

# MICHIGAN COMMISSION OF AGRICULTURE AND RURAL DEVELOPMENT

AgroLiquid  
3055 West M-21  
St. Johns, Michigan 48879

## MEETING MINUTES May 15, 2019

### **PRESENT:**

Trever Meachum, Chair, Michigan Commission of Agriculture and Rural Development  
Brian Pridgeon, Vice Chair, Michigan Commission of Agriculture and Rural Development  
Dru Montri, Secretary, Michigan Commission of Agriculture and Rural Development  
Patricia Bergdahl, Michigan Commission of Agriculture and Rural Development  
Charlie Meintz, Michigan Commission of Agriculture and Rural Development  
Gary McDowell, Director, Michigan Department of Agriculture and Rural Development

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

Chairperson Meachum called the meeting of the Commission of Agriculture and Rural Development to order at 9:02 a.m. on May 15, 2019. Commissioner Montri called the roll with Commissioners Bergdahl, Meachum, Meintz, Montri, and Pridgeon, and Director McDowell present.

### **APPROVAL OF AGENDA**

**MOTION: COMMISSIONER MONTRI MOVED TO APPROVE THE MEETING AGENDA FOR MAY 15, 2019. SECONDED BY COMMISSIONER MEINTZ. MOTION CARRIED.**

### **APPROVAL OF MARCH 27, 2019, MEETING MINUTES**

**MOTION: COMMISSIONER BERGDAHL MOVED TO APPROVE THE MARCH 27, 2019, MEETING MINUTES. SECONDED BY COMMISSIONER PRIDGEON. MOTION CARRIED.**

### **NEXT SCHEDULED MEETING**

The next scheduled meeting is July 18, 2019, to be held at the Landmark Inn, 230 N. Front Street, Marquette, Michigan.

### **COMMISSIONER COMMENTS AND TRAVEL**

**Commissioner Montri** advised she is excited to welcome her fellow Commissioners to their farm for a tour this afternoon. They are transitioning from their spring to summer crops in each of their hoopouses and are harvesting the last of their spring greens. Their outdoor farmers markets began last week. In June, she is looking forward to attending the Michigan Food Processors Association annual meeting, which the Director is also joining, as well as the Michigan Farm Bureau Centennial Celebration.

**Commissioner Bergdahl** reported she attended the Growing UP (Upper Peninsula) Agriculture Association's (GUPAA) annual meeting and educational program on April 18

held in Escanaba, during which Diane Hanson was awarded the Service to Agriculture Award. Michigan State University (MSU) recently implemented a two-year agriculture operations technology program at Bay de Noc College. There is a shortage of hay in their area, and weather-wise, some snow remains in wooded areas.

**Commissioner Meintz** reported wet fields is the main struggle in his area and they just began to attempt working some areas on high ground. Hay is very short and although there was considerable winter kill on hay fields in areas south of them, their fields fortunately look good. Road issues remain due to flooding, creating a transportation issue for farmers in the area that will result in many fields not receiving nutrients this year.

**Commissioner Pridgeon** advised, likewise in the southern part of the state, they are significantly behind on planting progress and farm morale is not very high. However, farmers are hoping for a bumper crop this year.

**Commissioner Meachum** reported he has attended several meetings with MSU Extension discussing future strategies to meet the needs of growers for the next 5-10 years. In the southwest part of the state, they are at least 10 days behind and are just entering bloom stage on apples. Because of weather, yesterday was the first day bees were out of the boxes, and they were obviously very angry. Less than 10 percent of their corn and beans are planted, which is usually completed by May 20, and they are at least two weeks behind in vegetable planting. Perhaps the upside will be an increase in prices because the market will not be over flooded. Asparagus is slowly growing, which unfortunately means markets are looking elsewhere to fill their needs. Farmers in their area are not able to cut their hay because of wet conditions.

Commissioners Bergdahl, Meachum, Meintz, 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 MEINTZ. MOTION CARRIED.**

### **DIRECTOR'S REPORT**

Director McDowell confirmed it has been cold and very wet in the eastern area of the UP as well. Farmers are considerably behind schedule, as fields remain saturated.

He reported both the House and Senate are moving their versions of the budget through the legislative process. The House has taken a more "across the board" reductions approach, which reduces most of the department's operating lines, including the IT budget. Although the Senate bill increases funding, it includes a number of reductions to key regulatory programs, including the bovine Tuberculosis (TB) program, and shifts those reductions to discretionary grant programs. A reduction in funding for the bovine TB program is concerning and the department is looking for assistance in contacting legislators to advise reductions in this program would be devastating to the dairy and cattle industries in Michigan. In the Senate version of the budget, the proposed reduction is almost 60 percent to that program. Staff continue to work with legislators and the State

Budget Office on the entire budget. If Commissioners have any questions regarding the budget, Budget Director, Maria Tyszkiewicz will be here later to answer them at that time.

The department hosted a meeting with the Commodity Executives on April 15, with 35 industry members in attendance. Discussion included visions and priorities, ag labor, 2018 Farm Bill, Produce Safety Rule, Industrial Hemp, PA116 and solar, and an update on key partnerships. Josh Neyhart and Jeremy Johnson from the Governor's Office also attended, as well as the State FSA (Farm Services Agency) Director Joel Johnson. The next meeting is scheduled for September 30.

The Craft Beverage Council met last month at Iron Fish Distillery in Thompsonville. The Council reviewed recommended projects for 2019 grant funding, totaling \$353,000. Their next meeting will be held July 10 at Temperance Distilling.

The Ag Preservation Fund Board (APFB) met on April 17, chaired by Farm Bureau President Carl Bednarski. Topics included the APFB scoring system, easement template language, and county grant agreement language. They also received presentations on fruit belt and farmland risk assessments. Their next meeting is scheduled for August 1.

He attended his first All Supervisors meeting last month, which was a very informative and engaging discussion. The agenda included several topics, such as the Governor's Executive Orders and Directives, emergency management, legal affairs, strategic action plans, discriminatory and sexual harassment, budget, safety plans, and recruitment practices. The next All Supervisors meeting is scheduled for July 16.

Staff and he had the opportunity to tour the new Zeeland Farm Services facility in Ithaca on April 19, which is quite impressive. When completed this fall, the plant will more than quadruple the state's soy processing capacity.

On May 8, he visited Fairlife in Coopersville, along with several key staff, Josh Neyhart, Senator Victory, and Representative Meerman. Fairlife processes 2.5 million pounds of milk daily and has received support from the State of Michigan through various grants. Their 100-acre facility is the site of the former General Motors Delphi plant.

The department held another Sampling Team Exercise in Warren and once again, Brad Deacon and his team did a wonderful job facilitating the event.

The PA116/Solar Panels Workgroup met again this morning and is making sufficient headway toward allowing renewable energy on farmland. They hope to complete final edits this week for sharing with the Governor's staff for review. The Department of Agriculture and Rural Development (MDARD) also drafted an affidavit in that regard for review by the Governor's Office and is preparing a press release.

