



# Overview of Michigan Potato Industry and Opportunities

Mike Wenkel

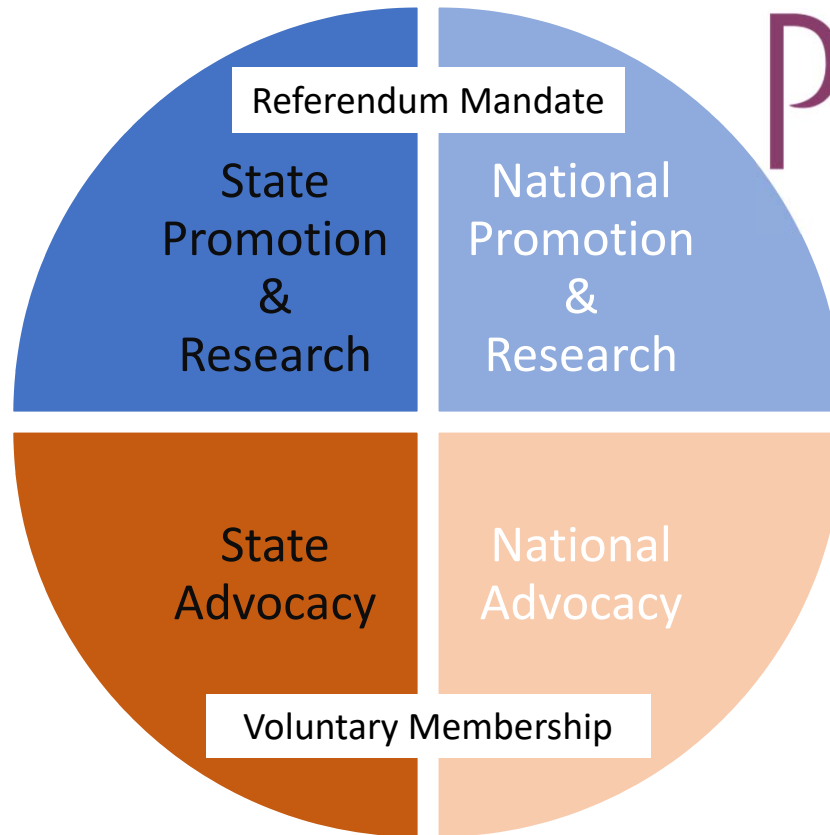
Michigan Potato Industry  
Commission



# 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<sup>st</sup> in chip stock production (28%)
- Ranked 6<sup>th</sup> in value of crop
- Ranked 8<sup>th</sup> in overall US production

# How the industry works







# 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



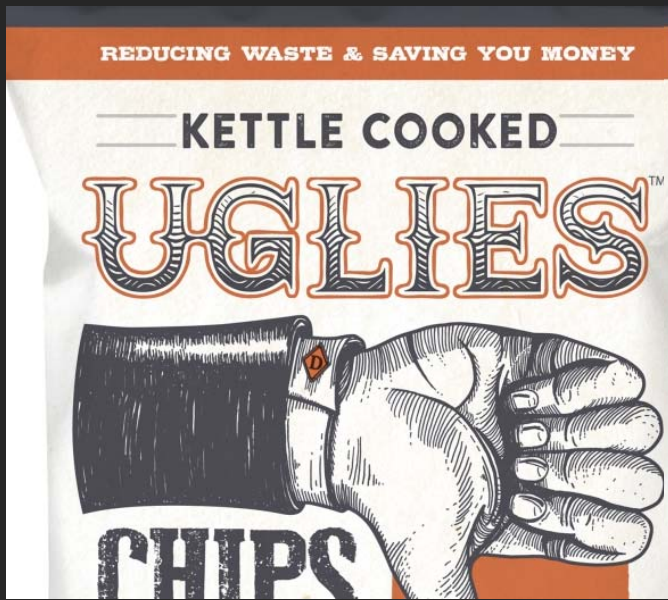
Find us on   
**@MIPotato**





- Consumer Trends

- Sustainability
- Food Waste
- Food Safety
- Potato product preference
- Health and Nutrition



Food companies want to reach the...

**75** Million

Millennials

Who truly

**desire**

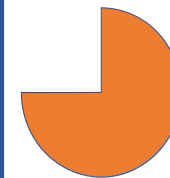
brands that place **high value** on

*sustainable practices.*

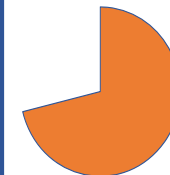


50% of Millennials

Believe current farming practices are sustainable.



