

# MICHIGAN COMMISSION OF AGRICULTURE AND RURAL DEVELOPMENT

Hillman Community Center  
24220 Veterans Memorial Highway  
Hillman, Michigan

## MEETING MINUTES September 19, 2018

### **PRESENT:**

Bob Kennedy, Chair, Michigan Commission of Agriculture and Rural Development  
Brian Pridgeon, Secretary, Michigan Commission of Agriculture and Rural Development  
Diane Hanson, Past Chair, Michigan Commission of Agriculture and Rural Development  
Dru Montri, Past Chair, Michigan Commission of Agriculture and Rural Development  
James Averill, Deputy Director, Michigan Department of Agriculture and Rural Development

### **ABSENT AND EXCUSED:**

Trever Meachum, Vice Chair, Michigan Commission of Agriculture and Rural Development

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

Chairperson Kennedy called the meeting of the Commission of Agriculture and Rural Development to order at 8:37 a.m. on September 19, 2018. Commissioner Pridgeon called the roll with Commissioners Hanson, Kennedy, Montri, and Pridgeon, and Deputy Director Dr. Averill present.

### **APPROVAL OF AGENDA**

**MOTION: COMMISSIONER MONTRI MOVED TO APPROVE THE MEETING AGENDA FOR SEPTEMBER 19, 2018. SECONDED BY COMMISSIONER PRIDGEON. MOTION CARRIED.**

### **APPROVAL OF AUGUST 22, 2018, MEETING MINUTES**

**MOTION: COMMISSIONER PRIDGEON MOVED TO APPROVE THE AUGUST 22, 2018, MEETING MINUTES. SECONDED BY COMMISSIONER MONTRI. MOTION CARRIED.**

### **NEXT SCHEDULED MEETING**

The next scheduled meeting is Wednesday, November 7, 2018, to be held at the Trevor Nichols Research Center in Fennville, Michigan.

### **COMMISSIONER COMMENTS AND TRAVEL**

**Commissioner Montri** reported on their farm, they are planting winter crops in the hoophouses and having to use shade cloth because of the warm temperatures. They continue to enjoy a great summer crop harvest. They are working with several restaurants and groups for farm-to-fork dinners and a recent dinner at Dusty's in Lansing highlighted all of their farm product. They are looking forward to a fund-raising event for the Bath Farmers Market on October 12 and are involved with the elementary school hoophouse program, with three teachers using that space as part of their curriculum.

She attended the Saginaw Valley Research and Extension Center Field Day in August, as well as the Michigan State Fair. She is looking forward to Potato Day at the Capitol.

**Commissioner Pridgeon** reported in southern Michigan, dairy farmers are busy with the silage crop and hog farmers began harvest because they were out of corn. Growth markets continued to be stressed, but show signs of improvement. In response to question from Commissioner Kennedy, Commissioner Pridgeon advised the pork market has been in a period of volatility, without any resolution on the tariff trade wars. At the same time, some disease pressure in foreign markets is improving our market. Currently, U.S. pork is being considered safer by consumers, offering some opportunities for producers. Hurricane Florence did disrupt some packer capacity in North Carolina and that may affect logistics within the states.

**Commissioner Hanson** reported extremely warm weather in the Upper Peninsula (UP). Potato harvest began last week, and dairy and bean farmers have been able to harvest some third crop, which is very welcome considering the dry spring. Dry beans are expected to be an average crop in the UP. Beef farmers will be shipping their cattle within the next two weeks. Cooler weather did arrive yesterday, which will assist potato harvest; however, rain is needed in the area.

**Commissioner Kennedy** reported the Saginaw Valley is beginning to harvest soybeans, which is expected to be average to slightly above average. Dry beans are being harvested and prospects are for an average crop in the region. Expectations overall in Michigan include a smaller corn crop due to weather conditions this year, and an average bean crop. The industry is dealing with the effects of the tariffs and there will be challenges in moving soybeans out of the state. Some of the basis and storage levels are widening out for lack of movement and harvesting the crop could be challenging in some areas.

Relative to Hurricane Florence, shipping into that sector has basically been restored, and by Friday, will be completely back in business. Effects on Michigan should be minimal.

In response to question from Commissioner Montri, Commissioner Kennedy advised the U.S. Department of Agriculture (USDA) recently announced support, especially around soybeans, has received positive reaction from the industry. Commissioner Pridgeon advised the program has created some challenges; however, it offers fair representation of the economic loss. Dairy has argued it has been misconstrued, and you could also argue that for a corn grower, where there was not much support. Commissioner Kennedy advised soybeans were the major target on the crop side.

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

## **DIRECTOR'S REPORT**

Deputy Director Dr. Averill advised Director Wenk is on a China Trade Mission with the Governor and several Michigan commodities and businesses this week. And today, Chief Deputy Director McFarlane is participating in an award celebration recognizing the department's Lean Process Improvement Farmland Preservation Team, who is receiving the Formula 1 Award. He expressed his congratulations to the team.

He welcomed the Commissioners to the area, noting they will receive pertinent bovine TB information this morning, as well as have an opportunity to interact with some producers in the Hillman area during a tour this afternoon.

On September 4-5, Director Wenk, Chief Deputy Director McFarlane, and he participated in an EPA Region 5 meeting in Chicago. Region 5 directors for agriculture, natural resources, and environment from each state were invited to discuss EPA activities and best practices, and to network with one another. It was centered around the theme, "Better Together," and was a very beneficial experience. Discussions included the Great Lakes, Western Lake Erie Basin, invasive species, technologies, and environmental community-based programs. It was good to have those conversations with EPA Region 5, and they encouraged them to coordinate a similar meeting early next year once new administrations are established in order to continue the "Better Together" effort.

