



# **AGRICULTURE DEVELOPMENT DIVISION**

## **Fiscal Year 2021**

**Jamie Zmitko-Somers**  
**Division Director**

**Michigan Department of Agriculture and Rural Development**  
**525 West Allegan, Lansing, MI 48933**  
**P.O. Box 30017, Lansing, MI 48909**  
**Telephone: 800-292-3939**  
**Fax: 517-373-6015**



## LETTER FROM THE DIRECTOR

The Agriculture Development Division report highlights accomplishments of the division during 2021 towards our mission of delivering expertise and leadership to support and promote economic development in Michigan's food, agriculture, and forest products industries. The 2021 year continued to bring challenges but also provided an opportunity for a return to normal activities with three in-person trade shows taking place for the first time in over two years as well as our economic development team returning to in-person meetings with companies and partners around the state.

- Michigan's agricultural exports saw considerable growth in 2021. According to the U.S. Census Bureau, exports totaled \$2.5 billion in 2021, an increase of 15.8 percent from the previous year's total of \$2.16 billion.
- The Economic Development team worked to utilize the last available Agricultural Processing Renaissance Zone, which was a key tool in securing a \$205 million investment by Request Foods in a modern food technology processing plant. The investment will create 198 jobs over three years.
- The Grant Team processed 140 grant reports totaling nearly \$5.5 million in reimbursements for food and agriculture businesses, organizations, and communities.
  - Rural Development and Value-Added Grant - 332 competitive applications were processed, 50 grant agreements established, awarding \$3.8 with matching funds of \$12.2 million.
  - Food & Agriculture Investment Fund - \$653,500 was granted to Michigan companies for nearly \$107 million in project investments creating 69 new jobs through the.
- Governor Whitmer signed bipartisan legislation improving business and distribution opportunities for Michigan craft distillers which increased ABV percentage for canned cocktails and allowed for self-distribution of up to 3,000 gallons/year. The Michigan Craft Beverage Council created a [strategic plan](#) that works to unite the industry, elevate equity and education, and strengthen the craft beverage agricultural supply chain.
- As of September 30, 2021, the Farm Produce Insurance Fund's balance was \$10,731,295 and the Producer Security Program completed 167 risk-based audits.

The Agriculture Development Division will continue to provide support to the food, agriculture and forest products industry during 2022 with a goal of continued economic growth and expansion of the industry.

Jamie Zmitko-Somers

Division Director  
Agriculture Development Division

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## COMMODITY COORDINATION

**PROGRAM MANAGER:** Heather Throne  
517-712-0841 | throneh@michigan.gov

The Michigan Department of Agriculture and Rural Development (MDARD) has legal, fiscal and program oversight responsibility for 15 legislatively established commodity boards that have producer check-offs or producer assessments. The MDARD Director delegates this authority to the Agriculture Development Division (AgD) to represent the MDARD Director at all regular and executive board meetings. MDARD also organizes and leads Commodity Executive and industry stakeholder meetings where staff from nearly 70 agricultural and food organizations are invited to participate. These meetings cover a variety of important topics and current issues for Michigan's food and agriculture industry.

### IMPACT FOR MICHIGAN:

- AgD is responsible for ensuring the Michigan Open Meetings Act and Freedom of Information Act regulations are being followed at the legislatively established check-off boards.
- MDARD is responsible for ensuring funds are being used according to industry adopted programs; and, in compliance with State of Michigan statutory financial and generally-accepted accounting standards.
- MDARD reviews all commodity audits and provides a written review of the audits provided to ensure financial soundness and compliance are generally accepted.

### ACCOMPLISHMENTS:

- In 2021, MDARD attended 68 commodity meetings, making 91% of all scheduled commodity meetings.
- Completed the third-party audit review of all 15 commodity groups, ensuring financial compliance.

### LEGAL AUTHORITY:

- PA 232 of 1965, the Michigan Agricultural Commodities Marketing Act (MI Apple, MI Asparagus, MI Carrot, MI Cherry, MI Corn, MI Dairy, MI Onion, MI Soybean, MI Tree Fruit, MI Blueberry, and MI Wheat Commissions)
- PA 29 Michigan Potato Industry Commission
- PA 114 Michigan Bean Commission
- PA 291 Michigan Beef Industry Commission
- PA 332 Michigan Propane Commission

## MEASURING SUCCESS:

Commodity Meetings with MDARD Staff Participation	Meetings in 2021	Percentage Attended 2021
Bean Commission	7	71%
Wheat Committee	5	100%
Soybean Committee	7	100%
Cherry Committee	4	100%
Tree Fruit Commission	6	83%
Apple Committee	7	100%
Beef Commission	4	100%
Corn Committee	3	100%
Asparagus Committee	4	100%
Carrot Committee	2	100%
Onion Committee	4	75%
Potato Commission	3	100%
Dairy Committee	3	33%
Blueberry Committee	4	100%
Propane Commission	6	100%