Recently, he and staff met with the Michigan Department of Civil Rights (MDCR) Director Agustin Arbulu regarding migrant and seasonal farmworkers in Michigan. Two key points of the conversation were the need for an updated enumeration study and MDCR's

concern regarding farm wages on small farms. An outcome of that conversation is we need to have a better understanding of farm labor in Michigan. And to that extent, on June 7, MDARD will be facilitating a meeting between key agriculture stakeholders and Director Arbulu to discuss the importance of this issue.

Rollout of the Industrial Hemp Ag Pilot program occurred two weeks ago. MDARD staff did an incredible job handling the volume of Industrial Hemp licenses, processing over 600 temporary licenses in four and one-half days. It was a great team effort and a prime example of the excellent customer service MDARD provides.

In response to inquiry from Commissioner Montri relative to the study needed around migrant and seasonal farmworkers, the Director advised, at this point, we do not have a good idea of how many workers are available and where they are needed. The June 7 meeting will involve key stakeholders, Michigan Farm Bureau (MFB), MDARD, and MDCR to discuss all of the issues involved.

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

**Dave Overholt, Jr., Sidney, Michigan**, encouraged the Commission to create a set of Generally Accepted Agricultural and Management Practices (GAAMP) for the hemp industry. He shared a pamphlet of information regarding hemp farming, what is involved, and the positive economic impact that can be achieved. He feels a GAAMP would provide uniform growing procedures, help stabilize the hemp and marijuana industries, and reduce the need for imported hemp. He reported several industries are interested in locating in Michigan that could benefit from hemp products and the economic benefit could be extremely positive. Hemp is a crop that can be grown in areas with short growing seasons and represents an eco-friendly way to replace many products that are currently polluting our environment. Hemp production is currently included in the Pesticide Utilization and Pest Control GAAMP and in the future, it would be beneficial for the industry to have its own GAAMP because it is such an integral commodity.

**Crystal Brummans, Hidden Creek Farm, Muskegon**, advised she and her husband Lee own Hidden Creek Farm, which they had been operating for five years with no complaints or issues. Last Wednesday, they were served with two lawsuits from their township and appeared in court on Friday. Because of a specific zoning reference in the Farm Markets GAAMP, they lost the portion of the lawsuit related to their being allowed to sell on their premises the products they have grown on their farm. The township may now be able to take their entire farming operation away from them. The "Farming" (Site Selection) and the Farm Markets GAAMPs are in direct conflict with each other. Whereas the Farm Markets GAAMP states under the affiliated section, "...mean the farm under the same ownership or control as the farm market, whether or not the farm market is located on the property where production occurs; however, the market must be located on land where local land use zoning allows for agricultural and its related activities." She feels the "Farming" GAAMP should protect them from nuisance lawsuits, but the Farm Markets GAAMP is very conflicting. The community supports them and there are no other local farms in the area. She and her husband are very hard workers and have put their all of their time and money into their farm operation. If they lose this case, they would lose their business and have to move.

Commissioner Meachum advised the Commission would request staff to review the case and potentially offer assistance.

In response to question from Commissioner Montri, Ms. Brummans advised Right to Farm (RTF) staff inspected their property by all aspects and they were found to be in complete compliance with the "Farming" GAAMP, and were further advised they could expand their operation to 50 animals in the future. The second lawsuit is related to "commercial sales," which would restrict them from having a U-pick garden, a farm stand, milk share, or selling eggs or meat on their property. They raise and sell only their own products.

The Director asked Environmental Stewardship Division Director Jim Johnson to comment. Mr. Johnson advised this is one of those sites where a determination is made around a more urban setting, which is based on having less than 13 homes within one-eighth of a mile and no home within 150 feet from where the animals are kept. From the perspective of the Site Selection GAAMP, Hidden Creek Farm meets those conditions. The challenge lies in the Farm Markets GAAMP, where it indicates that in order to market your goods, the marketing must occur on land that is zoned for agriculture. Because the farm is not zoned for agriculture, the direct marketing at that location is not compliant with the Farm Markets GAAMP as currently written. Mr. Tirrell confirmed they received only a complaint relating to animals and the Site Selection GAAMP, with which Hidden Creek Farm was found to be entirely in compliance. Given the nature of that complaint, the Farm Markets GAAMP was not considered. With the short turnaround involved with the second lawsuit, there was no time for a second review.

Mr. Johnson pointed out the Farm Markets GAAMP was initiated in the early 2000s and references to residential livestock agriculture were added to the Site Selection GAAMP in 2013, 2014, and 2015. Those additions were not considered in the Farm Markets GAAMP.

Commissioner Pridgeon advised he feels we have a task as a department to help work through the various nuisances and ramifications of what the Farm Markets GAAMP is stating and should intend. Commissioner Meintz expressed his concern for Hidden Creek Farm and the hardships they are having to endure.

The Director advised this is a clear example of why zoning within each of the GAAMPs needs to be addressed. He advised the department will work to assist in this situation.

Ms. Brummans asked when that might happen, as time is critical at this point. Mr. Johnson advised, although there typically is a year-long review of each GAAMP by the respective Taskforce Committees with presentation to the Commission for approval each January, the Commission has the authority to make decisions relative to the GAAMPs at any point in time.

Commissioner Montri reiterated her suggestion made during the March Commission meeting around the need for consideration of removing all references to zoning from all GAAMPs to create consistency with the legislative intent. This situation reiterates the

need for Taskforce review of that GAAMP as a priority and suggested the Commission request the Farm Markets GAAMP Taskforce Committee meet between now and the next Commission meeting to develop recommendations. Commissioner Meachum agreed. Mr. Tirrell advised they have already reached out to the committee.

Commissioner Meachum encouraged Ms. Brummans to work with Mr. Johnson and Mr. Tirrell. Ms. Brummans confirmed the current issue remains with the conflicting wording within the Farm Markets GAAMP.

**Jay Fleming, Kalamazoo**, stated retail sales of CBD (Cannabidiol) consumer products last year were estimated at between \$600 million and \$2 billion and sources estimate sales to reach \$16 billion by 2025, with health and wellness products leading the way. However, this industry is experiencing various difficulties along its supply chain from the farming involved to the testing of finished materials. The potential of failing to produce quality cannabis extracts is large and Michigan farmers are left in the dark as to best standards of practice. Michigan farmers and the consumers they serve could sorely use the proven guidance that a hemp specific GAAMP can provide. Indicators point toward a future of sustainable growth and hemp farming has the capacity to provide stimulus to Michigan's agricultural areas, and with the support of a GAAMP, it can do so in a safe and healthy manner. He encouraged the Commission to provide that guidance and support.

**Wendy Banka, President, Michigan Small Farm Council**, advised the Council has advocated for small farm rights with respect to the RTF Act and the GAAMPs for many years. The Michigan Small Farm Council Board recently discussed Ms. Brummanns' issue and noted a change in the Farm Markets GAAMP would allow sales on that farm to go forward. Ms. Brummanns needs action from the Commission on the Farm Markets GAAMP. Another issue discussed by the Council is the underlying issue of the conflict between what the RTF Act states and what the GAAMPs state with regard to zoning, and they question if zoning language in the GAAMPs would stand if challenged in a court of law. She strongly encouraged the Commission to remove the zoning language from the Farm Markets GAAMP, reiterating that her Council feels it conflicts with the law.

