MICHIGAN WHEAT PROGRAM
Established September 1, 2011

PURPOSE

To promote the profitable production, marketing, and utilization of wheat on behalf of Michigan producers. The program shall emphasize advancements in wheat research; education; information delivery, market development and industry-wide collaboration.

AUTHORITY

This marketing program for Michigan wheat is hereby issued by the Director of the Michigan Department of Agriculture and Rural Development, pursuant to the "Agricultural Commodities Marketing Act", 1965 PA 232, as amended, MCL 290.651, et seq, as amended.

DEFINITION

"Bushel" means sixty (60) pounds of wheat by net weight.

"Committee" means the Michigan Wheat Committee established under this marketing program.

"Department" means the Michigan Department of Agriculture and Rural Development.

"Director" means the Director of the Michigan Department of Agriculture and Rural Development.

"District" means each geographic divisions of production area as established herein.

"General administration" means office rents, general office supplies and equipment, and utilities of the program.

"Handler" means a person who takes title to and is engaged in the operation of packing, cleaning, drying, packaging, sizing, hauling, grading, selling, offering for sale, or marketing wheat who as owner, agent, or otherwise, ships or causes wheat to be shipped.

"Industry Representative" means a person employed by a handler or processor.

"Marketing program" means a program established by order of the Director pursuant to 1965 PA 232, as amended, prescribing rules and regulations governing the marketing for processing, distributing, selling, or handling wheat produced in this state during a specified period and which the Director determines would be in the public interest.

“Market Year” means the twelve-month period beginning the first day of June and ending the following thirty-first day of May.

“Processor” means a person engaged in canning, freezing, dehydrating, drying, fermenting, distilling, extracting, preserving, grinding, crushing, milling, or otherwise preserving or changing the form or quality of wheat for the purpose of marketing it.

“Producer” means a person engaged in the business of producing, or causing to be produced for any market wheat in quantity beyond that person’s own family use, and having a value at first point-of-sale of more than $800.00 in any one (1) growing season within the last three (3) years.

“Production” means bushels of wheat sold.

“Research” means programs directed toward developing new products, new markets and improved methods of handling, processing, distribution, or programs that develop more efficient wheat production through improved varieties and cultural practices.

“Sale” (or “sold”) means a transaction wherein the title to the wheat is transferred from the producer to a first purchaser for consideration. Wheat that is forfeited under commodity credit loan is considered sold for purposes of this program.

“Wheat” means and includes the grain from all kinds and varieties of wheat grown in this state.

“Wheat product” is any product derived from the wheat plant.

MICHIGAN WHEAT COMMITTEE

ESTABLISHMENT AND MEMBERSHIP

1. The Michigan Wheat Committee is hereby established to perform the function of administering the Michigan Wheat Program pursuant to 1965 PA 232, as amended.

2. Nine members, eight of whom produce wheat within the district represented, and one industry representative shall be appointed to serve on the Michigan Wheat Committee.

3. Ex-officio members include the Director of the Michigan Department of Agriculture and Rural Development or his/her designee; and others as determined by the Committee to serve in an advisory non-voting capacity.

4. The voting members of the Committee shall be appointed by the Governor with the advice and consent of the Senate from nominations received from the producers and handlers or processors of Michigan wheat.

DISTRICT

As a basis for representation, eight districts, having similar production, are established in addition to one industry representative.

DISTRICT	COUNTIES	BUSHELS OF PRODUCTION
1	Mason, Oceana Newaygo, Mecosta, Gratiot, Montcalm, Muskegon, Ottawa, Kent and Ionia	4.278 million
2	Allegan, Barry, Jackson, Calhoun, Kalamazoo, Van Buren, Berrien, Cass, St Joseph, Branch, Hillsdale	4.401 million
3	Lenawee, Monroe	4.930 million
4	Wayne, Washtenaw, Eaton, Ingham, Livingston, Oakland, Genesee	4.160 million
5	Macomb, St Clair, Lapeer, Sanilac	5.190 million
6	Clinton, Shiawassee, Saginaw	5.090 million
7	Huron, Tuscola	5.920 million
8	Rest of the state	4.671 million
9	Industry Representative	N/A

The Committee, with the advice and consent of the Director and the Commission of Agriculture and Rural Development, may reapportion either the number of committee members or member districts, or both. Reapportionment of the districts shall be on the basis of production or industry representation. Reapportionment of either members or districts shall not occur more often than twice in any 5-year period and shall not occur within 6 months before a referendum.

TERMS OF OFFICE

The regular term of office for members of the Committee begins June 1, and shall be for three (3) years from the date of appointment or until their successors are appointed and qualified. Members shall not serve on the Committee for more than two (2) consecutive terms. A member may be reappointed to the committee after an absence of one (1) year. The initial appointment shall provide for staggered terms by appointing three (3) members for three (3) years; three (3) members for two (2) years; and three (3) members for one (1) year.