On September 9-12, the National Association of State Departments of Agriculture (NASDA) annual meeting was held in Hartford, Connecticut, and Chief Deputy Director McFarlane and he attended. It offered a good opportunity to interact with agriculture directors, secretaries, and commissioners from across the country. USDA Secretary Sonny Perdue addressed the assembly, which included conversations around trade and tariffs, and efforts under the Trump Administration to address those issues. They also had the opportunity to tour various aspects of the agriculture industry in Connecticut, which included robust forestry, livestock, and grape industries.

During the Commodity Executives meeting on Monday, there was a soft roll-out of the updated Economic Impact of Michigan's Food and Agriculture System report, which was created through a partnership with the Product Center at Michigan State University (MSU). The study represents good news in agriculture, with the revised 2018 numbers indicating a \$104.7 billion economic impact to the state economy for food and agriculture. This is an increase of \$13.3 billion from the 2012 study, depicting the continued growth in the industry. The report shares there are an estimated 805,000 people employed in food and agriculture in Michigan. With over 300 different commodities in Michigan, overall job opportunities have increased, and the industry is clearly doing its part to maintain economic stability in the state. He expressed kudos to all of those in the industry – the work they do every day is greatly appreciated. The full report is available on the Michigan Department of Agriculture and Rural Development (MDARD) website.

Governor Snyder's administration will be term-limited this year and steps are in process for assisting with the transition. Numerous transition documents were forwarded earlier this month to help prepare the new administration and the appointed MDARD Director with an understanding of the structure and issues for MDARD.

He reminded the Commission of the MDARD Employee Awards Ceremony at 2:00 p.m. on October 30 at the Michigan Library and Historical Center. He thanked Commissioners Kennedy and Montri for advising they would be joining that event. If other Commissioners can attend, please let the department know.

MDARD recently recognized the Exporter of the Year, which is Dr. John's Candies, located in Comstock Park, and Governor Snyder also recognized their achievements. Owners Dr. John and Deb Bruinsma specialize in the export of sugar-free candies, including lollipops, hard candies, chocolates, caramels, taffy, and gum. In 2017, 22 percent of Dr. John's annual sales were attributed to exports to Canada, Germany, Korea, Japan, China, and New Zealand.

A press release will be issued soon announcing the Rural Development Fund Grant Program for the upcoming fiscal year, to which there have been no major guideline changes. The department will be allocating \$125 million for the new fiscal year, which represents an increase over the \$800,000 available this current year. There will be a two-month window for companies to submit grant applications.

He advised his days of wearing two hats are coming to end, as the department has selected a person to become the next State Veterinarian and Animal Industry Division Director, and that is Dr. Nora Wineland. She will start with MDARD on November 5, and is a long-time employee of the federal government, having worked in various capacities for USDA. She and her husband currently reside outside of Kansas City and will be moving to Michigan, which is back home for her. MDARD is looking forward to her joining the department.

## **INTRODUCTIONS**

Deputy Director Dr. Averill introduced Senator Jim Stamas from the 36<sup>th</sup> Senate District, and Representative Sue Allor from the 106<sup>th</sup> District, and invited them to say a few words.

Senator Stamas thanked the Commission for the opportunity to be in Hillman today, which is within the ten-county region he represents. The region has about 2,300 farms and is a substantial part of the district. He appreciates what the Commission and the department do for the district and looks forward to hearing more as the day progresses.

Representative Allor thanked the Commission for conducting their meeting in Hillman. She represents the five counties in the 106<sup>th</sup> District, which contains many dairy, beef, and crop operations. She appreciates the Commission being able to share the activities being conducted and keeping them informed.

## **PUBLIC COMMENT (AGENDA ITEMS ONLY)**

There was no public comment relative to agenda items.

## **MICHIGAN AGRICULTURE ENVIRONMENTAL ASSURANCE PROGRAM (MAEAP) ADVISORY COMMITTEE: Committee Co-Chairs Laura Campbell, Manager, Ag Ecology**

**Department, Michigan Farm Bureau, and Dr. Ronald Bates, Director, Agriculture and Agribusiness Institute, Michigan State University**

Dr. Bates advised it is a pleasure to share the activities of the Michigan Agriculture Environmental Assurance Program (MAEAP) Advisory Council. MAEAP is the culmination of Public Acts 1 and 2 from 2011 which amended Public Act 451 from 1994 to create and codify the activities around MAEAP. Today, they would like to share what the Advisory Council does as prescribed within the legislation.

The MAEAP mission is to develop and implement a proactive environmental assurance program that targets Michigan farms of all sizes and every commodity, ensuring that farmers are engaging in cost-effective pollution prevention practices and working to comply with state and federal environmental regulations. It is all encompassing, with the idea it would be a voluntary program to assist farmers in being better stewards of the land.

As stated in the statute, the Co-Chairs of the MAEAP Advisory Council are to be a representative of Michigan State University Extension (MSUE) and a person representing a Michigan farm organization or a farmer. He and Ms. Campbell currently serve as the Co-Chairs of this important MAEAP component. The 30-member Advisory Council is appointed by the Director and are to represent a broad spectrum of the farming community, conservation entities, and federal and state agencies, as directed within the statute. He reviewed a chart depicting the different entities represented on the Advisory Council, including MDARD, the Michigan Department of Environmental Quality (MDEQ), MSU Extension, MSU AgBioResearch, USDA Natural Resources Services, Conservation Districts, and non-governmental organizations representing the conservation community, along with farmers and farm stakeholder organizations. It represents a good cross-section of all that would characterize natural resources and agriculture in Michigan. This is a very dedicated group whose members regularly participate in the meetings.

Ms. Campbell advised one of the keys of the program is knowing that MAEAP started with farmers, with the agriculture industry itself. The Advisory Council ensures those farming and agriculture representatives are integral to what they accomplish, which continues to be one of the most important aspects of the program.