**MICHIGAN APPLE COMMITTEE: Diane Smith, Executive Director, Michigan Apple Committee**

Ms. Smith thanked the Commission for the opportunity to update them on the Michigan Apple industry. The Michigan Apple Committee (MAC) consists of seven Governor-appointed board members and the new chair is Mark Youngquist. MAC also has six full-time employees who work to provide resources to retailers and fresh sales organizations.

MAC is tasked with marketing, education, and research, as well as working with the national organization. This past year, MAC conducted campaigns in 32 states for fresh Michigan apples, making inroads into the northeastern region of the country.

As with any industry, the main challenge currently is trade. Thirty percent of the U.S. apple crop is exported. Much of that is from Washington, the number one producer. If those apples are not exported, they will come to the domestic market, causing price

disruption and other issues for movement of Michigan apples. Michigan exports five to eight percent of its apples.

MAC's first task is the 232 tariffs on steel and aluminum, which have created retaliatory tariffs on apples. Apples and pork seem to be the two groups targeted on every retaliatory list, and apples have been hit by every country involved. NAFTA (North American Free Trade Agreement) was a big win for apples, providing for duty-free shipping. Since then, exports to Mexico have quadrupled and those to Canada doubled, representing a \$450 million profit for Michigan growers. Dispute resolution provisions were added to USMCA (United States-Mexico-Canada Agreement), which is helpful as well. MAC's education efforts include the importance of the trade agreement, which continues to be negotiated. The hope is for its approval in the near future to ensure Washington has a good market for their apples.

Labor is another area of concern being addressed by MAC. Two other challenges for Michigan are new varieties of apples and organics. MAC represents all Michigan apple growers, and so is not in a position to promote new variety apples that are part of a club. Those varieties currently are purchased by large companies who hold the rights to each respective variety. MAC is hoping to provide more open access to them the future.

Michigan's environment creates a challenge for organic growers. MAC is conducting a feasibility study to determine the price gap between conventional and organic apples. In January 2020, they will be working with MSU on some federal grants and the feasibility study will provide data required for those applications. Some retailers are requesting organics and they hope to meet that demand.

She thanked the Director for joining her for an event last week to provide a \$4,000 check to the Michigan School for the Deaf, which was an Apples for Ag Scholarship. The school previously had only \$50 per month for snacks in their dormitories. They will now have enough funding to provide for more healthy fresh fruits and vegetable snack items. Additionally, MAC will be providing some free apples for that program in the fall. The Director added he was proud to be part of that great event and encouraged others to visit the school, which is a wonderful facility.

**2019 SITE SELECTION GENERALLY ACCEPTED AGRICULTURAL AND MANAGEMENT PRACTICES (GAAMP): Jim Johnson, Division Director, and Ben Tirrell, Right to Farm Program Manager, Environmental Stewardship Division; and Dale Rozeboom, Chair, Site Selection GAAMP Taskforce Committee**

Mr. Johnson reported the Site Selection GAAMP Taskforce Committee deliberated the questions and requests made by the Commission during their March 27 meeting and prepared clarifications and changes to the draft GAAMP. The Taskforce review included reviewing the impacts of removing zoning references, dealing with questions around highly residential areas, the issue of institutional controls, and the potential of a user-friendly version of the GAAMP. He extended his appreciation to Dr. Rozeboom and Ben Tirrell for their leadership in facilitating that process.

Dr. Rozeboom reported the Taskforce Committee met on May 6 to consider all items and recommendations made by the Commission during their March 27 meeting. In

conclusion, the Committee supported the removal of all references to zoning, including the removal of the reference to “ag use by right” mentioned under Category 4. They asked MDARD to clarify the meaning of some of the new terms that have now been used to replace the word zoning.

The Taskforce next discussed how the Site Selection process consideration in the future may value local input. With the loss of the zoning language, there was some feeling local input might not be considered. Discussion included how MDARD could provide information to the local planning commission chair regarding a respective proposed site and what that information should include. No decision was made in this regard and discussion will continue in the future.

Relative to Commissioner Pridgeon’s prior comment regarding setbacks and terminology of highly primary residential terms, the Taskforce discussed the need for quantitative definition in future GAAMPs, those being more qualitative terms at present. This led them to other terms in the GAAMP which have similarities in that they are qualitative, such as highly agricultural, or predominately agricultural, and what they may mean. How to actually accomplish that will be considered by the Taskforce in the future.

The third issue discussed on May 6 dealt with Category 4 and the use of the terminology “institutional controls” or “environmental land and resource use controls.” The Taskforce proposed the 2019 GAAMP be changed to indicate that “land and resource use controls” apply to all farms, and not just Category 4. As already proposed, they recommended items 1, 2, and 3 be moved to a new/separate Additional Considerations for All Livestock Facilities section. This section would precede the current section that is called Additional Considerations for All Livestock Production Facilities, which would include Categories 1, 2, and 3. They recommended to remove the parenthetical phrase “institutional controls,” with primary justification it was complicated and difficult to understand. That was deferred back to the department.

Mr. Tirrell advised the majority of the proposed changes are encompassed on pages 10 and 11 as indicated by the revised draft version of the GAAMP. On page 10, “and do not allow agricultural uses by right” is deleted under the Category 4 Sites section. Further in that section, are the changes identified under Additional Considerations for all Livestock Facilities. And as suggested by the Taskforce, the words “where agricultural uses are excluded” is deleted on page 15. Subsequently, the department reviewed the changes to “institutional controls.” The Office of the Attorney General advised the term “institutional controls” has some significant legal meaning and suggested changes be implemented as provided in the additional one-page document distributed to the Commission today. These recommended changes would remove the words “land and resource use” and replace them with “institutional” on page 11; and insert the legal definition of “institutional controls” on page 3.

Commissioner Montri thanked the department and the Taskforce for their continued review of the GAAMP, recognizing that it takes considerable time and effort to address the issues. She appreciates the Taskforce considering how to engage local communities in the site selection conversations in the future, playing an important role in the intent to improve relationships between farmers and neighbors. She suggested the



Taskforce consider also removing the reference to zoning in the introduction when the 2020 GAAMP is reviewed, as well as defining the new terms, which will be important. Once the 2019 GAAMP is adopted, she highly recommended an editor who is not involved in the process to create more consistent language, improving readability without having to create another version of the GAAMP for it to be accessible. She felt overall, we are in a good place to move forward with what is being presented today.