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 Safety Modernization Act

Michigan Commission of Agriculture  
and Rural Development



*Michigan Department of Agriculture & Rural Development*

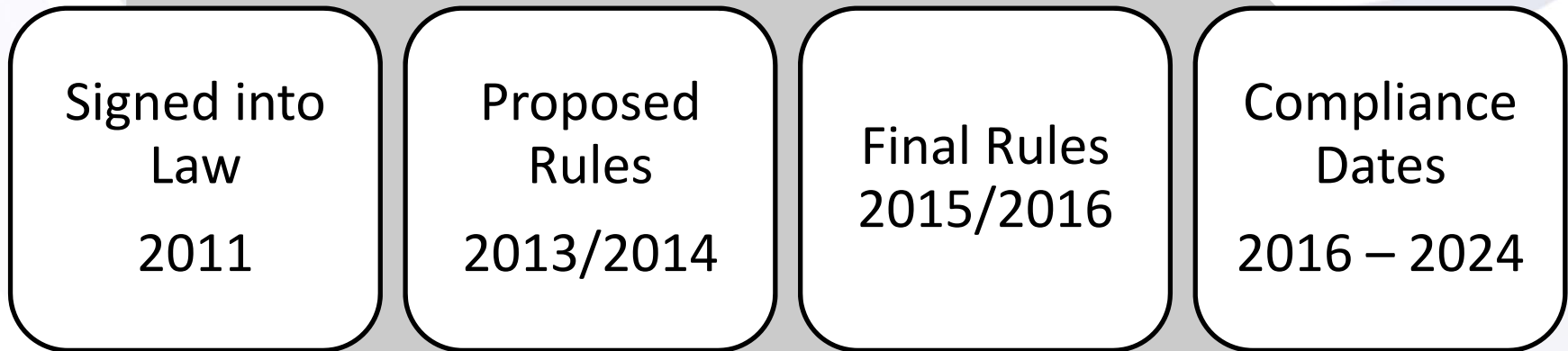
Tim Slawinski

Food and Dairy Division

*March 21, 2018*



# FSMA Timeline







## FSMA 7 Rules

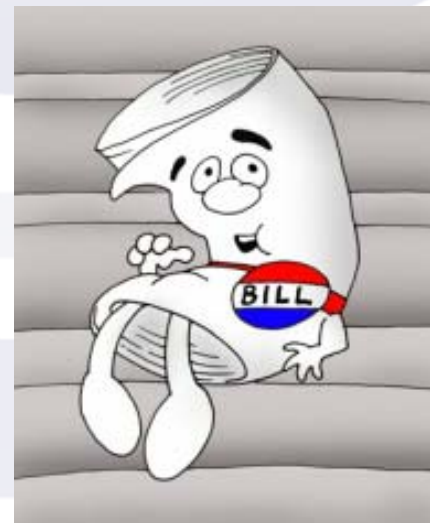
- Produce Safety
- Preventive Controls for Human Food
- Preventive Controls for Animal Food
- Foreign Supplier Verification
- Third Party Auditor
- Sanitary Transportation
- Intentional Adulteration





