

MICHIGAN COMMISSION OF AGRICULTURE AND RURAL DEVELOPMENT

Trevor Nichols Research Center
Howitt Training Room
6237 124th Avenue
Fennville, Michigan

MEETING MINUTES NOVEMBER 7, 2018

PRESENT:

Bob Kennedy, Chair, Michigan Commission of Agriculture and Rural Development
Trevor Meachum, Vice 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
Gordon Wenk, Director, Michigan Department 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 9:01 a.m. on November 7, 2018. Commissioner Pridgeon called the roll with Commissioners Hanson, Kennedy, Meachum, Montri, and Pridgeon, and Director Gordon Wenk present.

APPROVAL OF AGENDA

MOTION: COMMISSIONER MEACHUM MOVED TO APPROVE THE MEETING AGENDA FOR NOVEMBER 7, 2018. SECONDED BY COMMISSIONER MONTRI. MOTION CARRIED.

APPROVAL OF SEPTEMBER 19, 2018, MEETING MINUTES

MOTION: COMMISSIONER PRIDGEON MOVED TO APPROVE THE SEPTEMBER 19, 2018, MEETING MINUTES. SECONDED BY COMMISSIONER HANSON. MOTION CARRIED.

PROPOSED 2019 MEETING SCHEDULE AND NEXT SCHEDULED MEETING

The Commission reviewed the draft Proposed 2019 Meeting Schedule.

MOTION: COMMISSIONER MONTRI MOVED TO APPROVE THE PROPOSED 2019 MEETING SCHEDULE AS PRESENTED. SECONDED BY COMMISSIONER PRIDGEON. MOTION CARRIED.

The next scheduled meeting is January 23, 2019. Commissioner Meachum advised he may not be available to attend that meeting.

COMMISSIONER COMMENTS AND TRAVEL

Commissioner Pridgeon advised the southern part of the state has been rained out of the fields for the last week. Most farmers have nearly completed their bean harvest and

a considerable amount of corn is still standing. On the dairy side, producers struggle to have a timely harvest of their silage crop because of heavy soil conditions. The standard deviation for corn has been wider, with beans being good. It has been an interesting weather pattern between rain and dryness, leading to a year when all farmers in that region are looking forward to 2019.

Commissioner Montri reported their farm has also been wet and they are harvesting the last root crops this week. In the tunnels, everything looks great. With cool nights anticipated, they are working to install interior covers in the hoopouses. Last week, she had the opportunity to attend the Michigan Department of Agriculture and Rural Development (MDARD) Employee Awards Ceremony, which was a great recognition of all the outstanding work accomplished by the department's teams and individuals. She plans to attend the Michigan Farm Bureau (MFB) annual meeting the end of this month.

Commissioner Hanson advised the Hiawathaland Farm Bureau held their annual meeting on October 29, which was very well attended. Potato harvest is complete, and their farm was fortunate to have completed harvest early, as some growers suffered frost damage. Some corn has been combined, but the very wet conditions are making harvest difficult. Bovine TB has been found in a dairy farm in Wisconsin. Director Wenk noted Michigan has the advantage of electronic identification of its cattle, which enhances our ability to trace animals, giving us an advantage.

Commissioner Meachum reported corn and bean harvest in the southwest region of the state have also been affected by the weather and some crop moisture levels are higher than desired. Michigan's apple harvest went well, and labor was plentiful; however, some growers finished below estimate. He plans to attend the upcoming MFB annual meeting and Great Lakes Fruit and Vegetable EXPO in Grand Rapids. He encouraged anyone wishing to attend the EXPO to contact him and he can help them become involved.

In response to questions from Commissioner Kennedy, Commissioner Meachum advised apples are in a situation similar to other crops in Michigan this year and many apples that would normally have been exported are in the domestic market. This has caused considerable pressure on the fresh markets and processors have a large inventory. Michigan typically has higher processing prices, but processors have learned they can inexpensively ship in apples from one of the coastal regions to combat the higher Michigan prices. There is a global economy for apples that creates considerable competition.

Commissioner Kennedy advised the Saginaw Valley region is extremely wet. Corn harvest is about 50 percent completed, with 75 percent of the beans being harvested. Yields have been variable, but he expects statewide totals to be close to average. Commodity prices continue to be depressed, which is being felt at the farmgate. Although the limited protections will help to some degree, cash flow will be tight and the industry will face challenges.

In response to question from Commissioner Pridgeon, Commissioner Kennedy advised they are seeing some corn disease in the southern part of the state, which varies

according to the time of planting. A considerable amount of disease in corn is also being seen in the southeast region of the state, as well as extensively throughout Ontario. This will create some dynamics for Michigan farmers with good clean corn.

Commissioners Hanson, Kennedy, Meachum, Montri, and Pridgeon traveled to attend today's meeting. There was no other travel submitted for approval.

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

COMMISSIONER ISSUES

Commissioner Kennedy reviewed a retirement resolution before the Commission recognizing Director Wenk and shared the verbiage:

WHEREAS, the Michigan Commission of Agriculture and Rural Development is pleased to honor Gordon M. Wenk upon his retirement from the Michigan Department of Agriculture and Rural Development (MDARD) on December 31, 2018; and,

WHEREAS, Gordon was born in Howell, Michigan, and became a proud graduate of Michigan State University with degrees in agriculture, natural resource management, and education; and,

WHEREAS, Gordon began his career as a seventh-grade science, English grammar, and spelling teacher; and organized several intramural sports programs. His next career move was as a technician/conservation educator with the Livingston Soil Conservation Districts; and,

WHEREAS, all 40 years of Gordon's State of Michigan service have been with MDARD, where he has provided unparalleled leadership. He began in September of 1978 with the Soil Conservation Division, later serving in both the Environmental and Farmland Services Divisions, and then the Environmental Stewardship Division, where he later became Division Deputy Director and Division Director. In March of 2008, he was appointed as Chief Deputy Director for the department, a position he held until Governor Snyder appointed him as Director in March of 2018; and,

WHEREAS, Gordon was president of the Michigan Chapter of the Soil and Water Conservation Society (SWCS) when it successfully encouraged the Legislature to adopt Kalkaska as the state soil; and served as chairman of the national membership committee for which he received the SWCS National Leadership Award. He served nine years as a board member, treasurer, and president of the National Association of State Conservation Agencies. And, keeping to his education background, Gordon served as a Williamston School Foundation Board Member and eight years as Treasurer of the Williamston School Board; and,

WHEREAS, agriculture is in Gordon's roots as far back as his farm days in northern Livingston County, when he picked apples, pruned trees, cut gladiolas, bailed hay, and chased the neighbor's cows out of his grandmother's garden; and his leadership in the industry has truly been a tremendous asset; and,

WHEREAS, Gordon has a wonderful wife, Karen, and two great children, Ian and Erin, who constantly keep his non-work life a joy and an adventure.

THEREFORE, be it resolved that the Michigan Commission of Agriculture and Rural Development thanks Gordon Wenk for his over 40 years of incredible service to the agriculture industry and to the people of the State of Michigan. The Commission joins Gordon's family, friends, and colleagues in wishing him a long and happy retirement!