**MOTION: COMMISSIONER PRIDGEON MOVED TO APPROVE THE 2019 SITE SELECTION GENERALLY ACCEPTED AGRICULTURAL AND MANAGEMENT PRACTICES AS PRESENTED. COMMISSIONER MEINTZ SECONDED. MOTION CARRIED.**

**MOTION: COMMISSIONER MONTRI MOVED TO AMEND THE SITE SELECTION GENERALLY ACCEPTED AGRICULTURAL AND MANAGEMENT PRACTICES TO INCLUDE THE PROPOSED DEFINITION OF INSTITUTIONAL CONTROLS AND REPLACING “LAND AND RESOURCE USE” IN SUBSECTIONS A AND B ON PAGE 11 WITH “INSTITUTIONAL” TO BE CONSISTENT THROUGHOUT THE DOCUMENT. COMMISSIONER BERGDAHL SECONDED. MOTION CARRIED.**

Mr. Johnson advised the approved changes in the Site Selection GAAMP requires a change to the Commission Policy 12, which adds language to Appendix E under the Appeal Process section and rewords “experts” to “recognized professionals.” The Commission Policy Manual is the next topic of discussion today.

**COMMISSION POLICY MANUAL: Brad Deacon, Director, Legal Affairs and Emergency Management**

Mr. Deacon noted the Commission Policy Manual is thoroughly reviewed every two years at a minimum. With the addition of numerous Governor’s Executive Directives issued since the beginning of the year, it became very relative to complete a full comparison. The Responsibilities section is broadened to include applicable language from recent Executive Directives. The Procedures section has additional emphasis on ethics and reporting of issues and concerns, especially those related to any financial irregularities or public or health safety issues. We feel those have always been there, but this represents a much stronger emphasis under the Governor’s Executive Directives. Also, the department has been working toward updating the MDARD website to include additional information about its advisory boards.

In terms of the actual policies, 1-12 contain very few changes and recommendations are primarily minor reference updates, with the exception now of Policy 12.

Relative to a question he received prior to the meeting relative to the section on Meetings, he noted the actual language from the Governor’s Executive Directive 2019-11 regarding transparency states as part of Open Meetings, “Shall prohibit the use of texting, or other forms of electronic communications among members of a public body within the department or agency during an open meeting that constitute deliberations toward decision-making or actual decisions in a manner that violates the Open Meetings Act.” The policy could be further amended to clarify and add the exact language from

the Executive Directive so as to not prohibit a member from taking and responding to an emergency message, as that would clearly not be deliberating toward a Commission decision. Commissioner Montri advised she supports adding that language to the manual to assist with business considerations that personally may be needed during the course of a meeting.

Commissioner Montri advised that overall, she supports the proposed revisions and appreciates the time and effort Ms. Ayers, Mr. Deacon, and others have dedicated to the review. She asked for clarification and a definition of the term “geographically disadvantaged businesses.” Mr. Deacon advised Executive Directive 2019-9 more clearly defines that term and ensures equal opportunity in state contracting, grants, and loan programs. The department and Commission have already been acting to ensure those things simply by the nature of their work.

Commissioner Montri asked for logic on removing “video conference” from the Meetings section. Mr. Deacon advised there have been multiple conversations over the years with the Office of the Attorney General and their expert on the Open Meetings Act. The Act does not account for it either way. Because it could potentially eliminate face-to-face meetings, there has been legislation introduced to prohibit video and telephone conference of open meetings. Because of that uncertainty, it was recommended to remove that option from the policy. Commissioner Meachum added he feels it would be a disservice to the Commission and to the public to conduct a video or teleconference meeting.

Commissioner Montri recommended the words “small, medium, and large-sized” be deleted on page 15 from number 4 under the Policy Development section. This would then encompass and refer to all agricultural business, regardless of scale and does not change its intent.

Relative to mention of the Animal Industry Act as referenced on page 4, Commissioner Montri asked if changes to that Act, still moving through the Legislature, will change anything as it relates to the Commission’s legal authority. Mr. Deacon advised he will monitor and follow-up as the legislation moves through the legislative process.

Although the Commission previously received a track-change version of the Policy Manual, Commissioner Meachum requested that both the track-change and finalized versions be provided in the Commission meeting packets in the future.

**MOTION: COMMISSIONER PRIDGEON MOVED TO APPROVE THE REVISED COMMISSION POLICY MANUAL AS PRESENTED, WITH AMEMDED LANGUAGE TO NUMBER 3 UNDER THE MEETINGS SECTION PERTAINING TO ELECTRONIC COMMUNICATION AS PRESENTED AND CONSISTENT WITH THE GOVERNOR’S DIRECTIVE 2019-11, STRIKING “SMALL, MEDIUM, AND LARGE-SIZED” FROM NUMBER 4 IN THE POLICY DEVELOPMENT SECTION ON PAGE 15, AND TO INCLUDE REVISIONS TO POLICY 12 APPENDIX E AS APPROVED IN THE SITE SELECTION GAAMP. COMMISSIONER MONTRI SECONDED. MOTION CARRIED.**

## **RECESS AND RECONVENE**

Chairperson Meachum recessed the meeting at 10:55 a.m. for a brief break. He reconvened the meeting at 11:10 a.m.

**MOTION: COMMISSIONER MONTRI MOVED TO ADD THE FARM MARKETS GENERALLY ACCEPTED AGRICULTURAL AND MANAGEMENT PRACTICES TO TODAY'S AGENDA JUST PRIOR TO THE ADJOURNMENT ITEM. COMMISSIONERS BERGDAHL AND MEINTZ SUPPORTED. MOTION CARRIED.**

## **PROPOSED 2019 DEER REGULATIONS: Vicki Pontz, Chair, Natural Resources Commission; and Chad Stewart, Deer Management Specialist, Michigan Department of Natural Resources**

Ms. Pontz thanked the Commission for the opportunity to discuss today a proposed regulation the Natural Resources Commission (NRC) will be considering in July relative to Chronic Wasting Disease (CWD) statewide and particularly in the UP.

Mr. Stewart advised CWD is one of the more important issues for the Michigan Department of Natural Resources (MDNR). CWD was identified in our free-ranging deer for the first time in 2015, and it has been a departmental priority since. Based on surveillance from last year, they developed proposed responses to CWD.

Several CWD management goals have been established, including 1) preserve deer hunting opportunities for future generations, 2) slow the spread of the disease, 3) maintain low prevalence rates, 4) continue a strong and transparent communication process; and 5) fill information gaps in our knowledge of CWD science and management.

In recent years, one of the main strategies is to implement a baiting and feeding ban. This is a response typically taken in areas that have had CWD. The CWD Management Zone last year extended to 16 counties in the Lower Peninsula. Ultimately, it was felt the scale of CWD in the Lower Peninsula was not known; therefore, they recommended, and it was passed, to implement a Lower Peninsula Baiting and Feeding Ban that became effective January 31, 2019. There are some limited exceptions, but overall, it is prohibited in the Lower Peninsula as it currently stands. After the Deer Regulations were completed, one case of CWD was identified in the UP, to which they could not respond within a regulatory timeframe because the hunting season had begun. This brings us to some of the recommendations recently introduced.

The case identified in the UP was in southeastern Dickinson County through an out-of-season permit issued for crop damage. Typically, when CWD is identified, surveillance is established to gain better knowledge of the scale of the disease in the area, new check stations are implemented, and communication efforts are expanded. They were successful in having over 2,000 deer tested in that immediate area. None of those came back as positive for CWD. We are dealing with an entirely different scale as compared to areas in the Lower Peninsula with prevalence rates of one percent.