As stated in statute, Dr. Bates advised the purpose of the MAEAP Advisory Council is to be advisory to the MDARD Director in implementing a MAEAP program designed to promote natural resources conservation through education, technical assistance, and verification. Specifically, it states the Council should develop standards for MAEAP, provide a process for on-farm verification of specific practices, and develop water quality and environmental monitoring standards, as well as develop protocols for verification and revocation of verification. This is very much a working council as it relates to understanding how we can better use the science-based information available in a cost-effective manner to improve environmental compliance, as well as improve nutrient retention.

The various system subcommittees include the Livestock Subcommittee, co-chaired by Kevin Gould, MSUE, Dean Letter, Michigan Milk Producers Association, and Ernie

Birchmeier, Michigan Farm Bureau (MFB); the Farmstead Subcommittee, chaired by Laura Doud, MDARD (interim); the Cropping Subcommittee, chaired by Josh Appleby, MDARD (interim); and the Forest, Wetland, and Habitat Subcommittee, co-chaired by Jason Darling, Darling Forestry, and Gib King, U.S. Fisheries and Wildlife Service. These subcommittees meet throughout the year to evaluate the standards developed over time, invite speakers to provide updates on different scientific aspects, and include conservation technicians and MDARD and MDEQ staff, as well as farmers to determine what can be improved. They eventually report to the Advisory Council. Ms. Campbell advised the committees also coordinate the MAEAP Standards with the standards developed under the Generally Accepted Agriculture and Management Practices (GAAMP) to ensure they remain in harmony. Dr. Bates advised the committees are very diverse, representing many of the same components as the Advisory Council.

The Council meets four times each year, during which it receives updates from members, makes recommendations to the Director for program implementation and management, and establishes deadlines for the system approval process based on the Michigan Commission of Agriculture and Rural Development meeting schedule. During meetings, they also review recommendations from the system sub-committees; discuss, amend, and make final recommendations to the Commission and Director; receive status reports of the MAEAP program from MDARD; and accept public comment.

Ms. Campbell advised the Council also assigns ad hoc taskforces and workgroups to address specific issues specific to agriculture. For instance, how do we harmonize MAEAP with other sustainability standards, address challenges with verification, and incentivize farmers to participate and complete verification.

Dr. Bates reported the MAEAP program has made impressive progress over the years. Accomplishments during the Fiscal Years (FY) 2016 and 2017 include over 367,000 acres with Nutrient Management Plans (575 square miles), over 61,000 acres in cover crops (95 square miles), over 540,000 tons of soil kept in place, and almost 900,000 pounds of phosphorus and over two million pounds of nitrogen kept in fields. MAEAP efforts in the Western Lake Erie Basin in FY 2016-17 include seven local conservation technicians, over 25,000 acres of conservation tillage, almost 51,000 acres with Nutrient Management Plans, more than 8,000 acres of cover crops, total phosphorus reduced by 91,000 pounds, total sediment reduced by 119,000 tons, and over \$2 million of cost share realized through the Regional Conservation Partnership Program. An impressive amount of work has been accomplished. Ms. Campbell noted Ohio has been faced with various challenges, including lawsuits and confusion over impairments. She has made two trips to Ohio to discuss MAEAP and she feels very positive the Ohio commodity organizations and their Farm Bureau are very interested in starting a similar program, and we will be there to share our experience.

Commissioner Montri asked, beyond the Food Safety Modernization Act implementation (FSMA), what issues does the Council anticipate for the future. Ms. Campbell advised some of the major things to be considered include drilling down into nutrient management and finding solutions to address both farmer and stakeholder water quality questions. They will also be considering the program's future and how to develop something the non-farming public recognizes and accepts as an environmental

standard, as well as maintaining a voluntary program – to help Michigan as a whole talk about the positive way our farmers are able to protect the environment.

In response to question from Commissioner Montri, Ms. Campbell advised the newly developed MAEAP database is a tool that can help farmers working through the verification process be able to talk about the positive environmental impacts they have already made. They also hope to identify the trigger that can bring new farmers into the program. Dr. Bates advised new research is developing that will help people better appreciate what the different practices can help improve, helping to move producers into program adoption.

Commissioner Kennedy asked how many farms are MAEAP verified. Ms. Campbell advised the number of verifications is tracked and many farms are verified in multiple systems. At the beginning of the year, over 3,000 farms had achieved at least one verification. MFB Member Policy states a goal of having 80 percent of farms in Michigan participating in MAEAP, making verification the norm.

Commissioner Montri advised when there is no economic incentive or pressure from their markets, it is difficult for a farmer to prioritize MAEAP verification. Ms. Campbell advised the Environmental Stewardship Division now has a communications specialist and retooling the MAEAP outreach program is one of her priorities in order to create the public awareness that drives buying choices based on sustainability.

In response to questions from Commissioner Hanson, Ms. Campbell advised annual growth continues in the program and farms must be reverified every five years. On average, there is an 85 percent retention rate for MAEAP verification.

Deputy Director Dr. Averill reported the department has the ultimate goal of 6,000 MAEAP verifications. Coupled with the need for research and the continuing work required to consider environmental impact and develop practices to create sustainability, is the work currently being conducted to consider dissolved phosphorus. To further assist in efforts, the department is standing-up the Fertilizer Research Advisory Committee to consider fertilizer impacts.

Relative to Hurricane Florence, Ms. Campbell reported the North Carolina Farm Bureau Foundation has organized a relief effort for farmers and information should be available soon on MFB's website for anyone interested in donating.

Commissioner Kennedy thanked Ms. Campbell and Dr. Bates for all of their outstanding efforts, which is greatly appreciated by the Commission and the department.