### KEY STAKEHOLDERS:

- Michigan Wheat Committee
- Michigan Soybean Promotion Committee
- Michigan Onion Committee
- Michigan Carrot Committee
- Michigan Asparagus Committee
- Michigan Apple Committee
- Michigan Tree Fruit Commission
- Michigan Bean Commission
- Michigan Cherry Committee
- Michigan Corn Marketing Program
- Michigan Beef Industry Commission
- Michigan Dairy Marketing Program
- Michigan Potato Industry Commission
- Michigan Blueberry Commission
- Michigan Propane Commission



## Food and Agriculture Development

**PROGRAM MANAGER:** Nate Engle | 517-388-5708 | [englen@michigan.gov](mailto:englen@michigan.gov)

Mission – deliver expertise and leadership to support economic development in Michigan’s agriculture, food, and forest products industries.

The Economic Development Team assists growers, producers, processors, and the agriculture industry in order to promote and accelerate the growth and investment in Michigan food and agriculture. Assistance includes supply chain connectivity, regulatory navigation, funding/financing, facilitating connections, and export promotional support. The team works collaboratively with other federal, state, and local economic development partners to provide customer service to businesses starting or expanding in Michigan and to companies locating to the Great Lakes State for the first time.

### IMPACT FOR MICHIGAN:

- Increased jobs and investment in Michigan’s food, agriculture, and forest products sectors.
- Enhanced business expansion support to companies through MDARD’s grant programs.
- Increased communication between business and regulatory units towards supporting compliance.
- Attraction of new food processing investments into the state.
- Generates \$104.7 billion in total economic activity via Michigan's food and agriculture sector.

### 2021 ACCOMPLISHMENTS:

- Utilized Michigan’s last remaining Agricultural Processing Renaissance Zone to secure a \$205 million investment in value-added food processing in Holland Township that will create 198 direct jobs.
- 497 visits to food, agriculture, and forest products businesses.
- 332 Michigan businesses applied for MDARD grant funding.
- 1,362 economic development activities completed by MDARD’s economic development team.
- Assisted facilitation of \$467.3 million in investment from small, medium, and large food, agriculture, and forest products business in Michigan.
- Collaborated, cooperated, and engaged local, regional, & state economic development partners 241 times as a part of a “Team Michigan” approach to customer service and solutions delivery to the private sector.

## MEASURING SUCCESS:

Metric (Calendar Year)	FY 2019	FY 2020	CY 2021
Company Visits	385	318	497
Economic Development Activities	686	841	1362
Company Investment	\$238.5 Million	\$96.9 Million	\$467.3 million
New Jobs Created	600	146	410

\*The Food and Agriculture Development program began reporting metrics on a Calendar Year in 2021 to be more in line with private sector fiscal year alignment.

### PROGRAM GOALS:

- Accelerate the growth of Michigan food and agriculture companies through an increase in value-added processing opportunities.
- Promote Michigan as a great place to locate and grow food, agriculture, and forest products companies.
- Provide development consultation to food, agriculture, and forest products companies in order to identify opportunities for growth, collaborate on supply chain efficiencies, and develop long-term support and relationships for economic success.
- Identify opportunities for growth in all food and agriculture sectors with added emphasis on dairy, forest products, and value-added food products.
- Identify development-ready sites that can accommodate food processing growth and work hand-in-hand with food and agriculture industry site selectors.
- Connect business with technical and business development resources in order to foster pathways towards expansion and relocation to Michigan.
- Implement MDARD diversity, equity, and inclusion strategies, expanding information, access, and opportunity in the food, agriculture, and forest products sectors for all Michiganders.
- Evaluate and consider impacts of climate change on Michigan's growers, producers, and processors while responding to meet evolving needs as they adapt production and business practices.



### KEY STAKEHOLDERS:

- Consumers.
- Michigan growers and producers.
- Michigan food, agriculture, and forest products value-added processors.
- Regional & local economic development agencies.
- Local communities.
- Site selectors.
  
- Community development organizations.
- Rural communities.
- Urban agriculture actors.

## FOOD AND AGRICULTURE INVESTMENT FUND:

The Food and Agriculture Investment Program is an incentive program providing support for food and agriculture projects that help expand food and agriculture processing to enable growth in the industry and Michigan's economy. Projects are selected based on their impact to the overall agriculture industry and their impact to food and agriculture growth and investment in Michigan. In Fiscal Year 2021, this program assisted nine projects in Michigan, leading to 70 new jobs and over \$106 million of new investment to Michigan.