NOMINATIONS

Not more than one hundred eighty (180) days nor less than sixty (60) days prior to the expiration of the term of office, no more than two nominees for each District shall be submitted to the Governor for selection to fill the Committee vacancies. In the event that more than two petitions are received for an office, a meeting within the district involved will be held to determine the two nominees to be presented to the Governor. Such a meeting will be called by the chairperson of the marketing program or his/her designee and will be governed by Robert's Rules of Order. Nominations for the vacant position will be taken from those growers submitting petitions. A vote of growers present at the meeting will determine the two nominees whose names will be submitted to the Governor. Results of the vote will be made available to the Governor upon request. Not more than one hundred eighty (180) days nor less than sixty (60) days prior to the expiration of the term of office, no more than two nominations for the Industry Representative member shall be submitted to the Governor from nominations received from the Michigan State Millers' Association.

QUALIFICATIONS AND APPOINTMENTS

1. A nominee for a District Committee member shall either file a written petition with the Committee, signed by 5 producers from within his/her district affected by the program, or be nominated by a vote of Producers at an official meeting within the District chaired by the chairperson of the Committee or his/her designee. Voting is limited to one vote per entity. Initial Committee appointment petitions for District members shall be submitted to the Director. For initial meetings before formation of the Committee, the Director shall call the meeting.

2. A person appointed as a District Committee member shall be a Producer in the district and shall qualify by filing a written acceptance and oath of office within 10 days after being notified of his/her appointment.

3. A person appointed as an Industry Representative shall meet the definition of an Industry Representative and shall qualify by filing a written acceptance and oath of office within 10 days after being notified of his/her appointment.

4. To fill the unexpired term of a Committee member whose office is vacant, the Governor shall appoint a member from nominees provided by the Committee from the district involved.

5. A Committee member whose term of office has expired may serve until his/her successor is appointed.

DISQUALIFICATION

Disqualification of a Committee member may be made for any of the following reasons:

1. He/she ceases to be a Producer in the district he/she represents or in the case of the Industry Representative, ceases to be involved in the industry.

2. Executive disqualification by the Governor on recommendation of the Committee and the Director when a member's conduct is unsatisfactory to the industry and the marketing program. The member against whom charges are made shall have a hearing before the Committee with the assistance of counsel if he/she desires.

PROCEDURE

1. A simple majority of the voting members of the Committee shall be necessary to constitute a quorum. A simple majority of concurring votes shall be required to pass any motion or approve any Committee action. At assembled meetings, all votes shall be cast in person.

2. The Committee shall keep minutes, books, and records which clearly reflect all its acts and transactions. The minutes, books, and records are subject to examination at any time by the Director or his authorized agent or representatives. Minutes of a Committee meeting shall be reported promptly to the Director.

COMMITTEE EXPENSE

1. Committee members when acting on authorized Committee business shall be reimbursed for reasonable expenses necessarily incurred by them in the performance of their functions under the marketing program. In addition, they may receive compensation at a rate to be determined by the Committee, not to exceed the amount authorized in Section 7, 1965 PA 232, as amended, for each day or portion of a day spent in performing Committee business.

2. The Committee may incur reasonable expenses for its maintenance and functioning, and for the purposes that the Director, pursuant to the program, deems appropriate.

DUTIES OF THE COMMITTEE

The duties and responsibilities of the Committee shall be prescribed in the order establishing the program and to the extent applicable shall include the following duties and responsibilities of the Committee. The Committee shall:

1. Develop administrative procedures relating to the marketing program;

2. Recommend amendments to the marketing program which seem advisable;

3. Receive, investigate, and report to the Director, complaints of a violation of the provisions of this marketing program;

4. Prepare the estimated budget required for the proper operation of the marketing program;

5. Develop methods for assessing producers and methods for collecting the assessment funds;

6. Collect and assemble information and data necessary for proper administration of the program;

7. The business which the Committee may perform shall be conducted at a public meeting of the Committee held in compliance with the Open Meetings Act 1976 PA 267, MCL 15.261et seq.;

8. Writings prepared, owned, used, in the possession of, or retained by the Committee in the performance of an official function shall be made available to the public in compliance with the Freedom of Information Act, 1976 PA 442, MCL 15.231 et seq.;

9. Perform other duties necessary for the operation of the marketing program as agreed upon with the director.

RESPONSIBILITY OF THE COMMITTEE

1. As soon as practicable after the appointment of members, meet and organize, select a chairperson and other officers deemed necessary, select subcommittees of Committee members, and adopt procedures and rules deemed advisable for the conduct of its business;

2. Appoint employees, agents, and representatives deemed necessary, determine their salaries, and define their duties;

3. Furnish the Director such information as he may request;

4. Prepare a marketing policy within the scope of the program;

5. Cause the books of the Committee to be audited by the Auditor General or a certified public accountant at least once each fiscal year and at other times deemed necessary by the Committee or as the Director may request. The audit report shall show the receipt and expenditure of funds handled during the fiscal year. A copy of each report shall be made available at the principal office of the Committee for inspection by producers and handlers, and a copy of each report shall be furnished to the Director;

6. Publish annually a written activity and financial report and make it available to interested parties with a copy to the Director;