As the resolution was shared, Director Wenk answered questions and shared additional details around his 40-year career with the department. He emphasized that it has been a wonderful 40 years and he has been honored to work with the great people in the department and the agriculture industry – you simply could not ask for better people across the board.

MOTION: COMMISSIONER MONTRI MOVED THE RESOLUTION FOR GORDON WENK BE ADOPTED WITH BEST WISHES FOR HIS LONG AND HEALTHY RETIREMENT. COMMISSIONER PRIDGEON SECONDED. MOTION CARRIED.

Commissioner Kennedy added the Commission has enjoyed working with Director Wenk over the last few years. He was always impressed by Director Wenk's ability to perfectly frame the answer to any departmental question presented to him.

RECOGNITION OF RETIRING COMMISSIONERS

Director Wenk announced the term of office for Commissioners Hanson and Kennedy will expire on December 31, 2018. He noted the Commission has been a great group of personalities that work well together. Commissioners Hanson and Kennedy have brought great leadership to the Commission and represented their parts of the agriculture industry with great professionalism and dedication. Commissioner Hanson traveled all the way from the Upper Peninsula (UP) to attend every meeting. In appreciation for their dedicated service, Director Wenk presented each of them with a gavel award plaque.

DIRECTOR'S REPORT

Director Wenk reported the MDARD Employee Awards Ceremony was held on October 30 to recognize years of service and individuals with outstanding accomplishments in leadership, as front-line ambassador, rookie of the year, and teamwork efforts. They recognized over 500 individuals this year, who along with their fellow MDARD employees, are the most dedicated and outstanding in all of state government.

Governor-elect Whitmer is anticipated to establish her transition team next week and that operation will be housed in Constitution Hall. The department will be working with them to transition into the next administration.

The department will host an orientation for the new Commissioners in January to ensure they are familiar with the department and are ready for the next meeting.

For five years, the Governor's Office has conducted an Employee Engagement Survey. Again this year, MDARD was the agency with the highest percentage of participation.

MDARD maintains a Bovine TB Memorandum of Understanding with the U.S. Department of Agriculture (USDA) that establishes the TB status for the State of Michigan. As a result of in-depth conversations with USDA sharing information and explaining our deer management efforts, USDA advised Michigan's state status will not be lowered. This is good news for the state's producers, and we will continue to move forward with Enhanced Risk Mitigation and deer control efforts.

Relative to appointments, the Grape and Wine Industry Council has been reconstituted as the Craft Beverage Council, the appointments have now been made, and they will be holding their first meeting later this month. This will be an interesting change for MDARD's Agriculture Development Division staff. Appointees to the Rural Development Fund Board have also been established. The department is currently waiting for announcement of appointees to the Agriculture Preservation Fund Board, which for the first time since 2009, has funding and again creates a need for the board.

PUBLIC COMMENT (AGENDA ITEMS ONLY)

Ron Brig, Zeeland, Michigan, representing Zeeland Charter Township, advised Zeeland Township is concerned about the proposed change relative to zoning in the Generally Accepted Agricultural Management Practices (GAAMPs) because of how that could affect placement of feedlots. The township recently spent a considerable amount of time and money to create a master plan, 60 percent of which is zoned agriculture. Their goal is to preserve agriculture as much as possible. If feedlots are allowed to be placed anywhere in the township, it would totally conflict with their zoning and would create problems for everyone in the township. The township is not in favor of their zoning ordinances being superseded.

TREVOR NICHOLS RESEARCH CENTER OVERVIEW: John Wise, Professor-Entomology and Research and Extension Coordinator, Michigan State University Trevor Nichols Research Center

Dr. Wise welcomed the Commission to the Trevor Nichols Research Center (TNRC), and advised he is the Center's Research and Extension Coordinator. There are twelve or more off-campus research centers associated with MSU, with a considerable amount of research also conducted on campus and its surrounding farms. The various off-campus centers exist because some types of research need to be conducted in the proximity of production or in areas of pest prevalence to be reflective of the real world. TNRC is an example of that, where their focus is fruit production. His MSU professorship position consists of 35 percent research (some at TNRC and some at MSU), 25 percent extension/outreach, and 40 percent administration. This ensures the research is connected to real-world personnel.

The mission of TNRC is to develop effective pest management strategies for Michigan's fruit industry and serve as an extension information hub for the fruit industry's pest management decision makers. The core set of MSU faculty for TNRC consists of Larry Gut, tree fruit entomology, Rufus Isaacs, small fruit entomology, Timothy Miles, small fruit pathology, George Sundin, tree fruit pathology, and Bernie Zandstra, weed science.

TNRC facilities include nine offices, two laboratories, a large conference and small meeting rooms, research shop, farm management shop, pesticide building, pole barn,

and a fruit barn. Equipment includes three tractors, five sprayers, a cold room, walk-in environmental chamber, four stand-up Percival chambers, Biotek microplate reader, GLP room, and five microscopes.

TNRC is able to build pest populations that other centers are unable to accomplish while still honoring the horticultural standards needed, and their pest populations provide for the robust research being conducted. About 80 acres with a variety of fruit crops are maintained based on projected demand. In addition to the laboratories, there is a pesticide building, a research shop containing various equipment to determine what types of sprayers and tractors best deliver the products growers want to utilize, a rainfall simulation chamber that allows analyzation of rainfall impact on pesticide residues or insect behavior, various cold rooms, and various other equipment providing the tools needed to conduct their research.

Insecticide performance research includes conducting efficacy trials with early pipeline pesticide chemistries and use of field-based bioassays to determine performance characteristics of reduced-risk compounds. Some novel pest management strategies being utilized include pheromone-based tools, attract and kill tactics, cover crops, and pollinator refuges. Optimized delivery systems include study of deposition patterns of ground sprayers and testing new techniques for pesticide delivery (chemigation, trunk injection, solid set delivery system, etc.). The GLP pesticide residue program conducts IR-4 field residue trials that helps register new materials for the fruit industry that otherwise would not receive EPA tolerance to become part of the toolkit available to growers.

TNRC hosts a diversified range of projects that provide a balance of basic and applied research. Large USDA grants are critical to the programs, with smaller grants filling the gaps. The Center is also engaged with the cherry, apple, blueberry, grape grower, and peach industries on shorter-term grants that are balanced with larger grants such as NIFA (National Institute of Food and Agriculture), registrants who fund efficiency trials, and the IR-4 project. Creative thinking is also needed to consider what types of investments are needed to keep the Center relevant. The strategic philosophy is to leverage resources in biological, infrastructural, and human assets that expand our capacity to attract a diverse set of research and extension opportunities that optimally serve MSU scientists, Michigan fruit industry, and all clientele.

The commodity groups have historically provided research funding for the MSU Research Centers. The economic decline in 2008-2013 provided an opportunity for stakeholders to recognize the research centers were in a short-term infrastructure decline. The Tree Fruit Commission, who taxed themselves, leveraged state funding, and provided funds to rebuild TNRC's infrastructures, which provided for major improvements and renovations. Other commodity groups are doing similar work with the various Research Centers. In addition, the state's Rural Development Fund, Specialty Crop Block Grants Program, and Strategic Growth Initiative have contributed to new plantings and research projects at the various MSU Research Centers.