### 2021 Food and Agriculture Investment Fund Grants

Project	Location	Amount	Investment	Project outcome
Hudsonville Creamery	Hudsonville	\$150,000	\$83,300,000	Construct cold storage facility and expand processing capacity
Star of the West Milling	Frankenmuth	\$80,000	\$6,300,000	Construct a new flaking facility for wheat
Muskegon Area First (FARM Incubator)	Muskegon	\$63,500	\$2,127,500	Develop a food processing incubator and business development center
Shamco Inc.	Iron River	\$50,000	\$1,961,355	Upgrading sawmill equipment
Carbon Green BioEnergy, LLC	Lake Odessa	\$85,000	\$5,265,000	Purchase equipment to produce industrial and pure grade alcohol
Akroyd's Scottish Bakery	Redford	\$50,000	\$1,200,000	New facility and equipment to increase production of raw and cooked meat products
Cultured Ferments Company LLC	Traverse City	\$10,000	\$110,061	Produce a healthy kombucha
Colture Farms American Apple & Asparagus	New Era	\$75,000	\$4,275,000	Build a controlled atmosphere room for apple storage and update asparagus packing line
EDSPROP LLC (Great Lakes Potato Chips)	Traverse City	\$80,000	\$2,248,326	Build a new production facility







## GRANT PROGRAMS

**PROGRAM MANAGER:** Heather Throne | 517-712-0841 | throneh@michigan.gov

MDARD administered the following grant programs: Specialty Crop Block Grant, Value-Added Grant, Food & Agriculture Investment Fund Grant, Rural Development Fund Grant, and One-Time Grants. The grant funds are used to enhance the competitiveness of specialty crops, develop value-added agricultural processing, assist in efforts focused on removing barriers, and leverage food and agriculture opportunities, and enhance land-based industries in rural communities.

### PROGRAM GOALS:

- Maximize allocated grant funds with strong industry matches to maximize the funding for the industry.
- Continue to review and streamline grant review processes to improve disbursement response times for grantees and reporting processes.
- Implement additional checks and balances with grant financial reviews and conduct site visits for grant projects.

### IMPACT FOR MICHIGAN:

- Enhances the competitiveness of specialty crops
- Provides research on new industry technology
- Provides research on implementing and developing waste management relating to agriculture or agricultural products
- Provides research on pest management
- Increases land-based industries in rural Michigan
- Works to increase food and agricultural jobs
- Stimulates growth in the value-added processing sector
- Administered grants to aid in food access across Michigan with Fair Food Network, Double Up Food Bucks, via general funding and CARES Act funding.

### ACCOMPLISHMENTS:

- MDARD administers an existing portfolio of 169 grant agreements totaling \$26,058,863
- MDARD awarded \$1,299,907 in value-added grants and leveraged \$4,88,023 in matching funds.
- MDARD awarded \$1,700,000 in rural development grants and leveraged \$6,690,156 in matching funds.
- MDARD averaged four days for the review and disbursement of payments for existing grants.
- MDARD's AgD Grant Team processed over 140 grant reviews distributing nearly \$5.5 millions.
- Staff also processed 332 competitive applications, established 50 grant agreements.

## MEASURING SUCCESS:

Metric	2020	2021
Awarded Grant Funds – SCBG, VA & RD	\$4,269,629	\$4,777,990
Leveraged Grant Funds - VA & RD	\$3,010,348	\$11,578,179
Grant Disbursement Response Time (Days)	4	4.8
Active Grant Portfolios	143	169

### LEGAL AUTHORITY:

- Rural Development Fund – Public Act 411 of 2012
- Value-Added Grants & One-time funding – Public Act 166 of 2020

### KEY STAKEHOLDERS:

- Agricultural cooperatives
- Food and agriculture businesses
- Universities and research organizations
- Local governments
- Nonprofit corporations
- Economic development organizations