7. Keep accurate records of the date and funds received and disbursed. These records shall be maintained for at least six (6) years;

8. All funds received by the Committee shall be used solely for the purposes specified in the program. The Director may at any time require the Committee and its members to account for all receipts and disbursements;

9. Upon the expiration of the term of office of any member of the Committee, such member shall account for all receipts and disbursements and deliver all property and funds of the Committee in his possession to the Committee and shall execute such assignments and other instruments as may be necessary or appropriate to vest in the Committee full title to all of the property, funds, and claims vested in such member pursuant to this marketing program;

10. All personnel having access to the Committee funds must be bonded appropriately;

11. Protect the handling of Committee funds;

12. The Committee shall annually establish the rate of assessment for the upcoming marketing year, by March 31 of each year;

13. Award grants to universities, research institutions, agencies, organizations, or individuals to conduct research and may enter into contracts regarding ownership of intellectual property, inventions, licenses, and earnings of royalties resulting from research funded by the grants.

MICHIGAN WHEAT PROGRAM

A. Research Program. Subject to the provisions of this program and the Act, the Committee is authorized to contract with or make grants to any qualified organization, agency, or person in support of the profitable production, marketing or utilization of wheat.

B. Education Program. Subject to the provisions of this program and the Act, the Committee is authorized to contract with or make grants to any qualified organization, agency, or person for educational efforts

C. Market Development, Promotion, and Public Relations Program. The Committee, subject to the provisions of this program and the Act, is authorized to contract with or make grants to any qualified organization, agency, or person for market research and market development and promotion activities both foreign and domestic, education and public relations programs or market information services which may result in the openings of new markets for wheat and wheat products, or which may result in the expansion of existing markets. These activities may include, but not be necessarily limited to the following:

1. Prepare and disseminate marketing information to include supply information, demand information, quality characteristics, and other facts concerning wheat and wheat products;

2. Provide information to millers, processors and end users for the purpose of expanding their use of Michigan wheat and wheat products;

3. Provision for contracting with organizations, agencies or individuals for carrying out any of the above activities;

4. Participate in trade fairs, exhibitions, food shows, and other such activities for the purpose of developing markets.

ASSESSMENT AND COLLECTION OF FUNDS

A. Assessment levied: To carry out and support the provisions and intent of this marketing program, a maximum assessment of up to one half of one percent (.5%) of value of wheat sold during the marketing year shall be collected from all Michigan wheat producers at first point-of-sale.

B. Collection of Assessments:

1. Each bushel of wheat shall be assessed one time only.

2. All assessments shall be paid by the respective producer;

3. Such assessments shall be collected from the producers by the first handler or processor who shall deduct the full amount of the assessment from the total monies due to the producer and shall remit to the Committee all monies collected on a monthly basis before the end of the month, following the month of payment to the producer.

4. A Producer who processes their own wheat shall be responsible for remitting assessments to the Committee on a monthly basis before the end of the month following the month of usage or sale.

5. Any producer who shall sell, ship, or otherwise dispose of wheat to a buyer or other person outside the jurisdiction of this marketing program shall forthwith remit to the Committee the full amount of the assessment due; or shall instruct the first purchaser to remit the assessment due.

6. Assessments for wheat sold as seed shall be collected from Producers by the first handler who shall deduct the full amount of the assessment from the total monies due the Producer based on the volume of clean seed sold, valued at a price determined by the Committee annually by June 1. Assessments shall be remitted to the Committee by December 1 of each year.

7. If the assessment is not paid by the date specified by the Committee, the unpaid assessment shall be subject to an interest charge at the interest rate specified in section 22, 1965 PA 232, as amended.

8. The Committee shall establish regulations and procedures to ensure the collection of such assessments as shall be due and payable under this marketing program.

BUDGET

1. As soon as practicable prior to the beginning of each fiscal year, the Committee shall prepare a budget of income and expenditures necessary to carry out the program. The Committee shall present such budget to the Director with an accompanying report showing the basis for its calculations.

2. At any time during or subsequent to, a given fiscal year the Committee may amend the budget and present such budget to the Director with an accompanying report showing the basis for its calculations.

3. No more than fifteen (15) percent of the Michigan Wheat Program's net income will be spent for general administration of the program.

4. If at the end of a fiscal year, the assessments collected are in excess of expenses incurred, the Committee, with the approval of the director, may establish and maintain during the fiscal year, reserve funds equal to approximately one fiscal year's expenses. Such reserve funds may be used for all authorized expenses.

SEPARABILITY

If any provision or section of this marketing program is declared invalid, is amended, suspended or terminated, or the application there of to any person, circumstance or

thing is held invalid, the validity of the remainder or the applicability to other persons, circumstances or things, shall not be affected thereby.

MISCELLANEOUS

1. This program may be terminated in accordance with 1965 PA 232, as amended.

2. This program shall become effective upon certification of the referendum results and assessments shall not commence before September 1, 2011.

3. This program shall be resubmitted to a referendum of the producers during each fifth year of operation.