In response to question from Commissioner Hanson, Dr. Wise advised research is also conducted on commercial farms. When that is coupled with the campus and Research Center results, the most robust information can be provided to growers.

In response to inquiry from Commissioner Montri, Dr. Wise advised good relationships with neighbor growers have been maintained while growing pest populations through effective communication to provide for their understanding of how that practice it is not a threat to them.

Commissioner Pridgeon thanked Dr. Wise for demonstrating a model of partnership within the industry. It is a model that should translate to the remainder the various agricultural divisions for what producer and researcher relationships can look like. The relationship between scholarship and on-farm practicality needs to reach a balance point and he thanked Dr. Wise for leading the way on what the model could look like. Dr. Wise noted it is interesting how good things can arise from a problem – the situation exposed an opportunity to change the way we do business.

MICHIGAN STATE UNIVERSITY (MSU) RESEARCH STATION NETWORK: Ron Bates, Director, Agriculture and Agribusiness Institute, and George W. Smith, Associate Director and Associate Dean for Research, MSU College of Agriculture and Natural Resources

Dr. Smith advised on behalf of AgBioResearch and MSU Extension, he and Dr. Bates are pleased to be here today. Dr. Wise did a great job of highlighting the importance of MSU's Research Centers and illustrating their uniqueness. They would like to provide a broader perspective on the Research Centers.

What makes Michigan special and what is critical to the impact of AgBioResearch and Extension are two things. Certainly, one thing that makes his job enjoyable and different every day is because we are very unique in terms of the diversity of agriculture in Michigan. The second thing that is special in Michigan is unique partnerships. The MSU Research Centers epitomize not only the diversity of agriculture, but also those partnerships, because each and every one of them is critical to our mission and to the stakeholders. This has been demonstrated by the impact the program has had in concert with our partners in helping to grow Michigan's food and agriculture economy to over the \$104 billion mark annually.

There currently are 14 outlying research stations throughout the state, along with MSU's south campus. Each is unique in what they accomplish, covering everything from agronomic crops at the Saginaw Valley Research and Extension Center, to important work on variety trials with dry beans, to grass-fed cattle at Lake City Center, to critical roles the stations play in efforts with specialty crops. They are very fortunate to have a campus of 5,000 continuous acres providing opportunity for research very close to campus. The work completed by their researchers could not be accomplished solely on south campus. Research needed must be conducted off-campus and in regions of the state where those industries are actually located.

Partnership with MDARD has been critical in a whole host of fashions, including Project GREEN and conducting research that is relevant to the priorities of the plant-based

commodities in the state every year. The vast bulk of that work is conducted at the outlying research stations and could not be accomplished without that network. Michigan Alliance for Animal Agriculture research work again is conducted primarily at outlying research stations. The Michigan Tree Fruit Commission is another example of a very strong partnership, exemplifying the value they place in the MSU research programs and facilities by advocating to the Michigan Legislature for infrastructure funding. Since 2014, there has been over \$4 million invested back into research, outreach, equipment, and infrastructure to support research on tree fruit. This has allowed MSU to reinvigorate the centers and position them for longer and more continued impact in the future. The work completed by their scientists would be meaningless if it were not communicated to the growers and Dr. Bates will share more about that aspect.

Dr. Bates advised they are very fortunate to have this integration of the continuum from discovery through implementation and certainly the research centers provide an important component of that. Three of the centers are research and extension centers. One of those is the Saginaw Valley Research and Extension Center and it has been showcased within the system through the first Agriculture Innovations Day held there, and they also had the opportunity to host the Farm Bill hearing there 18 months ago. It has a very nice learning center that provides state-of-the-art equipment to allow for distance learning as well as on-site. Of the other two Research and Extension Centers, one is located in the UP near Chatham, whose coordinator is funded jointly through Extension and AgBioResearch. The other is the Southwest Research and Extension Center located near Benton Harbor. The 2018 Agriculture Innovations Day featured that center, which is a diverse center for fruit and vegetable production. Staff are located at other centers as well to provide leadership, work with the scientists that implement the research, and provide the outreach component for the centers.

MSU Extension is grateful for the opportunity to work with these research centers. It provides an added focus, in that not only are they used for events and activities, but onsite staff are either collaborating with research projects from campus faculty or have their own ongoing research projects within these stations. This provides the collaboration needed for providing the industry with needed research results.

The system that exists is exciting because it is an integrated approach to information discovery through implementation. Many of these centers provide a venue where we can host events, workshops, and meetings, as well essentially be a part of the discovery process and work collaboratively with the faculty so we can provide that direct link back to the farmers for implementation. Michigan agriculture is the ultimate benefactor of this collaborative approach.

Dr. Smith reported, of the current centers, there is one that has actually been in operation since 1899, which is the UP Research and Extension Center in Chatham. Commissioner Hanson advised Chatham will have a new Center Coordinator at the first of the year and they are looking forward to his leadership.

Commissioner Kennedy asked if they see a need for further expansion. Dr. Smith advised the current model has been that as needs evolve, they either add capacity or

repurpose existing centers. An example of that type of transformation is in the UP facility, which had a long history of dairy cattle research and has now reinvented its mission to include hoop houses and local foods. Dr. Bates noted additional acreage has been added to some of the centers to meet needs.

Director Wenk thanked Drs. Smith and Bates for being here today and sharing highlights of MSU Extension and AgBioResearch activities. The department is at a time when it enjoys the best working relationship he can remember having with the university. It is credited to individuals such as Drs. Smith and Bates, and others in the College of Agriculture and Natural Resources, where we are working closely together to provide benefit to the food and agriculture sector in the State of Michigan.

MICHIGAN ASPARAGUS AND CARROT COMMITTEES UPDATE: John Bakker, Executive Director, Michigan Asparagus and Carrot Committees

Mr. Bakker emphasized that having spent his summers at TNRC as a college student, he recognizes also the amount of talent that is developed at the MSU Research Centers. It is a very impressive component of their function.

He serves as Executive Director for two PA 232 check-off programs, the Michigan Asparagus Industry Development Program and the Michigan Carrot Industry Development Program. He is also manager of the Michigan Asparagus Industry Research Farm. He previously was a crop pest and fertility consultant to fruit and vegetable growers on the west side of the state.

There are about 105 commercial asparagus farms in Michigan raising over 9,000 acres, and ranking number one in the U.S. for asparagus acres. This year, 21.6 million pounds were raised, 60 percent of which is fresh and 40 percent processed. The farm gate value is about \$20 million.

The majority of asparagus farms are located on the west side of the state, with Oceana County being the largest area. Most asparagus farms fall into two categories, fruit farmers with asparagus, or vegetable farmers with grain, with an overall average size of 60-400 acres of asparagus.

The asparagus industry is well organized with the Michigan Asparagus Advisory Board check-off program, a separate Michigan Asparagus Research Committee, and one of the two remaining Michigan Agricultural Commodities Marketing Association programs.

Asparagus seed sells for \$800-1,100 per pound, and one pound of seed will provide enough crowns to plant one acre. Growers purchase seed and turn that over to a crown producer. One year later, the grower receives the crowns and pays the crown producer anywhere from \$60-1,000. Crowns are planted by hand in nine-inch deep furrows. Spears emerge two-three weeks after a crown is planted and are allowed to fern out, with year two being the earliest for first harvest. Harvest is completed over seven weeks in the May-June timeframe. Michigan is the only place in the world where spears are snapped off above the ground.