## FY 2021 Value Added Grants

Name	Location	Amount	Match	Project Outcomes	Completion
Cook Family Processing	Gaylord	\$100,000	\$100,000	Expand livestock processing facility increasing overall capacity in Northern Michigan.	1/31/23
Michigan Blueberry Growers Association	Grand Junction	\$100,000	\$288,495	Expand value added opportunities for Michigan blueberry producers with a new heat-sealed packaging process.	1/31/23
MSU Extension	East Lansing	\$52,600	\$16,720	Purchase bottling and canning equipment for new product development and production with entrepreneurs.	1/31/23
J&A Sunrise Farms LLC	Bailey	\$8,642	\$3,858	Expand the cold storage and establish a farm market store.	1/31/23
Graceland Fruit Inc	Frankfort	\$100,000	\$30,000	Expand a product line for Michigan grown Montmorency cherries.	1/31/23
Upper Peninsula Masonic Association	Marquette	\$49,800	\$15,250	Expand the Masonic Arts, Theatre & Innovation (MÄTI) Company Community Kitchen's equipment and programming	1/31/23
Peace Tree Parks	Detroit	\$98,000	\$29,500	Establish the E. Vernor produce distribution center for fresh organic produce and hot food.	1/31/23
DeGreif's Processing	Sault Ste. Marie	\$95,765	\$189,800	Expand livestock processing for the Eastern Upper Peninsula.	1/31/23
Mount Pleasant Food Co-op	Mount Pleasant	\$100,000	\$100,000	Relocation and expansion of the GreenTree Cooperative Grocery.	1/31/23
Aid in Milan Inc	Milan	\$23,000	\$9,200	Expand the food pantry for direct food assistance.	1/31/23
Trenary Toast Bakery Inc	Trenary	\$45,900	\$19,700	Expand the bakery's oven capacity to increase capacity.	1/31/23
Misty Lane Farm LLC	Stockbridge	\$10,000	\$33,000	Expand on-farm cold storage and renovations for the farm store and food hub.	1/31/23
Amplify GR	Grand Rapids	\$100,000	\$83,750	Expand the Boston Square Incubator kitchen and food hub.	1/31/23
Riley Orchards Receiving and Storage LLC	Mears	\$100,000	\$3,494,900	New asparagus, cherry and apple receiving, processing and storage facility.	1/31/23
SEEDS	Traverse City	\$18,100	\$14,750	Building capacity for expansion of the SEEDS' farm and value- added processing at the Historic Barns Park.	1/31/23
Byron Center Wholesale Meats	Byron Center	\$100,000	\$249,300	Expand a meat packaging line to increase capacity for livestock producers.	1/31/23
Tomato Bliss LLC	Galien	\$98,100	\$69,800	Increase and expand processing line for heirloom tomatoes grown by independent Michigan farmers.	1/31/23
Communities First Inc	Flint	\$100,000	\$140,000	Expand the CEC's kitchen incubator in the food desert, improving entrepreneurial food processing.	1/31/23

## FY 2021 Rural Development Grants

Name	MI Locations	Amount	Match	Project Outcomes	Completion
Apsey Farm LLC	Reed City	\$90,000	\$27,619	Expansion of the livestock processing and distribution	August 31, 2022
Beaver Island Historical Society	Beaver Island	\$31,800	\$13,620	Implement a tourism campaign, upgrades at Heritage Park and Blue Buffalo Camp Trail, develop app.	August 31, 2022
Village of Breckenridge	Breckenridge	\$100,000	\$1,736,931	Expansion to the Technology and Agribusiness Park lots.	August 31, 2022
Gallagher Farms LLC	Traverse City	\$100,000	\$358,550	Establishment of a craft spirits distillery	August 31, 2022
Gatien Farm and Forest Products LLC	Powers	\$100,000	\$349,900	Upgrade equipment with new automated wood products machines	August 31, 2022
Great Lakes Tissue Company	Cheboygan	\$100,000	\$572,548	Expansion of new processing equipment to add value	August 31, 2022
Harbor Hills Fruit Farm	Lake Leelanau	\$100,000	\$55,048	Crossflow filtration unit to enhance the quality of Michigan wines.	August 31, 2022
City of Ishpeming	Ishpeming	\$100,000	\$100,000	Development of Malton Rd. Campground	August 31, 2022
Lakeshore Depot L3C	Marquette	\$100,000	\$79,300	Increase capacity of Michigan-grown products at a new FarmStop store.	August 31, 2022
Mackinac Bluffs Maple Farms, Inc.	Pickford	\$100,000	\$116,600	Construction and installation of a "sap house"	August 31, 2022
City of Negaunee	Negaunee	\$82,600	\$25,100	Multiple upgrades to the Teal Lake Shoreline Beach Area	August 31, 2022
Noquemanon Trails Network Council	Marquette	\$100,000	\$65,000	Expansion of Marquette South Trails	August 31, 2022
Northern Michigan University	Marquette	\$100,000	\$30,000	Implement a Self-Contained Growing Center proposal aims to enhance new Indoor Agriculture	August 31, 2022
Oceana Co. Economic Alliance	Hart	\$100,000	\$2,587,000	Extension of the Village of Shelby's municipal water service	August 31, 2022
Riveridge Land Company	Grant	\$100,000	\$140,000	Construction of a housing unit for 30 additional H2A seasonal workers	August 31, 2022
City of Stephenson	Stephenson	\$41,500	\$41,540	Wastewater treatment facility upgrades	August 31, 2022
TCWC LLC d/b/a Traverse City Whiskey Co.	Traverse City	\$100,000	\$199,800	Improve natural gas infrastructure and install new NG-compatible steam boiler	August 31, 2022
The Cut Custom Processing, LLC	Rosebush	\$78,400	\$33,600	Expand pork processing capabilities at to the USDA processing establishment.	August 31, 2022
Travel Marquette	Marquette	\$20,800	\$113,700	Integration of online and print tools to assist citizens and visitors with hearing, vision and mobility limitations navigate the County	August 31, 2022
Tuscarora Township	Indian River	\$54,900	\$44,300	Installation of additional public boat dockage at Marina Park.	August 31, 2022