**MICHIGAN AGRICULTURE ENVIRONMENTAL ASSURANCE PROGRAM (MAEAP) STANDARDS PROPOSED CHANGES: Jim Johnson, Division Director, and Joe Kelpinski, MAEAP Manager, Environment Stewardship Division**

Mr. Johnson advised the department is very appreciative of the leadership Ms. Campbell and Dr. Bates provide to MAEAP. Obviously, we are in a good place under their leadership and the program is progressing very well because of all the energy and thought they dedicate to the effort every day. The MAEAP Standards before the

Commission today are the culmination of that work which is happening throughout the entire year.

The Commission has the statutory responsibility to annually approve the MAEAP Standards, changes for which were introduced at the last meeting, with consideration for approval during today's meeting. If approved, these standards would be implemented and used for MAEAP verification for individual operations over the next year. With this being the eighth year for the standards review process since codification, the tools are relatively mature, and no major issues have risen in any of the agricultural sectors. Most of the changes are for consistency between the tools, or additional questions based on other affecting changes. The exception is the Forestry, Wetlands, and Habitat System, which is relatively new and continues to be improved. There are no revisions recommended for the Nursery and Christmas Tree and Livestock systems.

Mr. Kelpinski advised he will review each system and answer any questions. He started with the Forestry, Wetlands, and Habitat System, noting a clarification was needed that changes reference from "forest management plans" to "land management plans" to be all encompassing of all habitat types within the system.

In response to question from Commissioner Montri, Mr. Kelpinski advised staff working with the land owners make them aware there might be local laws that pertain to that particular track of land.

**MOTION: COMMISSIONER PRIDGEON MOVED TO APPROVE THE MICHIGAN AGRICULTURE ENVIRONMENTAL ASSURANCE PROGRAM STANDARDS FOR THE FORESTRY, WETLANDS, AND HABITAT SYSTEM AS PRESENTED. SECONDED BY COMMISSIONER MONTRI. MOTION CARRIED.**

Mr. Kelpinski advised only two changes were made to the Farmstead System, relating to fuel tanks as outlined in the revisions to improve awareness of regulations. Other changes were for consistency.

In response to question from Commissioner Montri, Mr. Kelpinski advised the premise of the program has always been that we have relationships with our producers and work with them during the five-year interval to create awareness of requirements for reverification and help them adapt to any changes. Producers also must work through the A-Syst tools every three years.

**MOTION: COMMISSIONER MONTRI MOVED TO APPROVE THE MICHIGAN AGRICULTURE ENVIRONMENTAL ASSURANCE PROGRAM STANDARDS FOR THE FARMSTEAD SYSTEM AS PRESENTED. SECONDED BY COMMISSIONER HANSON. MOTION CARRIED.**

Mr. Kelpinski advised the Cropping System for Fruit contains no changes beyond those incorporated for consistency with FSMA requirements.



**MOTION: COMMISSIONER PRIDGEON MOVED TO APPROVE THE MICHIGAN AGRICULTURE ENVIRONMENTAL ASSURANCE PROGRAM STANDARDS FOR THE CROPPING SYSTEM FOR FRUIT AS PRESENTED. SECONDED BY COMMISSIONER HANSON MOTION CARRIED.**

Mr. Kelpinski reported the Cropping System for Field Crops and Vegetables contains only changes for consistency with FSMA.

**MOTION: COMMISSIONER PRIDGEON MOVED TO APPROVE THE MICHIGAN AGRICULTURE ENVIRONMENTAL ASSURANCE PROGRAM STANDARDS FOR THE CROPPING SYSTEM FOR FIELD CROPS AND VEGETABLES AS PRESENTED. SECONDED BY COMMISSIONER MONTRI. MOTION CARRIED.**

Mr. Kelpinski advised the Greenhouse System contains two verifications, Farmstead and Cropping. The standards contain changes consistent with FSMA.

**MOTION: COMMISSIONER MONTRI MOVED TO APPROVE THE MICHIGAN AGRICULTURE ENVIRONMENTAL ASSURANCE PROGRAM STANDARDS FOR THE GREENHOUSE SYSTEM AS PRESENTED. SECONDED BY COMMISSIONER HANSON. MOTION CARRIED.**

Mr. Kelpinski reported the Cropping for Nursery and Christmas Tree and Livestock Systems contain no recommended changes.

**MOTION: COMMISSIONER PRIDGEON MOVED TO APPROVE THE MICHIGAN AGRICULTURE ENVIRONMENTAL ASSURANCE PROGRAM STANDARDS FOR THE CROPPING FOR NURSERY AND CHRISTMAS TREE AND LIVESTOCK SYSTEMS AS PRESENTED. SECONDED BY COMMISSIONER MONTRI. MOTION CARRIED.**

Mr. Kelpinski reported about 3,100 farms are MAEAP verified in at least one system, and there are just under 4,700 total MAEAP verifications. He expects the program will meet 5,000 verifications by the end of this calendar year. A partner meeting and 5,000<sup>th</sup> verification celebration is being planned for March 21, 2019, at the Lansing Center. The Commissioners will be invited to join that celebration, as will all farms currently verified in the program. Although it is difficult for farms to invest in the program, growth in the program remains consistent, with between 550-630 new verifications each year and retention of 87 percent.

Commissioner Kennedy emphasized the positive results in the program are clearly evident, which is commendable during these difficult economic times for producers.

Commissioner Pridgeon advised he is a farmer who has been in the program since the 1990s, and he thanked Mr. Kelpinski and his staff for making it feel very much like a partnership. What differentiates MDARD is how it feels as if it is a system of discovery to find ways of improving what producers are doing. He is hearing there is a culture shift among young farmers in his area and their realizing the true value of the program. A

culture of understanding sustainability and being good stewards of our ground will continue to develop in his generation and MAEAP will continue to be a tremendous partnership.