The asparagus industry is totally dependent on hand labor and currently about 65 percent of that are H2A workers. Fern production is critical for “re-charging” the root system providing for the next spring’s harvest, and dry fern is mowed in fall or spring. No-till production has greatly reduced soil erosion. Asparagus roots go six feet deep, making them a good scavenger for moisture and nutrients. Annual agronomic practices typically include two fertilizer, two herbicide, three-four insecticide, and four-five fungicide applications, as well as one cover crop, normally broadcast rye.

Asparagus markets include processed whole spear and cuts and tips, both frozen and canned. While the processed market declined a number of years ago, the fresh market has been growing.

The industry faces a number of challenges. For two-three years, they have experienced an oversupply of asparagus in May. Other areas are in the market at about the same time, it appears Peru and Mexico may be “dumping” asparagus into our season to force the U.S. out, and Michigan’s main variety has a sharp production spike in mid-May. In addition, the processing market is stagnant. To stay viable, Michigan must increase per acre yields, improve spear quality, and identify varieties with a different production curve. The industry is currently applying for a Rural Development Fund Grant to help purchase equipment that will analyze and evaluate asparagus varieties, providing reliable quality data needed moving forward.

The Michigan carrot industry is highly mechanized with very specialized equipment, resulting in relatively few carrot growers. There are about 4,100 acres, which ranks Michigan fourth in U.S. carrot production. They produce 74,000 tons with a \$15 million farm gate value, and 3,000 are processed, with 1,100 fresh marketed. Most of the carrots are grown in the west part of the state on sand or muck. Twenty farms produce 95 percent of the crop.

An average carrot farm has 80 or more acres because of the high equipment investment. A fresh carrot grower would be primarily on muck with other vegetables and a processed carrot grower would also have asparagus, snap beans, peas, squash, and grain.

There are two markets for fresh carrots. One is in cello bags and the other is the extensive market for fresh processed carrots for snacks. Processed carrots are primarily frozen sliced and diced. USDA is now a good customer for Michigan frozen diced carrots.

Challenges for the carrot industry include its heavy reliance on one herbicide, Linuron, the future for which is uncertain. Others are pressure from Canadian fresh imports, losing the cull market, program funding being less than \$25,000 per year, and processing contract prices being down. An excellent team of MSU scientists are working on plant issues. The industry needs to continue to leverage Project GREEN and Specialty Crop Block Grant funding with limited industry dollars, and they are looking for grant funding for a feasibility study related to a food dehydration plant for cull carrots, other food processing waste, and surplus vegetable crops currently left in the field.

In response to question from Commissioners Kennedy and Hanson, Mr. Bakker advised a dehydration plant will most likely require considerable amount of energy but could make sense over time. The rye cover crop will green up shortly after the snow disappears and tends to hold the asparagus back a bit, which is good for frost purposes.

Commissioner Montri asked how many farms are growing carrots for bait. Mr. Bakker advised that in the process of growing fresh carrots, 20-25 percent are deformed and not suitable for market. Those are bagged for deer bait, the price for which might cover the fresh market bagging cost.

Commissioner Kennedy asked how the asparagus yield could be increased. Mr. Bakker advised they are experiencing a seven-eight percent increase in yield through irrigation and research with varieties is expected to produce those with a potential for higher production yields.

RECESS AND RECONVENE

Chairperson Kennedy recessed the meeting at 10:47 a.m. for a brief break. He reconvened the meeting at 11:03 a.m.

FOOD AND AGRICULTURE INVESTMENT FUND REQUEST: Peter Anastor, Division Director, Agriculture Development Division

Mr. Anastor advised they are presenting two projects for Commission approval today. The first is Dutch Treat Foods and he introduced Scott Brookens, President and owner of the company, and Angela Huesman, Chief Operating Officer for Lakeshore Advantage, which is the regional economic development entity working with the project.

Mr. Brookens expressed his appreciation to Mr. Anastor, Ms. Gruner, and their team, who have been awesome in assisting with the project. He also thanked the Commission for their consideration of the application.

Dutch Treat Foods (DTF) has been manufacturing fresh food products for over 30 years in Zeeland, Michigan, and he purchased the company from his parents about ten months ago. The Company's product line includes deli salads, baked goods, snack dips, and fresh grab-and-go items that are sold primarily in grocery store delicatessens and other food service establishments throughout the Midwest. DTF operates as a unique player within the food processing industry, as it can manufacture and process a variety of products within the private label space for moderate-sized grocery retailers and food service chains. Over the past ten years, it has realized consistent year-over-year sales growth and has outgrown the 8,500 square-foot building.

This project will lead to the acquisition of new machinery and equipment that will complement a nearly completed expansion of the facility in Zeeland. With the expansion of their existing building, the company now has 20,500 square feet of space from a \$600,000 investment. To support this expansion, they will acquire \$255,000 in new equipment required to ensure DTF can streamline its operating processes. The equipment includes a Rotary Cup Filling Line, a Rollstock Thermal Packaging Line, and an Automated Filling Machine. Labor is the number one barrier to growth, and with the new equipment, DTF will be able to triple total output on its bulk products and fill retail-

ready packages ten times faster with the same number of employees.

DTF focuses heavily on sourcing its raw materials and ingredients from local growers and producers. They purchase potatoes from Diemer Farms in Holland, apples from Jack Brown Produce in Sparta, and celery from Superior Sales in Hudsonville. Furthermore, much of the company's other produce and raw materials are sourced through Heeren, Sysco, and Gordon Food Service, all of which are dedicated to purchasing direct from local growers and producers.

Ms. Huesman advised they were very excited to work with DTF and to support this project. DTF has been a staple in their community and they are excited to see them grow.

Mr. Anasator advised this is another great example of a mid-sized Michigan food company growing and sourcing locally. Funding this type of project to help accelerate that growth is exactly the type of target the department attempts to meet through the grant program.

In response to inquiry from Commissioner Hanson, Mr. Brookens advised a good portion of their products are sold within Michigan, and they have a distributor that markets to ten other states as well.

Mr. Anasator advised MDARD staff recommend the Michigan Commission of Agriculture and Rural Development approve a Food and Agriculture Investment Fund performance-based grant of \$60,000 for Dutch Treat Foods.

MOTION: COMMISSIONER MEACHUM MOVED TO APPROVE A FOOD AND AGRICULTURE INVESTMENT FUND PERFORMANCE-BASED GRANT OF \$60,000 FOR DUTCH TREAT FOODS. COMMISSIONER MONTRI SECONDED. MOTION CARRIED.

Mr. Brookens expressed his appreciation for approval of the grant.

Mr. Anasator advised the next project is the first from the UP and is a company called Liberty Farms and Flour Mill. The company's president, Paul Wilson, was unable to join the meeting today. However, MDARD's Ag Development Specialist Donna LaCourt has worked closely with Mr. Wilson and is here to share some details of the project.

Mr. Anasator advised this grain farmer in Skandia Michigan would like to begin milling flour and is in the process of expanding into a 1,600 square-foot building and adding equipment to make it as efficient as possible. The department is excited about having an opportunity to mill wheat grown in the UP and process and market it locally as well.