## FY 2021 Specialty Crop Block Grants

Name	MI Locations	Amount	Match	Project Outcomes	Completion
Michigan Asparagus Advisory Board	DeWitt	\$86,950	N/A	#2 Increasing the Productivity of Michigan Asparagus Through Sustainable Disease Management Tactics	8/31/23
Michigan Asparagus Advisory Board	DeWitt	\$99,800	N/A	#1 Taking Asparagus Disease Management into the Future with Real-Time, in-Field Sensor Data	8/31/23
Michigan Bean Commission	Frankenmuth	\$124,400	N/A	Enhanced Strategies to Communicate the Value of Michigan Dry Beans: Conventional and Digital Educational Programs to Increase Bean Consumption for Today's Health-Conscious Consumers.	8/31/23
Michigan Bean Commission	Frankenmuth	\$100,000	N/A	Identification of Improved Dry Bean Varieties, Maturities, and Integrated Weed Management Systems: Managing Production for an Evolving Market Place	8/31/23
Michigan Blueberry Growers Association	Grand Junction	\$99,793	N/A	Researching Efficacy of Growing Blueberries in In-Ground Containers Through On-Farm Trials	8/31/23
Michigan Carrot Industry Development Program	DeWitt	\$98,525	N/A	<i>Advancing Weed Management in Michigan Carrots through Novel Cultural, Electrical, and Physical Approaches</i>	8/31/23
Michigan Carrot Industry Development Program	DeWitt	\$100,000	N/A	<i>Evaluating and Disseminating Soil Amendment Practices to Mitigate Heavy Metal Uptake by Carrot</i>	8/31/23
Michigan Cherry Committee	DeWitt	\$89,000	N/A	Branding Montmorency tart cherries with a Geographical Indication: Legal and consumer research and development	8/31/23
Michigan Craft Beverage Council	Lansing	\$45,662	N/A	Specialty Crop Grower Directory for the Michigan Craft Beverage Industry	8/31/23
Michigan Nursery and Landscape Association	Okemos	\$91,555	N/A	New Herbicides and New Uses for MI Nursery Shrub Containers	8/31/23
Michigan Onion Committee	St. Johns	\$98,814	N/A	Combining Pest Control Strategies to Increase Quality of Yield of Michigan Onions	8/31/23
Michigan Potato Industry Commission	East Lansing	\$100,000	N/A	Climate Resilience in Potato: Field and Storage Assessment	8/31/23
Michigan State Horticultural Society	Benton Harbor	\$99,979	N/A	#2 Improving Grape Berry Moth Management in Michigan Vineyards	8/31/23
Michigan Tree Fruit Commission	Lansing	\$99,984	N/A	#1 Characterizing Apple Storage Practices and Potential Risk of Listeria Contamination	8/31/23
Michigan Vegetable Council	St. Johns	\$90,591	N/A	#2 Getting to the Root of the Problem: Increasing Vegetable Plant Establishment and Productivity	8/31/23
Michigan Vegetable Council	St. Johns	\$99,891	N/A	#1 Advancing Agbot and Drone Technologies for Sustainable Soil and Weed Management in Michigan Vegetables.	8/31/23
West Central Michigan Horticultural Research, Inc.	Hart	\$95,685	N/A	Finding Solutions to Cherry Orchard Replant Disorder Using Chemical and Organic Amendments	8/31/23

# International Marketing Program

**PROGRAM MANAGER:** Nate Engle

517-388-5708 | [englen@michigan.gov](mailto:englen@michigan.gov)

Mission – Assist Michigan food, agriculture, and forest products companies in developing domestic and international market opportunities to grow their businesses effectively.

The program works to achieve its mission by assisting Michigan producers and processors in developing trade opportunities through new market development or expanding existing markets. To showcase Michigan companies in the global arena, the program organizes and implements activities such as export seminars, buyers' missions, trade missions, and Michigan Pavilions – a group of booth spaces at select domestic and international trade shows.

## IMPACT FOR MICHIGAN:

Increased exports of food, agriculture, and forest products. Encouragement of companies to become involved in exporting increases economic impact to the state. Benefits to the economy include increased jobs, stable prices for Michigan growers and farmers, and diversified market outlets to assist in weathering market fluctuations.

## ACCOMPLISHMENTS:

- 13 Michigan companies participated in domestic and international tradeshows resulting in more than \$880,000 in export sales.
- 11 companies participated in a technical seminar learning about the United States-Mexico-Canada (USMCA) Trade Agreement.
- 2021 "Michigan Agriculture Exporter of the Year" awarded to Citizens Elevator for exporting niche, edible Natto soybeans to east Asian markets. "Rising Star" exporter awarded to Schramm's Mead.
- \$2.5 billion worth of food, agriculture, and forest products exported from Michigan to markets across the globe in 2021.