Remaining consistent with MDNR's Response and Surveillance Plan, they are recommending a Baiting and Feeding Ban in parts of the UP, centered around the town of Waucedah. Consistent with how we identify many of our Deer Management Units (DMU) in the UP, which are bounded by roads as opposed to counties, this ban will follow a designated road network. It will encompass over 600 square miles in total. This focused approach is felt to be the appropriate scale.

Another recommendation includes redefining bait. The current definition in the Wildlife Conservation Order was developed decades ago and with the new regulations, questions about the legality of new commercial products arise. As the previous definition states, "any substance composed of grain, mineral, salt, fruit, vegetable, hay, or other food material used to lure, entice, or attract deer," is considered bait. Many of the new products were not eligible for use based on the current definition. An informed workgroup was convened and developed the proposed language stating, "the materials brought out must be intended for consumption." This excludes certain products that are intended to simply attract animals based on smell with no intention of consumption. This limits the potential for transmission of disease, and it would be a statewide change.

Also in the UP, they are recommending some additional antlerless opportunities for hunters. These include increased quotas in six DMUs surrounding the CWD positive animal and adding opportunities for archers to take antlerless deer, as the deer population has expanded to a level that supports that action.

Responding to 2018 CWD surveillance in the Lower Peninsula, they are proposing to add Barry, Lenawee, and Midland Counties to the CWD Management Zone. They do plan to reevaluate the CWD Management Zone during 2020 and adjustment will be made based on what is identified.

An experiment is being proposed in the CWD Core Zone in terms of attempting to manage CWD with assistance from hunters. This would propose 4-point antler point restriction on deer/combo licenses in Mecosta, Montcalm, and Ionia Counties. These are areas in which CWD is currently being found and the proposal results from a research project requested in August 2018. The project would evaluate the impact of antler point restrictions on deer herd dynamics and would sunset in March 2022, unless clear and negative impacts are seen prior to completion.

Ms. Pontz reviewed the process NRC has used in response to CWD. In October of 2017, they sponsored a two-day forum that included experts from various states and countries who have been dealing with CWD. Having an idea of the gaps in science, a CWD Taskforce was then formed consisting primarily of local experts, including universities and MDNR. In addition, about 15 meetings were held across the state to educate landowners and hunters about the disease and receive their input in terms of strategy from a regulatory standpoint. In August of 2018, the Baiting and Feeding Ban was established for the entire Lower Peninsula to be effective January 31, 2019, in respect of hunters and small shops that sold bait. The new recommendations will be open for comment for 60 days and NRC will take action on them during their July meeting.

In response to questions from Commissioner Montri relative to NRC's consideration of public comment, Ms. Pontz advised each meeting begins with an educational session and staff compiles all comments for NRC consideration. Most concerns received were around the Baiting and Feeding Ban and some concerns around carcass disposal, because they were new to most people. Mr. Stewart advised the recommendations are founded in exercising precautionary principles, and although the Deer Regulations are on a three-year review cycle, MDNR and NRC have responded to new information each year since CWD was identified. Ms. Pontz advised they have been very clear communicating CWD is a long-term problem, we don't have all of the answers, and adjustments will be made as additional knowledge becomes available.

Commissioner Meachum advised it seems prudent that this Commission provide support for the proposed Deer and CWD Response Regulations as discussed today.

**MOTION: COMMISSIONER PRIDGEON MOVED THE MICHIGAN COMMISSION OF AGRICULTURE AND RURAL DEVELOPMENT AFFIRMS THE MICHIGAN DEPARTMENT OF NATURAL RESOURCES AUTHORITY TO MANAGE AND MITIGATE DISEASE IN WILDLIFE POPULATIONS AND ADDITIONALLY APPRECIATE THEIR PARTNERSHIP IN MANAGEMENT OF MITGATING BOVINE TUBERCULOSIS. COMMISSIONER MEINTZ SUPPORTED. MOTION CARRIED.**

Ms. Pontz expressed appreciation for the Commission's support. Additionally, she mentioned the potential of again creating an opportunity for the Michigan Commission of Agriculture and Rural Development and the Natural Resources Commission to meet informally. The Commission expressed support of coordinating that effort.

**BOVINE TUBERCULOSIS UPDATE: Dr. Nancy Barr, Assistant State Veterinarian, Animal Industry Division**

Dr. Barr briefly reviewed the Enhanced Wildlife Biosecurity Program (EWB) currently in place in the Modified Accredited Zone (MAZ) for cattle movement. Wild deer populations in that area have bovine Tuberculosis (TB), providing a reservoir for the disease. This required a program above the normal mitigation efforts. EWB addresses that area of the highest risk for spillover of bovine TB from wild deer to cattle. The concept involves a community approach that includes farm specific assessments, infrastructure protections, and risk mitigations in an attempt to protect the entire area. The program is extensive for the producers with actions to feed and water cattle safely, store cattle feed safely, and remove deer attractants from the farm. In response to deer that actually live on the farm, the U.S. Department of Agriculture (USDA) Wildlife Services (WS) provides assistance by conducting on-farm deer assessments and removal where possible. A Cost Share Program is available to farmers in the EWB program for infrastructure improvements. The goal for full implementation of the EWB program is January 2020.

Dr. Barr provided an overview of how Bovine TB is identified in Michigan. In the TB Free Zones, they primarily utilize surveillance through USDA FSIS (Food and Safety Inspection Service) in federally inspected slaughter plants, which is how the rest of the country conducts surveillance as well. In Michigan, circle testing of cattle is also

conducted whenever a positive deer or cattle farm is found, along with movement testing if required by the receiving state. In Presque Isle County, tri-annual testing of herds is conducted, and in the MAZ, annual whole-herd and movement testing is conducted. Epidemiologic trace testing of positive herds is also completed.

Recent bovine TB positive herds include an Alcona County beef herd in October 2018, which is designated herd #73 and was found during routine annual whole herd testing in the MAZ. DNA genome sequence testing indicates introduction of two separate strains of deer TB infecting two cattle on that farm. The herd will undergo a test and removal program, and the department is working with that farm to implement Wildlife Risk Mitigation strategies. Designated herd #74 was confirmed on April 25, 2019, in an Alpena County beef herd, and was found during routine annual whole herd testing. That herd will also undergo a test and removal program. Through the tri-annual testing in Presque Isle County, a beef herd was designated as herd #75 on April 29, 2019, and was the first herd found positive in this county since 2000. The department is working to remove the remainder of those animals to prevent any additional infection.

MDNR is actively conducting TB surveillance in free-ranging white-tailed deer, and in 2019 alone, over 900 deer have been tested as of May 6, 2019. Statewide in 2018, 35,585 samples were tested through active surveillance. The 2018 results found 26 positive deer and a total of 898 were found from 1975-2018, primarily in DMU 452.