Ms. LaCourt shared how the project came to their attention. Accelerate UP is a nonprofit organization funded by the Lundin Eagle Mine, from which the ore assessment currently funds the Rural Development Fund. Their group works with entrepreneurs in Marquette County to help diversify businesses outside of mining. This is something Lundin does around the world and considers their work in the UP as one of their best practices.

Accelerate UP brought the Liberty Farms project forward and were connecting them with resources. Since then, MDARD has also referred them to the Small Business Development Center (SBDC), which is funded in part by the Michigan Economic Development Corporation. Both Accelerate UP and the SBDC provide good fundamental business support at no cost to the companies. This is a great example of how everyone collaborates to assist small businesses.

Liberty Farms is finishing construction of a 1,600 square-foot three-story building dedicated to the milling facility to house their full operation. The flour produced in 2018 was distributed to 17 stores in Marquette, Alger, and Delta Counties and sold out in three weeks. All buyers want more product, including grocers Econofoods and Super One in Marquette. The plan will double the milling/bagging operation and develop an all-purpose flour product to serve a minimum of 34 stores by the end of 2018 to prove product viability and build sustainable markets for local milled grains.

Liberty Farms needs to support their ramp-up in growth with plans to mill approximately 685,000 pounds of food-grade grain per year. The project entails a \$448,000 investment in a 1,600 square-foot building to house the grain mill, sifter, and bagging line to utilize UP-grown food-grade grains and employ three people. The project involves completion of construction of the building that will house the existing milling and bagging operation and purchasing a sifter and a hopper bottom trailer that can carry approximately 800 bushels of grain. The construction of the building is substantially complete, but the company needs to continue to invest in new equipment to ensure efficient operations. The new equipment will complement the grain cleaner, flour mill, industrial sewing machine, and hand and automatic bagger that were purchased in 2018. Adding the capability to transport large quantities of purchased grain will help increase production of whole-grain flours and adding a sifter will allow for production of all-purpose flour.

Currently, UP food-grade grains are shipped to Minnesota to be processed into flour. Liberty Farms mill will offer the opportunity for adding value to UP grains to sell the value-added products regionally. This production will fetch a higher wholesale price as compared to selling in bulk to feed mills for livestock feed. They will produce 12.5 percent of the total food-grade grain and purchase the remaining 87.5 percent from a minimum of three UP farmers. At least five UP farmers have already agreed to produce food-grade grain.

There is a demand for locally milled all-purpose flour in bakeries throughout the UP in both small establishments and large chain grocery stores. The flour product will be sold wholesale with the potential to grow into large regional markets, including Family Fare (150 stores regionally) and Great Lakes Foods (250 stores across Michigan's UP and Wisconsin). Liberty Farms and Flour Mill LLC has also been in discussion with Meijer regarding their regional facility, which produces all of the "ready-to-bake" doughs that are sent to each Meijer chain. The long-term vision is to specialize in very specific types of grains to cater to niche markets that would be willing to pay a higher price for flour that they can trust for consistency (i.e. Trenary Toast, who currently purchases their flour from North Dakota and requires a very specific type of grain grown during a specific time of year).

Mr. Anastor advised MDARD staff recommend the Michigan Commission of Agriculture and Rural Development approve a Food and Agriculture Investment Fund performance-based grant of \$40,000 for Liberty Farms and Flour Mill LLC.

In response to question from Commissioner Kennedy, Ms. LaCourt advised the company can see down the road a second mill to increase production, and this is why we have them working with SBDC to ensure the business grows in a sustainable manner.

Commissioner Meachum asked how long the company has been in agriculture. Ms. LaCourt advised they are a new generation of farmers, with the farm beginning within the last five years. They do have previous experience as business owners and entrepreneurs and milling is the largest part of their operation.

In response to question from Commissioners Montri and Hanson, Ms. LaCourt advised they have been marketing in five-pound bags and have now begun with a 25-pound bag as well. They are moving rapidly to meet customer requests and will be able to obtain a sufficient grain supply from UP growers.

MOTION: COMMISSIONER HANSON MOVED TO APPROVE A FOOD AND AGRICULTURE INVESTMENT FUND PERFORMANCE-BASED GRANT OF \$40,000 FOR LIBERTY FARMS AND FLOUR MILL LLC. COMMISSIONER PRIDGEON SECONDED. MOTION CARRIED.

Mr. Anastor advised two of the projects approved in 2018 have been completed, namely House of Flavors and Hartford Farm Supply, and a number are very close to completion. In its first year, a total of 26 projects and about \$3.5 million in grants were approved, entailing over 500 added jobs and over \$600 million of private investment. He thanked the Commission for their support on each of these projects and he looks forward to working with them through the program in the future.

GENERALLY ACCEPTED AGRICULTURAL AND MANAGEMENT PRACTICES (GAAMPs)
INTRODUCTION OF RECOMMENDED CHANGES for 2019: Jim Johnson, Division Director, and Ben Tirrell, Right to Farm Program, Environmental Stewardship Division

Mr. Johnson advised it is again time for review of the Generally Accepted Agricultural and Management Practices (GAAMPs). The Right to Farm (RTF) Act describes the GAAMPs as those practices defined by the Commission of Agriculture and Rural Development and dictates the GAAMPs be reviewed annually by the Commission. Each of the Task Force Committees has been working hard throughout the year to review the GAAMPs and determine if there is room for improvement based on what is experienced in the field and what has changed within the scientific research community.

Today, the proposed 2019 GAAMPs are presented for the Commission's review between now and the January meeting, with anticipated decision regarding the 2019 GAAMPs at that time. The Task Force Chairs will be invited to join the January meeting to answer any specific questions.

Mr. Tirrell reported for 2019, there are changes recommended for four of the eight GAAMPs and those are provided in redline, strikeout mode for easy identification of recommended changes. The majority of changes recommended provide additional clarity and updating of references and links.

In the Manure GAAMP on page 23, there are additions relative to the current MSU Enviroweather tools. The Commission requested examination of the MARI tool and on page 25, results of the committee discussion are detailed in the recommended changes. The last major change is on page 33, with updates to the 24-hour precipitation table.

One change recommended to the Irrigation GAAMP is bullet point number one on page two, which defines the actual source of irrigation water and was not included previously. In addition, there was an extensive amount of clarification and addition of references, as well as updating of language on irrigation in Michigan to provide consistency with current legal references. Commissioner Kennedy inquired about the reference to irrigated farms on page 14 and whether that percentage refers to farms themselves or to acreage. Mr. Tirrell will investigate that number and advise. Commissioner Montri asked about the decision to remove the section on Agriculture Water Use Reporting and Registration. Mr. Tirrell advised the Committee has updated that information subsequently in the GAAMP.

There are a substantial number of changes in the Animal Care GAAMP, mostly related to various updates needed relative to reference materials. By in large, most are very minor changes. Throughout, the Committee added "licensed" before "veterinarian" and deleted the word "practicing," feeling that word was unnecessary. One of the more significant revisions occurs on page 71 in the Farm Raised Mink and Fox section, which includes extensive additions.