Mr. Johnson advised outcome numbers from the program reported earlier only reflect changes associated with verified farms. The department is hoping the MAEAP database will allow consideration of improvements on farms progressing through the verification process that are also making environmental impacts. The department looks forward to completing the database system to provide those statistics. Mr. Kelpinski advised this capability will also help the program provide the sought-after sustainability data.

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

Mr. Johnson advised the Commission is statutorily required to annually approve the Generally Accepted Fruit, Vegetables, Dairy, Meat, and Grain Processing Practices for Noise and Odor (GAPP) as dictated by the Legislature in 1998. Practices were developed specifically around noise and odor related issues, and although the department continues to work with processors, the GAPP has never been used. Processors have been able to handle issues themselves, making whatever changes are needed to address any complaints. As indicated in the materials provided to the Commission, there are no changes recommended this year and they can be approved as they currently exist.

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

**RECESS AND RECONVENE**

Chairperson Kennedy recessed the meeting at 9:53 a.m. for a brief break. He reconvened the meeting at 10:12 a.m.

**FOOD AND AGRICULTURE INVESTMENT FUND REQUESTS: Donna LaCourt and Jodi Gruner, Agriculture Development Specialists, Agriculture Development Division**

Ms. LaCourt introduced Tom Moran, Owner and President of StoneCrest Creamery LLC in Onaway, Michigan. Mr. Moran is one of Michigan's favorite entrepreneurs, and he is bringing to StoneCrest Creamery the passion he brought to forming Moran Iron Works 40 years ago. With a shortage of welders, in 2011 he decided to start the Industrial Arts Institute in Onaway. He and his businesses are an important fabric and culture of the northeastern Lower Peninsula through growing business prosperity in this area.

Mr. Moran advised specific details of his project are in the materials already provided to the Commission. StoneCrest Creamery is really about manufacturing. He has looked for 20 years for other manufacturing opportunities and agriculture has always been one of those. He has the opportunity here to take local products, add value, and sell both inside and outside of this market area. StoneCrest Creamery will start as an Artisan cheese shop, but also has several other companies operating under it. Therefore, the

picture is large, and this is an opportunity for him to start small. He has a great team of professionals with food industry knowledge who will help him develop this project. He thanked the Commission for considering his application.

In response to questions from Commissioner Montri, Mr. Moran advised he envisions the wholesale distribution will begin small, within 60 miles. His team will develop that larger distribution plan as the company progresses. He will be one of the cheese makers and has two women on his team with that expertise.

Ms. LaCourt advised MDARD staff recommend the Michigan Commission of Agriculture and Rural Development approve a Food and Agriculture Investment Program performance-based grant of \$40,000 for StoneCrest Creamery LLC.

**MOTION: COMMISSIONER PRIDGEON MOVED TO APPROVE A FOOD AND AGRICULTURE PERFORMANCE-BASED GRANT OF \$40,000 FOR STONECREST CREAMERY LLC. COMMISSIONER HANSON SECONDED. MOTION CARRIED.**

Ms. Gruner reviewed two additional projects in Region 4 being presented to the Commission for consideration today.

Ridgeview Orchards is a fifth-generation agriculture family, with the sixth generation coming online, and are apple and asparagus growers and packers. About 20 million pounds of asparagus is grown annually in Michigan, and Ridgeview currently packs four-five million pounds of asparagus annually for 20 growers from Oceana County and around the state. Immediately after picking, the asparagus is taken to receiving stations that hydro-cool directly from the fields. The asparagus is trucked to the packing house without breaking the cold chain of 36 degrees. The product is packed and sold to vendors throughout the U.S., such as Kroger, Aldi's, Meijer, Walmart, and Costco. There is tremendous growth potential for fresh asparagus, as additional stores look to purchase locally-grown product. The process of fresh packing asparagus is very labor intensive, with few mechanical options available. As wages increase, the cost to pack asparagus increases. By eliminating the process of physically putting a rubber band and identification tag around the asparagus, production can increase by over three-fold. Presently, the process requires about 32 people, but with the addition of new equipment, the process to tag and bag would require approximately eight people. Automation is a very important factor in reducing packing costs to growers and Ridgeview Orchards' commitment to increasing production will help compensate for the recent reduction in overall fresh packing capacity in our state.

This project includes the purchase of two new Strauss bunching and labeling machines. The machines will be purchased from the Strauss Company in Germany and will be installed at Ridgeview Orchards' Kent City facility. Each machine consists of four stations that will add two rubber bands per bunch and add an identification tag. A large area of the cement floor will need to be replaced. Total investment for the project will be over \$257,500. This project is an investment in mechanization and will help address growing labor issues as the availability of seasonal labor is becoming less and less each year, especially with an eight-week season.

The asparagus from Ridgeview Orchards packing house is shipped nationwide. A commitment from grocers to purchase fresh locally-grown asparagus is one of the reasons the company can stay in business.

Ms. Gruner advised MDARD staff recommend the Michigan Commission of Agriculture and Rural Development approve a Food and Agriculture Investment Program performance-based grant of \$50,000 for Ridgeview Orchards LLC.

In response to inquiry from Commissioner Kennedy, Ms. Gruner advised this equipment will help alleviate labor issues for the company. The investment in specialized machinery is hard to recoup because of the short run time. This project will help provide quicker return on investment and put more money into the grower's pocket.

Commissioner Montri asked if there are other crops for which the equipment could be used. Ms. Gruner advised it has the capacity to pack broccoli, carrots, and perhaps other vegetables.