In 2014, 79 of Michigan's 83 counties (95 percent) regained TB Free status. And through the recently negotiated Memorandum of Understanding (MOU) with USDA, only four counties remain in the MAZ – Alcona, Alpena, Montmorency, and Oscoda. The new MOU was signed April 2019 and is effective for one year. Major changes from the previous MOU include 1) increased wild deer surveillance goal in seven counties surrounding the MAZ (300 per county); 2) one or more positive cattle herds with MAZ deer strain in the TB Free Zone will require discussion with USDA; and 3) increased size of the circle around positive deer in the MAZ. Three positive herds will be allowed in the MAZ within a 12-month period. If 300 samples are not achieved, additional testing will be required. If one or more positive cattle herds are found outside MAZ with the MAZ deer strain, it will prompt discussion with USDA where everything is on the table, including dropping status of the rest of the state. Currently, the department is waiting for whole genome sequence test results in that herd.

The department is conducting routine communication meetings in high risk areas, as well as public meetings in areas with infected herds. 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.

Commissioner Montri inquired about the Cost Share Program, as well as proposed budget cuts to the bovine TB Program and impacts that could potentially have. Dr. Barr advised the Cost Share Program was a legislative initiative with one-time funding provided to Alpena County Conservation District. The department has many staff dedicated exclusively to bovine TB testing efforts, which amounts to testing of about 1,450 animals in the MAZ alone. Circle testing and required increased surveillance is also performed by AID staff. Additionally, a considerable amount of data management is essential for the program and required USDA reports to maintain split-state status. From

management to field staff, a budget cut would have major impacts on the cattle and dairy industries in Michigan. In response to question from Commissioner Meachum, Dr. Barr confirmed it would absolutely negatively impact our ability to maintain Michigan's TB Free status in 79 of its counties.

Dr. Averill advised the intent of the proposed cut to the Animal Health Line in the Senate version of the budget is for the reduction to come from the bovine TB Program. It is a \$2.4 million cut and the program costs approximately \$4.4 million to operate annually. MDARD would not be able to meet requirements of the MOU. As a result, USDA would likely downgrade our status, creating the inability to maintain Michigan's cattle and dairy industries. The only options to the budget cut would be to pull funding from and hurt other programs in the department, leave AID's budget as it is, or approach the Legislature to advise more funding is needed. This is just the beginning of the budget process and it is not yet finalized. The House has a different budget and will meet with the Senate in Conference Committee to further discuss. The cattle and dairy industries have been informed, and ongoing strategy discussions are occurring internally, with follow-up externally where appropriate. The Director added a drop in our TB status would be devastating to the cattle and dairy industries in Michigan and this is not simply a negotiating ploy. Legislators feel the TB Program has been ongoing for 20 years and it is time for a reduction. However, because the disease exists in free-ranging deer, the program must be maintained. Dr. Barr advised Michigan has controlled its wildlife bovine TB reservoir much better than other areas in the world. In response to inquiry from Commissioner Montri, Dr. Averill advised, to his knowledge, MDNR's budget for bovine TB has not been cut at this time. Commissioner Meintz expressed his agreement with the Director's comments regarding the potential devastating effects on the dairy industry.

#### **FOOD AND AGRICULTURE INVESTMENT FUND REQUESTS: Peter Anastor, Division Director, Agriculture Development Division**

Mr. Anastor advised they are presenting five Food and Agriculture Investment Fund projects for Commission consideration today.

He advised the first project is from the UP, and is Northern Hardwoods Lumber, LLC. He introduced Marc Blom from J.M. Longyear, which owns the company. Mr. Blom advised J.M. Longyear is a 145-year asset management company with primary investments in timberlands, and it sustainably manages over 75,000 acres of company-owned Michigan forestlands and 30,000 acres in Sault Ste. Marie, Canada, that ensures its roundwood and lumber customers a consistent and reliable source of quality forest products. The company currently employs 144 people, including 127 people in Michigan. Much of the lumber is produced at Northern Hardwoods, which produces 25 million board feet of sawmill and kiln-drying lumber each year.

This project includes an asset purchase, start-up, and expansion of the facility, which is located in Newberry, Michigan. It will require an investment of \$3.1 million and lead to the creation of 15 jobs. After the facility asset purchase, expansion investments will include purchase and installation of an in-bound green tally system, improved kiln controls to increase kiln through-put and efficiency, and additional rolling stock right-

sized for the expanded facility production. These investments will boost annual production 20 percent over the previous facility maximum production capability.

The expanded facility will provide the only value-added kiln drying facility for the Eastern Upper Peninsula hardwood green lumber mills. Alternatives for these mills are three to six hours away. The facility will also serve as a value-added outlet for mills in the Northern Lower Peninsula. The expanded capacity will provide an outlet for additional green lumber, support incremental logging and lumber processing, and have a positive impact on the opportunity for landowners to harvest with a larger value-added market for higher grade timber. In addition, Northern Hardwoods, LLC, with its experience in production and sales, can increase its market reach of Michigan kiln-dried lumber both domestically and internationally.

Commissioner Bergdahl advised, due to a business relationship, she will abstain from voting on this project.

Mr. Anastor advised MDARD staff recommend the Michigan Commission of Agriculture and Rural Development approve a Food and Agriculture Investment Program performance-based grant of \$100,000 for Northern Hardwoods Lumber.

**MOTION: COMMISSIONER MEINTZ MOVED TO APPROVE A FOOD AND AGRICULTURE INVESTMENT FUND PERFORMANCE-BASED GRANT OF \$100,000 FOR NORTHERN HARDWOODS LUMBER, LLC. COMMISSIONER MONTRI SECONDED. MOTION CARRIED.**

Mr. Blom thanked the Commission for their support. Mr. Anastor advised a member of his staff, Donna LaCourt, was very instrumental in bringing this project to fruition.

Mr. Anastor advised the second project is Michigan Turkey Producers (MTP), LLC, and he introduced Mr. Dan Lennon. Mr. Lennon, on behalf of their 16 Michigan turkey growers, 55 Michigan farms, and 900 employees, thanked the Commission for the opportunity to meet today. He was the CEO of MTP from 1999 until July 2018, is now the owner of MTP, and currently serves on the Board of Directors.

MTP Co-op was formed in the fall of 1998 when Sara Lee canceled the contracts of all their Michigan-based turkey farms. The growers were left with nowhere to process their birds and formed a co-op to evaluate their options. Within three months, they purchased all of the used Sara Lee processing equipment, even though they had no place to put it at that time. Three months later, they located and purchased the idle Simplot French Fry plant in Wyoming, Michigan, and began to renovate it into a “new” processing facility. Seven months after purchasing the building and installing the used equipment, MTP processed its first birds on March 7, 2000.

In 2006, MTP acquired another idle facility in Wyoming and converted it to a cooking facility. Starting small, today, they cook 50 million pounds of deli meats and sell to such companies as Costco, Meijer, Whole Foods, Johnsonville, Arby’s, Firehouse Subs, Cheesecake Factory, Gordon Food Service, and many others. While they have



upgraded their equipment in several areas of the plant, the boning room equipment is the very same as that purchased used in 1999. Most of it dates to the mid-1980s.