The Site Selection GAAMP Committee met four times this year, spending a considerable amount of time reviewing and updating the document. There are three types of recommended changes, with the Committee's being on page 18 eliminating "Recognized Professionals" language from the GAAMP and recommending it be now inserted into the Commission's formal Appeals Policy, which is reflected on page 30 as an addendum to the GAAMP. He added the Committee preferred the "recognized professionals" language, feeling it is broad enough to encompass the possible expertise needed for each specific appeal.

There were two MDARD proposed changes to the Site Selection GAAMP, the first in purple font on page 11 is additional text relating to Category 4 sites to be considered in making determination of those sites. Mr. Johnson advised this is related to locations where extenuating circumstances have been identified under regulatory control either by the Michigan Department of Environmental Quality (MDEQ) and/or the Environmental Protection Agency (EPA). This specifically was raised relative to backyard chickens in the City of Midland where there are a number of known ground contaminants. Part of the agreement between Dow Chemical, EPA, and MDEQ included the institution of controls, which in this case does not allow for livestock on land within the City of Midland. As the department explored these types of cases in highly regulated areas, they agreed to standards being applied for use of that land, and therefore, the GAAMP

would simply state these Category 4 locations are not acceptable for any livestock. He is not aware of another location such as this currently in the state; however, it makes sense to include these extreme cases within the GAAMP. In response to inquiry from Commissioner Montri, Mr. Johnson advised the situation around Midland is highly studied and well documented, creating a very high standard for meeting this type of requirement. What will be true with any other site is achieving that same level of agreement before it becomes an issue, and we are not at that point currently with any other ground contaminant.

Mr. Tirrell advised the second set of MDARD recommendations in the Site Selection GAAMP involve references to local zoning. Mr. Johnson noted the Commission last year requested a white paper describing circumstances if zoning were removed from the GAAMP, as well as to draft a completely new Site Selection GAAMP to create a document easily understood by everyone. That was developed and included the removal of zoning as a condition for siting of Category 1 and 2 large livestock operations. That version was submitted to the Site Selection GAAMP Task Force Committee in early spring. The white paper was in follow-up to a request in 2015 when a township was planning to change their zoning of what was primarily an agricultural area to create a buffer from large scale livestock operations for the recreational lake within the township. Staff discovered that, within that nine-section area, there were actually no locations that would be suitable for a large-scale livestock operation. That information was presented to the township supervisor. However, they proceeded to rezone those nine sections as residential, grandfathering in current agricultural practices that did not include livestock. One of the recommendations in the white paper was to wait and see what occurred in other townships across the state, and since then, a number of other townships have, or are talking about, taking similar action. The other factor involved is the fact that zoning is not a requirement delineated within RTF Act and the conditions provided under RTF do not include zoning as a condition. In addition, none of the other GAAMPs mention zoning as a condition. The first Site Selection GAAMP Task Force Committee in 2000 thought it might be a good idea as a first cut to consider zoning. Essentially what we have is a GAAMP that requires something that is not actually required within the law. As long as that was not an issue, it remained within the GAAMP. Once the zoning requirement became an issue in an attempt to block larger livestock operations, it became necessary to consider whether that initial decision was legitimate. MDARD has received a formal Opinion from the Attorney General that puts into question our ability to include zoning within the Site Selection GAAMP. As mentioned, staff submitted the revised version of the GAAMP to the Site Selection GAAMP Task Force Committee with specific information explaining the reformatting and removal of zoning. The Committee presented back to the department the old version of the GAAMP with changes they wanted to incorporate for 2019, advising they were not going to move the completely new version forward at this time. Therefore, MDARD added to that old version their recommendations to remove all references to zoning as a policy decision by the department to eliminate any conflict with the law.

In addition, a completely new odor model was included in the 2018 GAAMP that has expanded the odor footprint, providing even more protection today for non-farm residents than what existed two years ago. There are a number of factors involved in making decisions around placement of large livestock operations, including how many

non-farm homes there are in an area, in addition to the odor footprint. With all of those conditions, the only locations where large livestock operations could be placed are areas that are sparsely populated and in almost every case, that would be an area zoned agricultural. Therefore, the department does not see its decision-making process changing at all with zoning removed from the site determination process.

Commissioner Montri asked in terms of public comment, her understanding is there still is a considerable amount of mis-understanding of the intent of the change. This presents an educational opportunity, as discussed in the past, to help people understand the process. A number of the public comments specifically mention the Site Selection Task Force recommended against this action. Having spoken with the Task Force Chair, that is not her understanding. The Chair stated there has been conversation around this topic and no vote specific to zoning was taken. Mr. Johnson added the question has been considered since 2015 and the Chair has made it very clear that zoning or no zoning, is not a technical question for the GAAMP Committee to consider. The GAAMP is based on technical decision-making processes considering the science around reducing the potential for nuisance conflict. Both the current and previous chairs of the committee consider zoning to be a policy decision for consideration exclusively by the department. He confirmed the committee simply decided to not move forward with the completely re-written GAAMP this year. Because the rewrite is very different, staff asked the committee to ensure the department had not changed any of the actual wording or intent of the GAAMP, and there were many technical and scientific questions already requiring the Committee's close consideration for the 2019 GAAMP.

Commissioner Montri noted the public comments mention removal of zoning would allow placement of livestock operations almost anywhere and yet, there are many other items taken into consideration during the site selection determination process. There also is a public mis-understanding of the other GAAMPs that affect operations. Mr. Tirrell added there is an exceptional group of scientists who work very hard on the GAAMPs and deserve so much credit for development of the process.

Commissioner Meachum noted they also saw in some of the comments people thought the department was trying to make a last-minute decision, while the committee members and many others were actually aware of this proposed change for some time. Mr. Johnson confirmed it has been discussed since 2015 and a number of conversations have occurred between the department and the Michigan Township Association specific to what was occurring across the state and the potential risk of reaction. The agricultural community is now looking at this in a different way.

Commissioner Montri asked how the new commissioners would be educated prior to their having to vote on the GAAMPs during their first meeting in January. She asked for consideration of the need for new members to have sufficient time to review the changes being proposed and understand the background involved. Director Wenk confirmed that would begin as soon as possible and would include their opportunity to be informed and get questions answered by MDARD staff during their January orientation session.

Commissioner Montri advised she appreciates the amount of input the Commission receives through this process and the fact MDARD takes the time to facilitate that. She

feels it would be beneficial for each person providing public comment to provide their name, the community they are from, and clearly identify if they are representing themselves as an individual or an organization. This is a best practice that should be encouraged through use of a form on the website. Commissioner Meachum agreed that many of the written public comments received were not clear with that information.

NURSERY INSPECTION FEES: Robin Rosenbaum, Plant Industry Section Manager, Pesticide and Plant Pest Management Division

Ms. Rosenbaum advised the Pesticide and Plant Pest Management Division (PPPMD) requests the Commission approve proposed increases in its nursery and related inspection fees. PPPMD is authorized under the Insect Pest and Plant Disease Act to charge an inspection fee based on the cost of doing an inspection, and also to annually adjust inspection fees in accordance with the annual percentage change in the Detroit-Ann Arbor-Flint Consumer Price Index (CPI). That adjustment is not to exceed five percent in a one-year period, and the Commission must approve the adjustment.