## MEASURING SUCCESS:

Metric (Calendar Year)	2019	2020	2021
Number of Michigan companies participating in Food Export Association of the Midwest programs and services.	96	85	72
Number of visits to Michigan companies by export team.	52	28	40
Number of export assistance activities provided to Michigan companies	N/A	N/A	358
Number of followers on Twitter	1,732	1,869	1,937
Number of followers on Facebook	783	787	798

## PROGRAM GOALS:

- Assist Michigan companies in the export of food, agriculture, and forest products whether first-time exporters or experienced exporters with specific technical support needs.
- Provide support to companies navigating federal export assistance programs.
- Continually increase MDARD outreach to Michigan companies with international marketing offerings.
- Develop opportunities for Michigan businesses to adjust and respond to economic changes as a result of the global pandemic.
- Collaborate with Michigan commodity groups to promote increased exports.



## KEY STAKEHOLDERS

- Food, agriculture, and forest products exporters.
- Food Export Association of the Midwest.
- Michigan commodity groups.
- Growers and producers.

## Michigan Craft Beverage Council

**PROGRAM MANAGER:** Jenelle Jagmin | 517-930-0696 | jagminj@michigan.gov

The Michigan Craft Beverage Council (MCBC) is a program of the Michigan Department of Agriculture and Rural Development, established on October 1, 2018.

The mission of the MCBC is to advance a well-connected craft beverage industry through research, promotion, and agricultural business development, reinforcing Michigan as a world-class craft beverage destination.

### IMPACT FOR MICHIGAN:

The MCBC program contributes to an industry that serves as an important statewide economic driver. Craft beverage businesses create jobs and opportunities in multiple sectors, including agriculture, tourism and agritourism, manufacturing, distribution, and services.

Michigan farmers currently manage 3,375 acres of wine grape vineyards, and there are nearly 700 acres of hops in production. Craft beverage companies contribute significantly to the economic stability and placemaking efforts of rural and urban communities.

### ACCOMPLISHMENTS:

- MCBC approved nine research projects for a total of \$274,003 in priority-driven grant funding
- MCBC unveiled the results of strategic planning, including six strategic program priorities and mission statement
- MCBC released a request for proposals for Diversity, Equity, and Inclusion consultation and awarded the activity to Michigan Roundtable for Diversity and Inclusion.
- MCBC was awarded a Specialty Crop Block Grant to create a craft beverage specific specialty crop agriculture directory.



## MEASURING SUCCESS:

Metric	FY2020	FY2021
Outreach to businesses and stakeholder groups	74	88
Number of grant projects funded	14	9
Number of industry newsletter followers	2506	3027
New users to Michigancraftbeverage.com	1842	21,044

## PROGRAM GOALS:

- Complete year-one phase of Specialty Crop Block Grant activities including strategic outreach, data collection, video storyboards, and directory layout.
- Work with consultant to engage Council members in Diversity, Equity, and Inclusion phase one strategies, including Cultural Competency surveys
- Engage stakeholders in identifying critical industry research needs and specific, timely research priorities
- Increase consumer awareness and support of Michigan's world-class agricultural craft beverage industry.

Expenditures	FY21
Administration	\$103,970
Council Expenses	\$313
Research and Education Grants	\$274,003
Promotion and Consumer Education	\$46,482



## KEY STAKEHOLDERS

- Wineries, breweries, distillers, and hard cider producers
- Wine grape and fruit growers, hop growers, grain and barley growers, and maltsters
- Industry trade partners: retailers, restaurants, and wholesalers
- Michigan universities, fermentation programs, and other educational institutions
- Tourism organizations

## LEGAL AUTHORITY:

- Public Act 155 of 2018
- Public Act 154 of 2018

## Fiscal Year 2021 Michigan Craft Beverage Grants

Applicant	MI Locations	Amount	Match	Project Outcomes	Completion
Michigan State University	Ingham	\$19,684	\$160,000	Role of planting date and seeding rate in optimizing winter survival, yield and quality of malting barley	August 2022
Michigan State University	Mason Berrien Co, Grand Traverse, Leelanau, St. Clair, Washtenaw, Monroe, Emmet, Kent	\$39,948		Finding Solutions to Manage Plant-Parasitic pests of Michigan Hopyards	August 2022
Michigan State University	Kalamazoo, Alger	\$24,442		Evaluation of Cereal Rye Varieties for the Michigan Craft Distilling Industry	August 2022
Michigan State University	Ionia, Ingham, and Berrien, Kalamazoo	\$40,000		Late season disease management and its effect on Michigan hop and barley crop quality	August 2022
Michigan State University	Berrien, Grand Traverse, Leelanau, Ionia, Ingham	\$40,000		Influence of cluster rot clots on the crop quality of wine grapes from Michigan vineyards	August 2022
Michigan State University	Genesee, Kent, Ionia, Eaton, Ingham	\$24,517	\$25,000	Advancing Sterile Insect Technique in Codling Moth by Investigating Release and Capture Methods	August 2022
Michigan State University	Ingham, Kalamazoo	\$30,768		Diacetyl Production, Reduction and Control in Beers Brewed with Raspberries and Other Adjunct Sugar Sources	August 2022
Michigan State University	Sanilac, Tuscola, Ingham.	\$20,000	\$6,000	Variety Selection and Nitrogen Application for Oat Malting	August 2022
Michigan State University	Ionia, Ingham, Leelanau, Clinton, Berrien, Schoolcraft	\$34,644	\$34,644	New Apple Varieties for Michigan Hard Cider Production	August 2022