**MOTION: COMMISSIONER MONTRI MOVED TO APPROVE A FOOD AND AGRICULTURE PERFORMANCE-BASED GRANT OF \$50,000 FOR RIDGEVIEW ORCHARDS LLC. COMMISSIONER PRIDGEON SECONDED. MOTION CARRIED.**

Ms. Gruner advised the second project is Maiden Mills LLC. Manager Alisa Crawford is the only Dutch Certified miller in the Americas and currently serves as the miller for the City of Holland operating Windmill Island. Alisa has taken the windmill from being a tourist attraction to a new level of milling for breweries, distilleries, and local restaurants. She is a professional European trained and certified miller who has nearly 20 years of experience in traditional milling, specifically working with sustainable power. She is one year away from earning her master miller status in a European guild, which is only achieved after serving 10 years at the journeyman level. She is also on track to complete a miller certification program offered in the U.S. through IAOM, the International Association for Operative Millers. To complete the course, she was the recipient of a scholarship for professionals offered by the International Milling Education Foundation. When completed, she will be certified as a miller in two countries.

Maiden Mills LLC has been registered in the State of Michigan since 2002, previously producing a line of heritage baking mixes using organic stone ground flour purchased from and produced by West Wind Milling of Argentine, Michigan. West Wind Milling voluntarily ceased their commercial milling operation in 2016, after a 15-year period of operating as Michigan's only certified organic stone mill. Maiden Mills LLC will fill the gap that was created when West Wind Milling discontinued their commercial production and supply to restaurants and bakeries in the Detroit, Ann Arbor, Grand Rapids, and Lansing markets. Both Anna's House and Zingermans Deli are interested in her product.

This project is a request for assistance for a small-scale sustainable powered grain processor providing traditionally milled high-quality flour and meal products made from

Michigan-grown grain to bakeries and restaurants. The project will require a capital investment of \$76,000, with the primary financial request for equipment needed, along with the necessary electrical connections. By January 1, 2019, the company should be prepared to begin full-time operation, running with two sets of millstones and accompanying sifting capability. The equipment should be able to produce fine flour, whole wheat flour, corn meal, and grits/polenta, as well as organic chicken feed as a value-added by-product. Grains milled initially will include Michigan-grown organic heritage non-GMO corn, organic soft white winter wheat, and organic ancient wheat. Maiden Mills has a great potential for being very successful.

Ms. Gruner advised MDARD staff recommend the Michigan Commission of Agriculture and Rural Development approve a Food and Agriculture Investment Program performance-based grant of \$10,000 for Maiden Mills.

Commissioner Montri noted it is not always easy to undertake small projects, and she values the work Ms. Gruner is accomplishing to support those, especially young, female entrepreneurs in this industry. She appreciates the ability to broaden the scale of projects being considered, and to assist new startups, as well as much larger projects.

**MOTION: COMMISSIONER PRIDGEON MOVED TO APPROVE A FOOD AND AGRICULTURE PERFORMANCE-BASED GRANT OF \$10,000 FOR MAIDEN MILLS. COMMISSIONER MONTRI SECONDED. MOTION CARRIED.**

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

Mr. Blakely reported the department is preparing for the busy Lame Duck session, with two weeks of potential session dates before the election, and after the election, perhaps 15-21 days of actual session. Because those days can be very long, a considerable amount of work can still be accomplished.

Senate Bill 1034 by Representative Booher, deals with the Qualified Forest Program. The Legislature is supplementing the program as it builds, with the ultimate goal of its being self-sufficient. The department is recommending changes to the acreage cap, as well as changes to support the original intent of the program for producers to eventually have a harvest.

Relative to House Bill 6205 covering the Animal Industry Act, MDARD recently met with Michigan Department of Natural Resources (MDNR) staff to discuss their concerns and various changes are being implemented. A hearing could be held in the House as soon as next week. Other bills relating to the Animal Industry Act are different areas of law that refer back to the original sections being changed. The effort is to place all State Veterinarian duties and issues into one act, as well as making it more understandable for the average person, which is a good effort.

House Bill 6330 is a new bill that is an effort to regulate and legalized the growth, production, and sale of industrial hemp within the state. The 2014 Farm Bill allowed states and institutions of higher education the ability to conduct research and this is an extension that many other states have already enacted to help justify the industry by

regulation. The other side is the current push in the 2018 Farm Bill to separate industrial hemp from marijuana, which are very similar plants bred for two specifically different purposes, and to remove it from Schedule I, creating a reclassification. More opportunities would be available within the industrial hemp industry.

In response to question from Commissioner Pridgeon, Mr. Blakely advised there has been a considerable amount of agreement on the Animal Industry Act legislation and some additions have been requested. Dr. Averill has dedicated effort to the legislation through conversing with numerous industry groups to help make the legislation work for everyone. It is a great product and we should see support through the committee process. Commissioner Montri asked for examples of the additions being requested. Mr. Blakely advised those include expansion of power for MDARD; however, that is not the department's policy or goal. MDARD has established good relationships with its sister agencies and would like to maintain working together to achieve more in the future.

**ANIMAL DISEASE UPDATE: Nancy Barr, Assistant State Veterinarian and TB Program Coordinator, Animal Industry Division**

Dr. Barr advised the Animal Industry Division (AID) has had a busy summer, certainly not in small part due to Dr. Averill being promoted and the two Assistant State Veterinarians retiring.

County fairs have consumed considerable field staff time this summer, with over 60 fairs having been visited, providing education and outreach, as well as working one-on-one with each fair around animal health and biosecurity. Animal identification compliance has been the highest in recent history. There were two cases of swine influenza at fairs this year. One was at the Fowlerville County Fair, which also had human cases associated with the fair, and the other was at the Shiawassee County Fair that had no human cases. It is not uncommon to have swine influenza in pigs, and as they come into the fair environment, it can be an issue. Fairs have become very good about understanding the issues and responding.