At the end of every fiscal year, PPPMD reviews the cost of inspection, which is about two-thirds covered by restricted revenue. They were notified in September by the State Treasurer the CPI rose 2.6 percent in 2018. Consequently, PPPMD recommends a fee increase for the hourly rates of inspection from \$60/hour to \$61/hour, an increase from \$54/acre to \$56/acre for the first acre, and no increase in the per acre cost for subsequent acres. The total revenue increase is estimated to be \$10,500.

The effective period of the proposed increase will be January 1, 2019, to December 31, 2019, and notification to stakeholders of the proposed inspection fee increases was made in October. The information was also posted on the department's website at www.michigan.gov/mdardnursery.

MOTION: COMMISSIONER MEACHUM MOVED TO APPROVE THE NURSERY INSPECTION FEE INCREASES AS PRESENTED. COMMISSIONER HANSON SECONDED. MOTION CARRIED.

STRATEGIC ACTION PLANS: Deputy Director James Averill, and Kevin Bambenek, Business Performance Specialist, Office of Organizational Innovation

Dr. Averill advised Kevin Bambenek is here today to share what the department has been accomplishing around strategic thinking. Mr. Bambenek joined the department's Office of Organizational Innovation (OOI) 18 months ago and has been assisting MDARD in measuring effectiveness and efficiencies within the department, as well as capturing outcomes relative to our Strategic Action Plans (SAPs).

Mr. Bambenek advised he works within the Performance Management Section of OOI and focuses on employee engagement, metrics and the monthly scorecard, and lean process improvement activities. All of this activity filters into the performance excellence approach the department has developed, which contains 11 key components, with the SAPs being one of those.

SAPs are defined as activities in a specific area where additional resources and efforts will be focused over a period of 12-18 months. This a forward-thinking approach and in

many cases, attempts to accomplish activities outside or at a higher level than the day-to-day operations. The goal of the plans is to achieve a measurable breakthrough in an area deemed as high priority by the Leadership Team. The SAPs are developed through a facilitated session and each has an owner, a team, a written description and plan of execution, and aligns within one of the department's four key goals. The initial SAPs were developed in April 2017, and he would like to share a high-level description of six SAPs that are nearing completion at this time.

Aligned with the first key goal of Economic Development was the SAP Breakthrough to New Business Opportunities. A key development from that was the Food and Agriculture Investment Fund. The team was also able to increase export programs and marketing initiatives.

Connected to the second key goal of Environmental Sustainability was the SAP Improve Water Quality, specifically in or around the Western Lake Erie Basin. The goal of reaching a 20 percent phosphorus reduction by 2020 is complete and the team is projecting to meet a 40 percent reduction by 2025.

Two SAPs were aligned with the key goal of Food Safety, Human, and Animal Health. The first was Reduce Foodborne Illness in and around the State of Michigan. A key result was the adoption of the Food Safety Modernization Act (FSMA) and Michigan is now conducting on-farm readiness reviews to prepare farms for FSMA implementation. The other SAP was Emergency Response and Preparedness. The team developed and implemented an Incident Command System training requirement that all staff complete training within 12 months of hire. To date, 99 percent of MDARD staff have completed that training.

Aligned with the final key goal of Efficient Effective Government were two SAPs. The first was Data Management Systems Support Business Process. The team developed an inventory of data management systems and designed a process flow to manage new system development. The second SAP was Customer Satisfaction, where the team partnered with a consultant and Michigan's Office of Good Government to learn how to develop, launch, and analyze a customer satisfaction survey.

These SAPs developed in April 2017 were focused around an 18-month timeframe. As phase one SAPs are ending, MDARD leadership is evaluating the level of success from those developed, along with consideration of whether to continue with SAPs in a different area, pivot to a new direction, or develop new SAPs for the next 12-18 months.

Commissioner Meachum asked what effectively reduced the phosphorus by 20 percent two years ahead of time. Director Wenk advised it was accomplished by the ongoing engagement our staff and conservation districts have had with farmers in the Western Lake Erie Basin, including MAEAP (Michigan Agriculture Environmental Assurance Program) and conservation technician resources provided.

Director Wenk advised it is always about performance improvement, sustaining the MDARD culture of always maintaining a customer service focus, doing the best we can do, and being problem solvers. This is a culture that has existed for a number of years

and now, with the increased focus, we will be able to continue growing that culture and perpetuating it in an even more organized fashion.

CHRONIC WASTING DISEASE UPDATE: Deputy Director James Averill, Nora Wineland, State Veterinarian and Animal Industry Division Director, and Kelly Straka, State Wildlife Veterinarian, Michigan Department of Natural Resources

Dr. Averill introduced Dr. Wineland, the department's new State Veterinarian, who has an impressive career with the federal government and USDA, bringing to MDARD an immense amount of experience as an administrator and understanding of the federal government that should prove beneficial to Michigan.

The state has been dealing with Chronic Wasting Disease (CWD) for a number of years. It began in Meridian Township in a free-ranging white-tailed deer and has now been found in several counties across the state in the free-ranging white-tailed deer. Two farmed deer operations were found positive for CWD in Mecosta County. One has been depopulated and the second is in that process. They were discovered through the required surveillance program for certified farmed deer operations which requires submission of harvested heads for CWD testing. Trace work with the second herd was also completed to determine where their deer had been sold over the last five years. About 250 deer were tracked and 50 still need to be tested as they are harvested. At this point in time, no further CWD has been detected at this facility. The bottleneck is the amount of money available from USDA Veterinary Services from an indemnity standpoint. As funds become available, another group of deer are removed.

Each time the Michigan Department of Natural Resources (MDNR) finds a CWD positive free-ranging white-tailed deer, MDARD establishes a 15-mile radius around that find and places the farmed deer operations within any county touching that circle under increased surveillance. Across the state, we have 69 herds under a control zone for surveillance and the animals are effectively under quarantine for five years. However, if the facility completes the amount of CWD testing mandated of them, MDARD modifies their quarantine to allow permitted movement onto or from their operation. There is concern within MDARD's program due to the anticipated additional work that could be created as a result of changes in MDNR's surveillance that will likely lead to finding more CWD in the deer population.

Dr. Straka advised the departments have worked very well together over the years in addressing the various issues facing the state. With the privately-owned cervid (POC) facilities in a 15-mile radius of a CWD positive free-ranging deer, it is very important that an open line of communication is maintained. She oversees the disease laboratory that completes all of the testing for the state, and their volume is currently up about 68 percent over last year.

She reviewed MDNR's 2018 season surveillance map. The first Michigan CWD detection in the free-ranging deer was in Ingham County in 2015. From 2015 to 2016, it was found in nine deer from Ingham to Clinton County, and a considerable amount of deer management activities removed a substantial number of deer from that area. No positive has been found in that initial area since November 2016. In October 2017, a deer was found positive in Montcalm County and through the end of that year, CWD was

detected in 48 deer, which was concerning. The Montcalm County area became their primary area of focus, with surveillance continuing around Ingham County, as well as around Jackson County, where an additional animal was found positive.