## Fiscal Year 2020 Michigan Craft Beverage Council Grant Results

Primary Researcher	Grant Proposals and Results	Amount
Michigan State University - Sabbatini	<p>Grapevine Cold Hardiness</p> <p>This project suffered COVID related setbacks and has been extended. Current accomplishments include growing grapevines in a greenhouse, Foliar ABA application, and seasonal leaf collection.</p>	\$35,982
Michigan State University - VanNocker	<p>Development of Red-Juiced Apple Cultivars for Michigan Hard Cider</p> <p>Researchers distributed the first of several projected high-performing plants to Michigan growers. After a trial period, if performance is verified under commercial production conditions, we will apply for plant patents, providing income to sustain this project into the future. Using the model enabled by funding from MCBC, we will continue to make crosses, evaluate existing lines, and generate mapping populations each year.</p>	\$34,474
Michigan State University - Sirrine	<p>Investigating the Terroir-Influenced Quality Attributes of Hops</p> <p>This project suffered COVID related setbacks and has been extended. Current accomplishments include sourcing and analysis of Chinook hops from multiple farms, a descriptive sensory analysis, and statistical analysis. Project also completed a consumer preference survey.</p>	\$31,920
Michigan State University - Pennington	<p>Variety Selection and Agronomy Practices for Soft Winter Wheat Malting</p> <p>This project suffered COVID related setbacks and has been extended. Current accomplishments include Wheat was planted at the Mason Research Farm on September 17, 2020. Fall starter fertilizer (0-0-60) has been applied according to the treatment list. This is the year 2 crop for this project. Malting analysis data for the year 1 crop has been received and is being analyzed for the year 1 final report.</p>	\$21,434
Michigan State University - Baas	<p>Evaluation of Cereal Rye Varieties for the Michigan Craft Distilling Industry</p> <p>Researchers planted, managed and harvested variety trials including 15 varieties at three locations. They evaluated varieties from each location for grain quality, spirit yield and sensory characteristics. They implemented plant growth regulator and fungicide treatments at two locations and collected in field data on phenology and plant characteristics.</p>	\$29,190

## Fiscal Year 2020 Michigan Craft Beverage Council Grant Results

Primary Researcher	Grant Proposals and Results	Amount
Michigan State University - Singh	<p>Role of Planting Date and Seeding Rate in Optimizing Winter Survival, Yield and Quality of Malting Barley</p> <p>This project suffered COVID related setbacks and has been extended. Current accomplishments include Field trial during the 2019-20 growing season was planted and harvested successfully, with some challenges as listed below. Samples collected from field are undergoing quality analysis presently.</p>	\$24,044
Michigan State University - Miles	<p>Developing Integrated Pest Management Approaches for Bunch and Sour Rot Control in Michigan Vineyards</p> <p>For this project we have noted significant differences in parts of the canopy and sections of the cluster that appear to be more susceptible to cluster rots. This information will likely be an important component of future work and we propose in the future to look at differential feeding of insects and the impact that cluster architecture has on the microbial community of grape fruits. Future research at MSU research centers (i.e. Clarksville Research Center) will allow us to study when clusters are most susceptible and what cultivars are most impacted by cluster rots.</p>	\$30,000
Michigan State University - Chilvers	<p>Optimizing Fungicide Inputs for Disease Management on Barley &amp; Hops</p> <p>2020 barley yield and malting quality data indicates that spraying of a preferred fungicide at 4-6 post full heading gives the most yield protection and the best grain quality for malting. Foliar disease data also indicates that yield protection can be best achieved by managing these diseases that move in later in the season during heading rather than earlier in the season during node formation.</p>	\$29,000
Michigan State University - Morelli	<p>Fermented Beverage Analysis Lab at MSU</p> <p>This project suffered COVID related setbacks and has been extended. The original timeline aimed to have all equipment ordered and lab organized by August. However, due to COVID and university restrictions the lab was not accessible for many months. Project is still on track to be completed with new timeline.</p>	\$49,998
Michigan State University - DeDecker	<p>Investigating Winter Hardiness to Advance Winter Malting Barley as a Climate Adaptation Strategy in Michigan/</p> <p>This project suffered COVID related setbacks and has been extended. Current accomplishments include identifying collaborators, sourced seven winter barley varieties, and secured three farm collaborators.</p>	\$38,800