Relative to reportable diseases, there were 142 cases of Canine Influenza virus this year. This has been emerging in dogs over the past few years and this year saw a dramatic increase over having only 12 last year. These were primarily associated with dogs in boarding kennels or doggy daycare facilities. Canine Influenza is a mild respiratory illness from which dogs typically recover. Leptospirosis is another canine disease that is tracked and is a bacterial infection that affects the kidneys of animals. It is a common disease that can be prevented with a vaccine. There were 30 cases this year, primarily in southeastern Michigan.

The state saw five cases of Equine Influenza virus, which were in unvaccinated horses. A new disease to the Reportable Animal Disease list is Strangles in horses, which is a bacterial infection commonly seen in the equine industry. There were 15 cases this year and there is a vaccine for the disease. Because it is highly transmittable, staff veterinarians are helping private veterinarians with control measures.

In swine, Seneca Valley virus presents itself like Foot and Mouth Disease and therefore, is taken very seriously. Each case is investigated, of which there were 101 this year. They primarily occur at slaughter plants where animals are coming in with lesions. African Swine Fever is another disease of concern, which is an emerging disease threat from China. Over 20 different facilities have been reported in China to have the disease. There is no vaccine for this disease, it is highly transmittable, and causes swine to bleed out. The disease can survive in feed components for months, and because pork producers receive minerals and amino acids from China, it will remain a concern.

Our poultry industry has been relatively quiet relative to reportable diseases, but we are watching Exotic Newcastle Disease in California. New cases are being reported and it is not completely under control. Two cases of Low Pathogenic Avian Influenza have been found in commercial turkey operations in California. That state is doing a good job in responding quickly.

The department is continually working on emergency preparedness. In May, staff participated in a national emergency response drill for Foot and Mouth Disease. USDA and multiple states were involved. In Michigan, the first day involved internal teams practicing response at that national-level scenario. The following day, staff worked with industries relative to required response and biosecurity issues, as well as practicing various scenarios to identify concerns and areas needing improvement. In addition, a Field Sampling Team exercise was conducted. All components of the exercise were very successful and numerous lessons were learned. The department will be standing up the "Be Aware Be Prepared" workgroup to engage with industry leaders to focus on becoming more and more prepared.

Dr. Averill has been working with the livestock industry for the past 18 months on updates to the Animal Industry Act, which if passed, will make a considerable difference to the industry. The changes being proposed include creating more easily understood language, increasing transparency of government activities, clarifying responsibilities of the State Veterinarian and the Director, and including provisions for Emergency Stop Movement in the event of a major reportable animal disease outbreak, which the need for became quite evident during the Highly Pathogenic Avian Influenza outbreak in 2015.

**ENHANCED WILDLIFE BIOSECURITY PROGRAM: Nancy Barr, Assistant State Veterinarian and TB Program Coordinator, Animal Industry Division**

Dr. Barr advised she would review today bovine TB in Michigan, the Enhanced Wildlife Biosecurity (EWB) philosophy, an overview of the EWB program, deer removal assistance, and the cost-share program.

Bovine TB is part of a particularly tough disease strain, with centuries of human and animal history. In 1994, a buck harvested in Alpena County was found by MDNR to be positive for bovine TB and prompted additional surveillance by MDNR. MDNR's surveillance around positive deer found the first positive cattle herd in 1998, which was in Alpena County. In 2000, Michigan's state TB status for cattle was dropped to Modified Accredited Zone (MAZ). The problem has always been isolated to the four-county northeastern Michigan area, but it took the department until 2014 to move the status of the rest of the state to TB Free, which represents 95 percent of the state. Only

four counties remain in the MAZ. In 2010, because of the unique issues surrounding the wild deer with bovine TB being entrenched in that population and the risk to cattle farms, the Wildlife Risk Mitigation Program was instituted. This was the initial attempt to protect animals from spillover of the disease from free-ranging deer to cattle.

The U.S. is not the only country having to deal with bovine TB in wildlife. Unfortunately, in all of these areas, it is next to impossible to eradicate the disease. Our goal then is to prevent the spillover of the disease and eradicate bovine TB from the cattle herds. Because the disease can survive in the environment for many weeks, that becomes the factor needing attention. The EWB program focuses on that area where cattle and deer are sharing an environment and the disease could be transmitted.

The EWB area encompasses the four-county region of Montmorency, Alpena, Oscoda, and Alcona Counties where higher prevalence of bovine TB has been demonstrated and is at highest risk for spillover of the disease. The goal is to prevent that spillover by strengthening biosecurity practices on farms through a team and community approach. Because farms are close together and deer travel throughout, if biosecurity is tightened on one farm, it could simply move to another farm; therefore, it considers all farms in the area, moving them all to the same level of biosecurity to remove the problem.

Scientific studies of the area demonstrate there are two deer populations. One lives in the woods and the other lives on farms. When deer have access to food sources on farms, they change their habits and use the farm to sustain their needs, rather than living in their natural environment. They become very persistent and bold and will persist in finding ways to access that food. This study is what helped develop the EWB plan to implement changes on the farm to create a safer environment.

As the bovine TB evolved, a team was sent to each bovine TB positive operation to consider the risks and identify how the cattle may have been infected. Taking that same team approach, "Team Epi" was established that includes MSU Extension, USDA Wildlife Services (WS), MDARD, MDNR, and Conservation Districts. The team visits the farm and conducts individualized farm assessments to consider the risks on that premises from each of their perspectives, creating a comprehensive preventative approach. The assessment will identify risks and make recommendations for risk mitigating changes. They discuss with the farmer how those changes can be accomplished and develop a plan for that farm. Components include physical barrier to discourage deer activities in cattle areas, deer removal assistance from USDA WS, and Disease Control Permits from MDNR to remove deer that live on farm facilities. In addition, feed storage locations, cattle feeding areas, cattle watering areas, and pastures where cattle graze are considered for improvement. With guidance from the team, implementation of biosecurity plans must be completed by January 2020.