A total of 16 counties in the Lower Peninsula are considered the CWD Management Zone. A number of actions have been implemented to drastically increase surveillance in that zone, along with a baiting and feeding ban, increasing harvest regulations, and adding antlerless deer licenses for farm owners, all with the goal of slowing the spread of any disease. They are also focusing on finding the edge of the area of infection around Montcalm County. Once a disease is established on the landscape, it is not thought to be able to eradicate it. Therefore, the main concern is attempting to minimize the spread of that disease, as well as decrease the prevalence in that area whenever possible. To assist in the effort, relatively high sample quotas have been established for 2018, with 8,475 in the focus area and a total of 16,090 animals overall.

Because CWD is well established in Wisconsin, the four counties on the western edge of the UP has been a surveillance area. The first detection of CWD in the UP was in Dickenson County two weeks ago, which was an animal submitted by an agricultural producer. To date, this is the only positive in that county. As a response, they have created new surveillance goals for the area and staff have already been trained how to remove the lymph nodes to expedite the testing process. Commissioner Kennedy advised that type of training could help expedite the process for the remainder of the state as well. Dr. Straka is hoping that training can be accomplished, and steps are already being implemented, including training of taxidermists, to make submittal easier for the hunters. To date, a total of 70 CWD positive deer have been found in Michigan.

There is an extensive amount of CWD information available on the MDNR website that is updated weekly and can be found at www.MI.gov/CWD. The website includes maps, frequently asked questions, etc., and it is also interactive, allowing access to numbers on a township level. It is very useful for hunters, POC operators, and landowners. MDNR partners with the MSU Veterinary Diagnostic Lab that performs the disease tests from sample tissues MDNR provides, and both groups are working nights and weekends to provide information as quickly as possible.

In response to question from Commissioner Kennedy, Dr. Straka demonstrated capabilities of the website.

BUDGET UPDATE: Maria Tyszkiewicz, Director, Finance and Office Services

Ms. Tyszkiewicz provided additional details relative to the 2019 Fiscal Year budget, in which MDARD received three primary increases. The first was \$780,000 for the Dairy Program, which added five staff members to assist with recent dairy expansions and to conduct the increased number of inspections required on the farms and at the processing level.

In addition, \$307,000 was added for the information technology (IT) side of OOI to reclassify two limited-term staff as permanent full-time personnel to support IT projects.

The third increase received was through a legislative initiative which added funds to the Food and Agriculture Investment Program, which Peter Anastor spoke about earlier today. The total for that program for 2019 will be \$5.1 million, which is a \$381,000 increase from the current year.

In addition to those increases, the department received \$3.2 million in one-time grant funds, the largest of those is \$2 million for the Animal Agriculture Initiative. There was a large funding allocation for the county fair capital improvement grants, equating to a one-time allocation for those competitive grants of \$775,000 in 2019. Of that amount, \$275,000 has been earmarked for the Tuscola County Fair for grandstand renovations and a community center at the fair.

Also allocated is a smaller amount of money for an organization called ACRE, which is an agricultural incubator located in Ottawa County. This one-time award will help support staffing to assist new agricultural companies. There also is a grant for the ODC (Outdoor Discovery Center) network to support a pilot phosphorus removal program in Ottawa County.

The bulk of these one-time fund allocations are obviously legislative priorities. Overall, the budget was decreased somewhat. However, an even greater one-time money was included in 2018 which is no longer part of the budget.

In response to question from Commissioner Meachum, Ms. Tyszkiewicz advised the 2019 budget decrease was 6 percent gross and 11 percent general fund from 2018 to 2019. This was just over \$7 million on the gross side and almost \$8 million from the general fund, primarily due to the \$9.6 million one-time money that had been included.

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

Mr. Blakey advised last evening's elections were extremely interesting to the political arena. We are officially into the legislative Lame Duck session and the House and Senate are most likely meeting today developing what the post-election agenda will look like. Gretchen Whitmer will be our new Governor and both the House and Senate maintained Republican majority, which will create an interesting dynamic going forward. All three ballot initiatives were approved. One of the issues MDARD will need to address are the ramifications of Proposal 1, primarily because of the inclusion into food products. Legislators will need to contemplate and decide what they would like developed on that front. The guidelines relative to what the department should or can be doing in that area are very limited, and it will be an important area of work as we look forward.

For Lame Duck, not much has changed since his last report in September. The rewrite of the Animal Industry Act has been a large project and the department will offer some suggested changes to include ideas from MDNR and the Michigan Department of Health and Human Services, coupled with MDARD's suggestions.

The legislation relative to sugar beet dirt is moving forward. The department is working with Michigan Sugar to clarify their desired outcome and how the Quality of Life agencies can assist.

The PMO (Pasteurized Milk Ordinance) legislation looks good and is not all that complicated. That should move along with the Animal Industry Act changes.

Other legislation includes that related to industrial hemp. Sadly, it has been reduced to something with which the department is not comfortable. Federally, industrial hemp is against the law. A pilot program was created in 2014 under the Farm Bill through which states could research industrial hemp. The goal of the introduced legislation was to build upon that; however, the department needs more oversight than what is being offered in the current version. Another problem is that it specifically excludes universities and groups of higher education from the new process.

Another package that may be moving deals with qualified forests. There have been minor changes to that legislation and we should see another substitute soon.

There could be numerous pieces of legislation introduced during Lane Duck and the session will move quickly. MDARD staff have been alerted to be prepared for quickly providing requested information to legislative staff.

In response to question from Commissioner Meachum, Mr. Blakely advised once votes on Proposal 1 are tabulated, potentially November 24-26, then within 10 days, it will become law. The Department of Licensing and Regulatory Affairs (LARA) then has 12 months to promulgate rules. What he has been led to believe is, after it becomes law, individuals may be able to grow and possess recreational marijuana, but the license for such a business will not be available for up to 12 months. There is a great deal of confusion and he would urge anyone to research and educate themselves to be on the safe side. Commissioner Kennedy asked if MDARD would regulate licensed growers. Mr. Blakely advised everything rests with LARA, because they regulate medical marijuana and possess the needed resources and knowledge base.

He advised this may be the last opportunity he has to be in front of the Commission, as he is not certain what the future holds for his position with the department. He thanked the Commission, advising it has been a pleasure working with them.

PUBLIC COMMENT

No public comment on non-agenda items was requested.

ADJOURN

MOTION: COMMISSIONER HANSON MOVED TO ADJOURN THE MEETING. COMMISSIONER MEACHUM SECONDED. MOTION CARRIED.

There being no further business, the meeting adjourned at 12:45 p.m.

Attachments:

A) *Agenda*

- B) *Agriculture and Rural Development Commission Meeting Minutes September 19, 2018.*
- C) *Director Gordon Wenk – Issues of Interest Report*
- D) *Retirement Resolution Honoring Director Gordon M. Wenk*
- E) *Trevor Nichols Research Center Overview*
- F) *MSU Research Centers Brochure*
- G) *Michigan Asparagus and Carrot Industries Presentation*
- H) *Food and Agriculture Investment Fund Project Briefings and Terms Sheets for Dutch Treat Foods and Liberty Farms and Flour Mill*
- I) *Proposed 2019 Generally Accepted Agricultural and Management Practices*
- J) *Request for Approval to Increase Nursery and Related Inspection Fees Briefing*
- K) *MDARD Strategic Action Plan Overview*
- L) *Legislative Status – November 2018*