## 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 destined 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

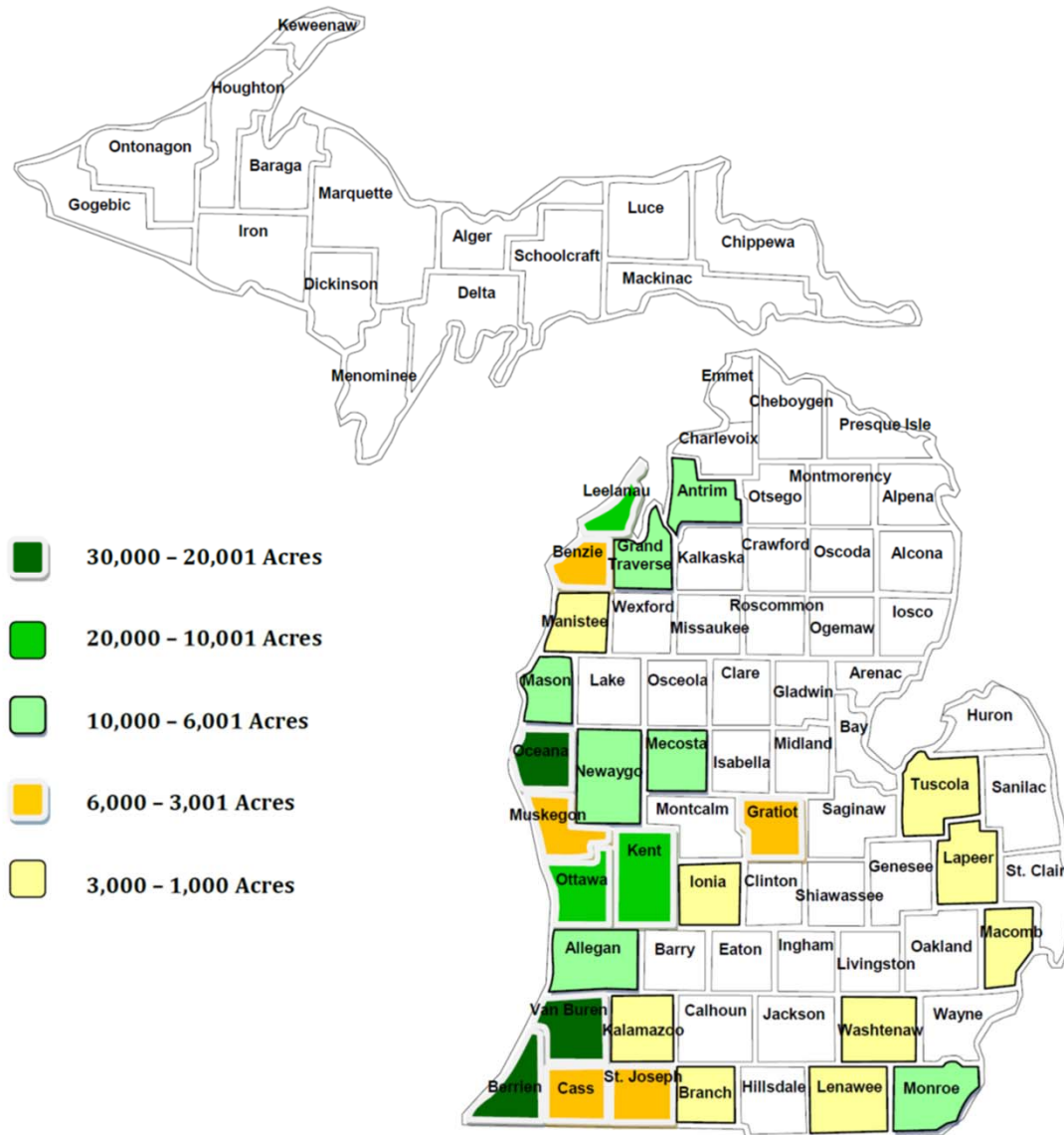


# Michigan Farm Estimates

- 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

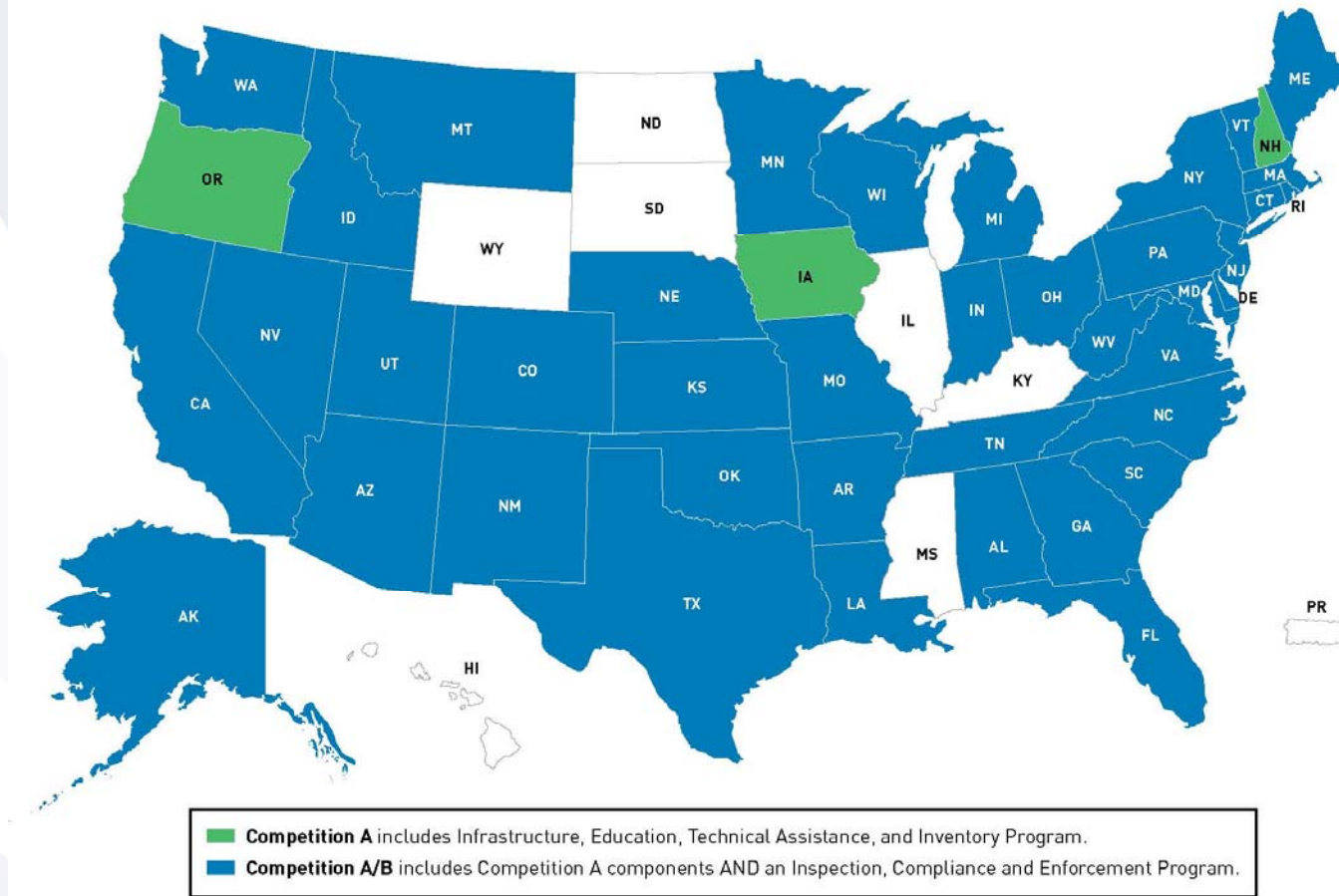
- National Effort with NASDA/FDA
- MSUE Produce Safety Alliance Courses
- Conservation District Food Safety Techs
- MDARD positions
  - Manager, Specialist, Inspector