Labor is an issue for everyone and MTP is no exception. Starting about three years ago, they were forced to abandon several profitable raw products (namely wing meat and breast trim) because they simply didn't have the labor to staff the line. Furthermore, the boning room is a "pinch point" operating more slowly than the slaughter and evisceration area. The result is effectively a cap on their capacity, because while more birds could be grown, presently they would be unable to debone all that meat.

That brings us to the project discussed today – upgrade and automate the deboning area to reduce turnover, improve efficiency and yield, and reduce overtime. This is a \$13 million project. They currently process 20,000 turkeys per day. The significant improvements with the project will include 1) wing meat and breast trim capture, which is about \$2.5 million per year they have been surrendering; 2) breast sizing, which is currently done inaccurately and inefficiently by hand; and 3) and significantly improve bone removal via x-ray in a repeat fashion. He is ecstatic to be able to take 1980s equipment and bring it into the 21<sup>st</sup> century.

In response to questions from Commissioner Meachum, Mr. Lennon advised a semi-load of turkeys is approximately 1,100 birds in 45 cages. A majority of turkeys are grown by three of Michigan turkey growers.

Commissioner Meintz asked what their projected capability is following installation of the equipment. Mr. Lennon advised they currently process 44-pound birds at about 44 birds per minute, and they can increase the number of birds processed by 10 percent or more, and with today's genetics and nutrition, the weight of the birds will increase as well.

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 \$125,000 for Michigan Turkey Producers, LLC.

**MOTION: COMMISSIONER MONTRI MOVED TO APPROVE A FOOD AND AGRICULTURE INVESTMENT FUND PERFORMANCE-BASED GRANT OF \$125,000 FOR MICHIGAN TURKEY PRODUCERS, LLC. COMMISSIONER PIDGEON SECONDED. MOTION CARRIED.**

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

Mr. Anastor advised the next project today is True Blue Processing, Inc., and introduced Vice President Shelly Hartmann. Ms. Hartmann advised she and her husband Dennis began True Blue on 25 acres, and today it is a vertically integrated blueberry business that farms approximately 1,218 acres and purchases blueberries from over 55 growers. True Blue operates two fresh packing and processing facilities with the capacity to process 8 million pounds of fresh and 10 million pounds of frozen blueberries per season. They have a significant footprint as a grower/packer/shipper in Michigan, as they represent 10-15 percent of the overall blueberry production in Michigan and are also one of the largest in the U.S.

Their constant struggle is that the fresh blueberry industry is labor intensive with hand pickers and it is increasingly more difficult and expensive to retain the services of the labor needed and to bring them here in a timely fashion to harvest the berries. This project will create an option to provide traceable mechanically harvested blueberries to the fresh market in Michigan. A harvesting machine can pick many more blueberries per hour than hand-harvesting labor, which also requires additional capacity in the processing facility in order to accommodate the larger volume of blueberries arriving at one time. Due to labor shortages, raising labor cost, and import pressures, there is a need to develop an economic approach to help offset these three major issues affecting fresh marketability as an option.

To accommodate this, the company will invest \$226,500 in new equipment that will allow greater efficiencies and reduce the reliance on hand-harvesting labor. This will allow the them to reduce costs, and it also allows for the packing and selling of fresh blueberries of multiple varieties. Since many of these blueberries would normally be destined for the frozen market, providing additional fresh product will help alleviate the oversupply pressures on the global frozen market. This project will also support a robust food safety driven approach to harvesting.

True Blue works with over 55 various sized blueberry growers in Southwest Michigan and this project provides them with increased packing volume of machine-picked fruit for the fresh market, increasing revenue for each farm by an additional \$.50 per pound. This project will help blueberry growers be sustainable in changing economic times and maintain adequate packing infrastructure to allow growers a choice of fresh or frozen markets. The project is expected to create 23 new full-time seasonal jobs.

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 \$50,000 for True Blue Processing, Inc.

Commissioner Meachum recused himself from voting on this project because of a personal relationship.

**MOTION: COMMISSIONER MONTRI MOVED TO APPROVE A FOOD AND AGRICULTURE INVESTMENT FUND PERFORMANCE-BASED GRANT OF \$50,000 FOR TRUE BLUE PROCESSING, INC. COMMISSIONER BERGDAHL SECONDED. MOTION CARRIED.**

Ms. Hartmann thanked the Commission for their support and offered if any of them are in Southwest Michigan and would like a tour of the facility or operations of the farm, they have an open invitation.

Mr. Anastor advised the fourth project is Berrybrook Farms and introduced Partner Scott Hassle. Mr. Hassle advised his family farm was started in 1954 by Joe Sr. and Harriett Hassle. In 1992, he and his two brothers, Joe Jr. and John, formed a partnership, Berrybrook Enterprises. Over the years, the company has raised many different commodities, and today, raise apples, asparagus, corn, soybeans, and green beans.

This project would construct a new controlled atmosphere apple storage facility with a capacity to hold 135,000 bushels of apples. The facility would supply Burnette, and potentially other Michigan apple processors, to utilize local fruit versus out-of-state apples. The 18,816 square-foot building will include nine storage rooms and store fruit for 5-10 Southwest Michigan growers, allowing them to save on freight and market their fruit at higher prices when supply is lower.

Spring and summer months are times when growers can see a significant uptick in pricing of 5-10 cents per pound. The spring and summer prices can be 50-100 percent more than fall prices when supply is high. A lack of local storage forces growers to accept low prices, as most of the storage in the state is two-three hours north of the Southwest growing region. In addition, by adding 135,000 bushels of controlled atmosphere storage, Burnette will have the ability to disperse this supply and continue using local fruit longer. Often in June, July, and August, fruit is shipped to Michigan from Washington State. Michigan is one of the largest apple producers in the country and without these types of investments, the industry will struggle to remain competitive.

Mr. Anastor advised the project would be a \$1.63 million investment and create two jobs. MDARD staff recommend the Michigan Commission of Agriculture and Rural Development approve a Food and Agriculture Investment Fund performance-based grant of \$75,000 for Berrybrook Enterprises.

In response to inquiry from Commissioner Meintz, Mr. Hassle advised the processor would most likely build their own cold storage if they had property available, and noted other regions do have more storage capabilities.

Commissioner Meachum recused himself from voting on this project because of a business relationship.

**MOTION: COMMISSIONER MONTRI MOVED TO APPROVE A FOOD AND AGRICULTURE INVESTMENT FUND PERFORMANCE-BASED GRANT OF \$75,000 FOR BERRYBROOK ENTERPRISES. COMMISSIONER PRIDGEON SECONDED. MOTION CARRIED.**

Mr. Hassle thanked the Commission for their support.

Mr. Anastor advised the final project today is Dave's Sweet Tooth and introduced Founder and CEO Andrew Chmielewski. Mr. Chmielewski advised his company manufactures and distributes a variety of high-quality almond toffee products, based on the recipe of his father, Dave Chmielewski, a retired Detroit firefighter. Founded in a home kitchen in 2011, Dave's Sweet Tooth is proud to be a Michigan Made product with a focus on using local ingredients. Products are sold to over 5,000 stores, mainly in grocery retailers such as Whole Foods, Kroger, Meijer, and other high-end independent stores nationwide. With their recent growth, product has grown into non-grocery markets, such as Bed Bath and Beyond, TJ Maxx, Williams Sonoma, and a variety of airport and hotel gift shops.