The Targeted Deer Removal Program is a large part of EWB. On July 15 of this year, a requirement was established that farmers in the area sign an agreement with USDA WS to allow access to their property and remove problem deer. This has been a tremendous undertaking by USDA WS and is a long, hard process that is conducted after dark and requiring a good working relationship with the farm owner.



Funds were secured through the Legislature to provide assistance to mitigate risks, which is a cost-share program funded 75 percent by the state and 25 percent by the producers. Funds have been used primarily for fencing of feed areas and around pastures. One new fencing design is termed “three-dimensional” and offers a more economical option to the 10-foot fences. It creates a visual barrier to the deer by having two layers of fencing. Producers work with the Conservation District to secure funding.

It has been and will continue to be a long road with bovine TB and the goal is to keep the disease out of our cattle. EWB is currently our best tool to prevent positive cattle herds. It requires collaboration with MDNR, USDA WS, Conservation Districts, cattle farmers, and their neighbors in the EWB area. Although producers are very tired of having to deal with the disease over the years, moving through the EWB Program has received a very positive response and producers appreciate the one-on-one team contact.

Dr. Barr introduced some of the team members, including Phil Derst from MSU Extension, Pat Ryan from USDA WS, MDARD Veterinarian Dave Minier, MDARD Wildlife Biologist Nate Newman, Emily Sewel from MDNR, and Jason Myers from the Alpena Conservation District. They will be joining the tour for Commissioners this afternoon of two farms, one of which is Butterwerth Dairy, and she shared copies of an article recently published about that farm. The second farm visit is the Cores Farm, which is a beef farm that is installing a three-dimensional fence. More information will be shared during the tour, as well as an opportunity to ask questions.

In response to question from Commissioner Montri, Ms. Sewel from MDNR advised a total of 582 deer have been removed with Disease Control Permits to date this year. The number of harvested deer has increased because of the EWB program. In comparison, over 1,200 deer were killed in this same five-county area in deer-vehicle collisions during 2017. Targeted Deer Removal is focused on removing those deer of greatest risk from the farm. Producers are required to not waste the carcass and there is an option for them to donate the meat; however, most keep the deer or share with friends and family. The farmer is contacted if any of the heads tested are bovine TB positive. Deputy Director Dr. Averill added that when USDA WS is removing deer and the owner chooses not to retain the carcass, the department is working with local food banks to move that into the food supply.

In response to question from Commissioners Kennedy and Hanson, Mr. Ryan advised they work with the producer to focus on the farm’s unique characteristics and location. They focus deer removal on areas where cattle are currently being housed or areas as requested by the owner. There are 120 farms with whom they are working in the EWB area and each relationship is different. Because of the number of farms, focus has been with the cattle producers this year, but they have branched out to other non-livestock areas as well. Deputy Director Dr. Averill added there are various options for Disease Control Permits for other agricultural producers and general land owners as well. Dr. Barr confirmed the legislative cost-share funding is exclusive to assisting the 120 farms associated with the EWB Program, because it is mandatory for them to make those risk mitigation changes. Mr. Ryan advised four-five different teams of two-three people have been formed to conduct the 120 farm visits, which has been a challenge. Deputy Director Dr. Averill advised cost for that work is being shared between MDARD and

MDNR. Ms. Sewel advised response from the sportsmen in the area has been mixed and they are considering how to approach in-depth long-term public engagement, because all communities need to be involved.

Commissioner Kennedy thanked the group for their impressive collaboration in addressing this challenging issue.

### **PUBLIC COMMENT**

**Louella Byelich, Director, Michigan Cattlemen's Association (MCA)**, advised she also is a cattle producer in Alcona County. She expressed MCA's support for the department's continued efforts to reduce the occurrence of bovine TB. Because there were five bovine TB infected cattle herds in the area, USDA threatened to downgrade the TB status of the MAZ, or the even the entire state. This would have created an immense burden on cattle producers and would have done nothing to address the source of the disease. The reality is in northeastern Michigan, we have a TB disease reservoir in the wild deer and that must be addressed. One year ago, the industry presented to MDARD and MDNR a ten-year proposal to return Michigan to TB Free status and eradicate TB from the wildlife. Key pieces include elimination of baiting and feeding of wild deer, increased hunter deer harvest, post-harvest and deer culling, improved farmstead biosecurity, and improved transparency and communication related to TB. MCA strongly supports the new Zoning Order because it puts the industry's proposal into action. Cattle producers are doing everything possible to prevent TB infection and the state has now been 16 months without an infected cattle herd in the MAZ. If we can successfully reach 24 months, MCA looks forward to the department's leadership to begin upgrading portions of the MAZ. While encouraged by the progress made in these areas in just one year's time, MCA remains very concerned about the prevalence of TB in wild deer and the likelihood of it spreading beyond the MAZ, because TB positive deer continue to be harvested outside the MAZ. The threat should be a concern to everyone in Michigan.

### **ADJOURN**

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

There being no further business, the meeting adjourned at 11:30 a.m.

#### Attachments:

- A) *Agenda*
- B) *Agriculture and Rural Development Commission Meeting Minutes August 22, 2018*
- C) *Director Gordon Wenk – Issues of Interest Report*
- D) *MAEAP Advisory Council Presentation*
- E) *MAEAP Advisory Council Member Listing*
- F) *MAEAP Standards Proposed Revisions*
- G) *GAPP for Noise and Odor*
- H) *StoneCrest Creamery Briefing Memo and Terms Sheet*
- I) *Ridgeview Orchards Briefing Memo and Terms Sheet*
- J) *Maiden Mills Briefing Memo and Terms Sheet*
- K) *Legislative Status – September 2018*
- L) *Enhanced Wildlife Biosecurity Presentation*
- M) *"Hit Reset: Rebuilding Butterwerth Dairy after Bovine TB"*