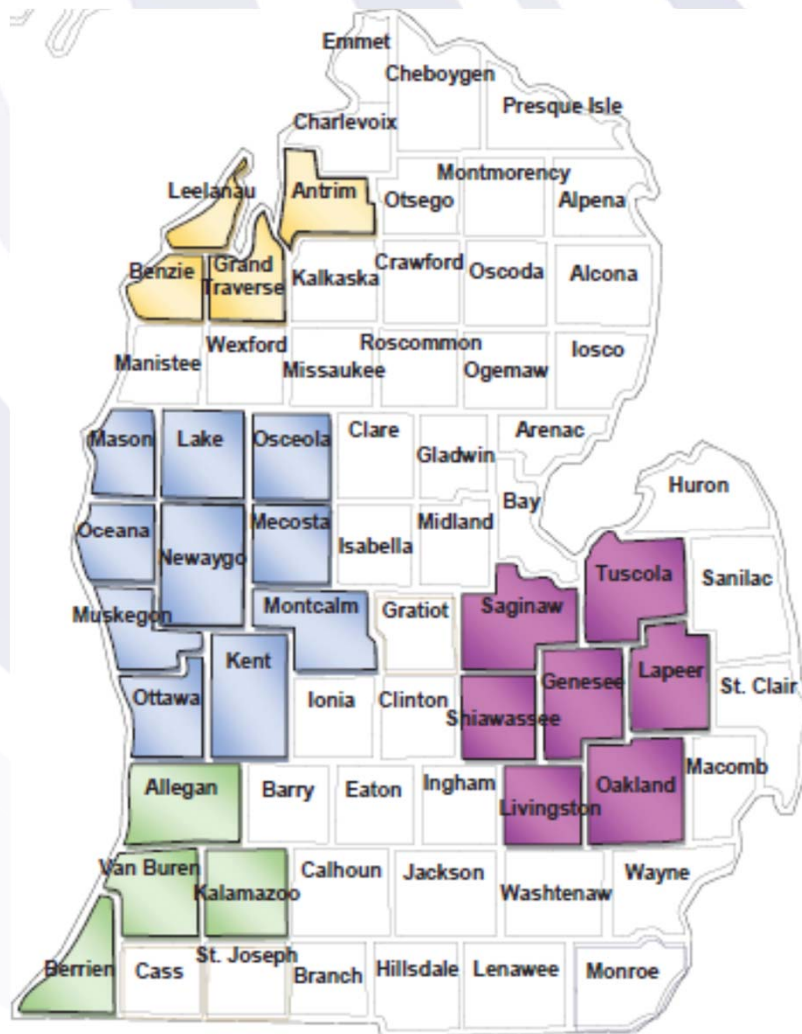
# FDA Cooperative Agreement

Competition A Only & Competition A / B Map





# 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.

**UPDATE**



# 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

**UPDATE**



# Questions?

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