • Coordinate research
  • Promote Michigan potatoes
  • Educate consumers and decision makers about potatoes
  • Conduct marketing activities
Potato Growers of Michigan, Inc.

- Influence and educate decision makers at local, state and federal levels
- Potato Day at the State Capitol
- DC Fly-in
- Elected Official Farm Tours
National Potato Council

• Advocate for the economic well-being of U.S. potato growers on federal legislative, regulatory, environmental, and trade issues
Potatoes USA

- Marketing organization for the 2,500 commercial potato growers operating in the United States.
  - Fresh table-stock potatoes
  - Fresh chipping potatoes
  - Seed potatoes
  - Frozen potato products
  - Dehydrated potato products
State Challenges

- Managing new and emerging disease
  - Certified Seed Law
- Food Safety
  - FSMA Compliance
- Water
  - Science Based Water Withdrawals
  - Impact of Lake Erie Basin
- Infrastructure
  - Broadband, Energy, Roads
  - Increasing processing capacity
National Challenges

• Dickeya
• Labor (migrant & talent)
• Sustainability
• Transportation
• Farm Policy
  • 2018 Farm Bill
  • Nutrition Title
• Regulation
  • Labor
  • Water
  • Crop Protectants
  • Food Safety Modernization Act
Marketing Efforts

• Help consumers connect with and identify Michigan potatoes
  • Understand processes from farm to plate
  • Emphasis on local aspects
  • Michigan potato recipe videos
• Help consumers with understanding nutritional value
• Build social media presence
• Work with retailers to be visible at point of purchase
• Consumer Trends
  • Sustainability
  • Food Waste
  • Food Safety
  • Potato product preference
  • Health and Nutrition

75% of Millennials
72% of Generation Z
Will spend more on products and services from companies that commit to positive social and environmental impact.

Food companies want to reach the...

50% of Millennials
Believe current farming practices are sustainable.

75 Million
Millennials
Who truly desire brands that place high value on sustainable practices.
Food Safety Modernization Act

Michigan Commission of Agriculture and Rural Development

Tim Slawinski
Food and Dairy Division
March 21, 2018
FSMA Timeline

- Signed into Law: 2011
- Proposed Rules: 2013/2014
- Compliance Dates: 2016 – 2024
FSMA 7 Rules

- Produce Safety
- Preventive Controls for Human Food
- Preventive Controls for Animal Food
- Foreign Supplier Verification
- Third Party Auditor
- Sanitary Transportation
- Intentional Adulteration
FSMA Law Adoption

• HB4811 (Food) & HB4812 (Feed)
• Passed House of Representatives 10/5/17
  – 108 Yeas, 0 Nays
• Passed out of Senate 3/8/18
  – 35 Yeas, 1 Nay
Produce Safety

• First food safety regulation specific to growing and harvesting
• Prior regulations cover adulteration
• Addresses Microbiological Risks
Produce Safety

• Who’s Covered?
  – Produce that is typically eaten raw.

• Who’s Not Covered?
  – Produce Not typically eaten raw
  – Produce destine for Commercial processing
  – On-farm consumption
  – Farms with <$25,000 Annual Food Sales
  – <$500K & 50% of sales local (in-state or within 275 mi.)
Produce Safety

- Compliance Dates (+ 4 years for Ag Water)

  - Large Businesses: 2018
  - Small Businesses: 2019
  - Very Small: 2020

- Large Business: > $500K in Annual Sales
- Small Business: $500K-$250K in Annual Sales
- Very Small Business: $250K-$25K Annual Sales
- Exempt: <$25K in Annual Sales
Michigan Farm Estimates

- 6,000 Estimated Produce Farms
  - 1,300 Directly Covered by the FSMA Rule
    - 277 Large (2018 Compliance Date)
    - 151 Small (2019 Compliance Date)
    - 873 Very Small (2020 Compliance Date)
  - 4,700 Exempt from Regulations:
    - Size
    - Further processing
    - Produce not typically eaten raw

* Breakdowns based on estimates from the FDA Regulatory Impact Analysis
Michigan Produce Growing Areas

2012 Consensus of Agriculture, USDA National Agricultural Statistic Services
Produce Safety Implementation

• National Effort with NASDA/FDA
• MSUE Produce Safety Alliance Courses
• Conservation District Food Safety Techs
• MDARDD positions
  – Manager, Specialist, Inspector
**FDA Cooperative Agreement**

**Competition A Only & Competition A / B Map**

- **Competition A** includes Infrastructure, Education, Technical Assistance, and Inventory Program.
- **Competition A/B** includes Competition A components AND an Inspection, Compliance and Enforcement Program.

June 2017
Produce Safety Technicians
2018 Training Dates

January 4 - Hart, MI
January 12 - Saginaw, MI
January 18 - Traverse City, MI
January 22 - Adrian, MI
January 31 - Hart, MI
February 6 - Benton Harbor, MI
February 15 - Hudsonville, MI
February 22 - Imlay City, MI
March 1 - Benton Harbor, MI
March 15 - Grand Rapids, MI
March 21 - Sault St. Marie, MI*

Enroll online at https://events.anr.msu.edu/2018WinterPSA/
FDA Updates

• Extend Ag Water Compliance Dates (Proposed)
• Additional Water Testing Methods
• Delay Produce Farm Inspection until 2019
• “Enforcement Discretion” for Customer Assurances.
Preventive Controls
Compliance Dates (PC/GMP)

**Human Food:**
- Large Businesses: 9/19/16
- Small Businesses: 9/19/17
- Very Small and Grade “A” Dairy: 9/19/18

**Animal Food GMP’s:**
- Large Businesses: 9/19/16
- Small Businesses: 9/19/17
- Very Small: 9/19/18

**Animal Food PC’s:**
- Large Businesses: 9/19/17
- Small Businesses: 9/19/18
- Very Small: 9/19/19
Preventive Controls/GMP’s

Business Classifications:

• Large Business: > 500 Employees
• Small Business: < 500 Employees
• Very Small Business:
  – Human Food <$1,000,000 Annual Sales
  – Animal Food <$2.5M Annual Sales
FDA Human Food Inspections

• Limited Scope Preventive Controls Inspections
  – Similar to Current GMP Inspections
  – Brief review of Preventive Controls.

• Full Scope Preventive Controls Inspections
  – Significantly Longer
  – More Training Requirements for Inspectors
MDARD Human PC Efforts

• FDA Handouts at Facilities
• Training:
  – Industry/Regular training lead by MDARD
  – PC Inspector Training for Select Staff
• Inspections
  – Staff FDA Credentialed
  – Contracts for Limited Scope FDA Inspections
Dairy and Preventive Controls

• 2017 Pasteurized Milk Ordinance (PMO)
  – Updated with FSMA requirements
• Non-Grade “A” Dairy Under 21 CFR 117
• Michigan Plan:
  – Adopt 2017 PMO (currently under 2013)
  – Reference 21 CFR 117 in Manufacturing Milk Law
• Training for Dairy Staff
  – Basic PC training nearly complete
  – Dairy Specific Inspector Training TBD
Animal Food Efforts

• National Effort
  – NASDA Framework Document
  – Chair of AAFCO Training and Education Committee
• GMP Inspections added to FDA Feed Contract
• GMP training for Inspectors
  – Preventive Controls Training in Near Future
• Program Realignment
FDA Updates

- Enforcement Discretion on Certain Provisions
  - Certain Farm-Related Activities
  - Customer Assurances
  - Human Food By-Products used for Animal Food
Questions?

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