## Fiscal Year 2020 Michigan Craft Beverage Council Grant Results

Primary Researcher	Grant Proposals and Results	Amount
Michigan State University - Malone	<p>Increasing Demand for Michigan's Emerging Hard Cider Industry Thorough Communication and Promotion</p> <p>This project suffered COVID related setbacks and has been extended. Activities performed include a review of literature, a review of current market is partially completed, and a survey draft has been completed and piloted.</p>	\$25,000
Michigan Technological University - Tajiri	<p>Berries &amp; Brews: Understanding the Market and Technological Processing Opportunities of Michigan Grown Fruit in the Craft Beverage Industry</p> <p>Aside from uncontrollable pandemic issues, we could try methods to have reasonable numbers of survey responses. Also, there are discrepancy between availability of fruits in Michigan and fruits brewers plan/wish to use in their products. Would like to look into more of the financial (cost effectiveness, invest-return) of the fruit use as a future projects.</p>	\$33,597
Parallel 45	<p>Educational and Training Opportunities to Michigan's Grape and Wine and Cider Industry</p> <p>This project suffered COVID related setbacks and has been extended. Education opportunities are currently being planned.</p>	\$3,100
Michigan State University - Quintanilla	<p>Finding Solutions to Manage Plant-Parasitic Pests in Hopyards</p> <p>During year one of the field trial, we found that Pelletized Poultry Manure was a potentially viable option for control of root lesion nematodes, that corresponded with higher yields. If this can be repeated, this would be a cost-effective approach for growers with additional soil health benefits. For molecular identification, we found optimal primers and conditions for effective identification. We plan to share these parameters with the MSU Diagnostic Laboratory to eventually create efficient and cost-effective protocols for positive identification for plant parasitic nematodes.</p>	\$44,513

## PRODUCER SECURITY

**PROGRAM MANAGER:** Jeff Haarer  
517-284-5642 | [haarerj@michigan.gov](mailto:haarerj@michigan.gov)

The Producer Securities Program regulates the storage, warehousing, and sale of farm produce in Michigan. The Farm Produce Insurance Authority (FPIA) administers the collection of producer assessments, the payment of producer claims, and the investment of producer funds.

This program assists with producer security regulations under the Wholesale Potato Dealers and the Manufacturing and Fluid Milk Programs. The program also provides financial, compliance and assessment review services for legislatively enacted commodity associations.

The Agricultural Marketing and Bargaining Program works with the industry to establish marketing and processing pricing for asparagus and apple crops grown in Michigan.

### IMPACT FOR MICHIGAN:

Producers rely on licensed grain dealers to hold and protect grain deposits similar to when we deposit our savings in a bank. The Farm Produce Insurance Act was enacted to protect farmers in the event of a farm produce dealer's financial failure. In 2020, there were over \$2.7 billion in cash receipts for barley, corn, dry beans, oats, soybeans, and wheat handled by Michigan's 212 licensed grain dealers (194 in-state). Since 2003, 308 producers have recovered \$5,639,557 in claims under the Farm Produce Insurance Act. Insolvencies among grain dealers, wholesale potato dealers, livestock auctions, and dairy plants impact communities, businesses, and farmers through loss of jobs, income, and market.

### ACCOMPLISHMENTS:

- As of September 30, 2021, the Farm Produce Insurance Fund's balance was \$10,731,295.28.
- Ongoing FPIA administrative assessments are at .00015 or 15 cents on \$1,000 of grain sold.
- In 2021, the FPIA paid no producer claims. MDARD is currently reviewing 30 Michigan producer claims that were not paid from an out of state firm when they filed Chapter 11 bankruptcy on July 8, 2021.

## MEASURING SUCCESS:

Metrics Achieved	2020	2021
Risk-Based Audits	123	148
Working Capital Exams	24	19

## PROGRAM GOALS:

- For 2022, the Producer Security Team will monitor renewal applications in grain dealer licensing portal that began on April 7, 2021, to ensure previously licensed businesses maintain business licenses, if they remain active.
- For 2022, develop metrics and procedures to identify entities that are eligible for working capital audits through a risk-based analysis approach.
- For 2022, provide support for Farm Produce Insurance Authority in liquidation, claim payment, and recovery regarding financial losses to producers from grain dealer licensee failure based in Minnesota.
- For 2022, review inventory, working capital, and enforcement procedures to determine the most efficient and effective methods for safeguarding and administering the \$10.8 million Farm Produce Insurance Fund and providing adequate producer security to Michigan producers.



### KEY STAKEHOLDERS:

- Agricultural producers
- Michigan Agri-Business Association
- Michigan Farm Bureau
- Michigan Agricultural Commodity Marketing Associations
- Agricultural lenders

### LEGAL AUTHORITY:

- Grain Dealers Act, PA 141 of 1939, as amended
- Farm Produce Insurance Act, PA 198 of 2003, as amended
- Wholesale Potato Dealers Act, PA 158 of 1964
- Manufacturing, PA 266 of 2001, and Fluid Milk, PA 267 of 2001, Acts, as amended
- Livestock Dealers Act, PA 284 of 1937, as amended
- Agricultural Commodities Marketing Act, PA 232 of 1965, as amended
- Agricultural Marketing and Bargaining Act, PA 344 of 1972, as amended