In order to continue supporting their growth, Dave's Sweet Tooth will invest in new equipment to streamline its production processes and scale and expand their production operations. The current process is manual in nature, and, consequently, can be labor intensive. The additional equipment will help automate the packaging element of the production process. In addition to the added equipment, the company is working to finalize a build-out of its existing production facility in order to accommodate the new equipment.

The new equipment will require an investment of \$230,000 and will lead to the creation of five new jobs as the company continues to expand. With the new equipment, the company will be able to fill roughly 30-50 retail-ready packages per minute, which is easily 10 times faster than the existing pouch filling process. It will allow them to increase production by up to 400 percent within the next 18 months and hire two new employees, including a sales director, as well as three part-time workers.

Dave's Sweet Tooth focuses heavily on sourcing its raw materials and ingredients from local growers and producers when it is able. For example, the company purchases sugar from Michigan Sugar Co. in Bay City, cherries from Shoreline Fruit in Traverse City, and coffee beans from Chazzano Coffee Roasters in Ferndale. Dave's Sweet Tooth proudly and actively supports local growers and producers throughout the year and will continue to do so more in the years to come.

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 \$50,000 for Dave's Sweet Tooth, LLC.

Mr. Chmielewski thanked the Commissioner for their approval of the grant.

**MOTION: COMMISSIONER PRIDGEON MOVED TO APPROVE A FOOD AND AGRICULTURE INVESTMENT FUND PERFORMANCE-BASED GRANT OF \$50,000 FOR DAVE'S SWEET TOOTH, LLC. COMMISSIONER MONTRI SECONDED. MOTION CARRIED.**

Mr. Anastor thanked his staff members Jodi Gruner, Donna LaCourt, and Joe McCulloch who were point on these projects today.

#### **LEGISLATIVE UPDATE: Nathan Kark, Director of Policy Development and Legislative Affairs**

Mr. Kark referred to the Legislative Update provided to the Commissioners, noting MDARD is lead agency on only a few of those bills. House Bill 4035 would place a ban on local units of government from placing into effect or enforcing any ordinance, policy, or resolution to regulate a dog based on their breed. It currently is in committee and no action is pending.

House Bill 4496 would create an act that recommends research facilities using cats and dogs as test subjects to place those animals up for adoption prior to any further action. Currently, it is not pending any committee action.

Although the department is not lead agency on Senate Bill 37, it has been a hot topic. NRC placed a Baiting and Feeding Ban on the state, which was effective January 31, 2019. The bill proposes lifting that ban and it has become a controversial issue. Two committee hearings have been held and a substitute was introduced today as well. Language as it currently stands removes the requirement that the Natural Resources Commission works with the Commission of Agriculture and Rural Development in consultation as related to baiting and feeding of deer and elk policies. The substitute, while it keeps that language intact, gives NRC options to move against the lifting of the Baiting and Feeding Ban in instances of CWD and bovine TB positive finds, and if any MOUs exist between the departments. The department will continue monitoring this legislation.

The department is working on updates to the Animal Industry Act through Senate Bills 174-183. Primarily, it streamlines the statute, updates the language, and clarifies the role of the State Veterinarian. One piece that continues to develop is the addition of Section 46, which includes space requirements for hens, gestating sows, and field calves. Last year, Senate Bill 660 was adopted and later vetoed, which delayed those implementations. Conversations continue in this regard.

Commissioner Montri asked about logic behind the 10-mile radius for animal testing around bovine TB finds. Dr. Barr advised the 10-mile radius circle was based on research that indicates how far deer migrate.

Related to Senate Bill 37, Commissioner Meachum asked what the sponsor's rationale was for introducing this legislation that could jeopardize Michigan's cattle and dairy industry. Mr. Kark advised there has been considerable testimony taken on this bill and those in favor state the science does not support the ban, and there is a large population of hunters supporting the legislation.

## **PUBLIC COMMENT**

**JoAnn Snoderly, Grant, Michigan**, advised she would like to give her three minutes of time to Rick Sprague.

**Richard Sprague, Triple R Ranch Whitetails, Fremont, Michigan**, advised he has raised deer since 1997 in Fremont, Michigan. He voiced a number of complaints about the Animal Industry Division of MDARD. His issue is the treatment he has received from staff members, who he feels are trying to destroy his business through inaccurate records of his TB testing and inconsistencies between other facilities. He advised he has a volume of documents and information to prove everything he has stated today that can help solve some very important issues for him, and potentially for other producers. He would like to meet with staff involved and wants to know what the department is going to do, because it has ruined his business. He hopes the Commission is interested enough to help investigate this situation.

Commissioner Meachum advised the Commission would need time to investigate the issues at hand. The Director advised he will confer with staff and get back to Mr. Sprague.

Mr. Sprague thanked the Commission for their time today.

**FARM MARKETS GENERALLY ACCEPTED AGRICULTURAL AND MANAGEMENT PRACTICES (GAAMP)**

Commissioner Montri thanked Commissioners for adding this item to the agenda. The public comment received today brings to light a number of new circumstances that are not the intent of the RTF Act or the GAAMPs. She requested the department remain engaged in the Hidden Creek Farm situation and immediately reconvene the Farm Markets Taskforce to bring recommendations to the Commission in July, or during a Special Meeting of the Commission if needed. The Commission continued to discuss the Hidden Creek Farm circumstance and the Farm Markets GAAMP, confirming the most recent lawsuit refrains that farm from selling any of their products on their farm premise. Commissioner Montri noted it is within the intent of the RTF Act and the GAAMPs to protect the sale of products that are grown on the farm property and the Commission has the opportunity, in line with Commission Policy 12, to adopt a resolution in this regard.

**RECESS AND RECONVENE**

Chairperson Meachum recessed the meeting at 1:17 p.m. for a brief break. He reconvened the meeting at 1:23 p.m.

**FARM MARKETS GENERALLY ACCEPTED AGRICULTURAL AND MANAGEMENT PRACTICES (GAAMP)**

**MOTION: COMMISSIONER MONTRI MOVED THE COMMISSION ADOPT A RESOLUTION STATING IT IS THE POSITION OF THE COMMISSION THAT ALL FARM PRODUCTS AS DEFINED BY THE RIGHT TO FARM ACT GROWN ON A FARM MAY BE SOLD BY THAT FARM FROM THAT FARM'S LOCATION AND THAT THOSE ACTIVITIES CONFORM WITH THE RIGHT TO FARM ACT AND THE GENERALLY ACCEPTED AGRICULTURAL AND MANAGEMENT PRACTICES. COMMISSIONER BERGDAHL SECONDED. MOTION CARRIED.**

**ADJOURN**

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

There being no further business, the meeting adjourned at 1:35 p.m.

Attachments:

- A) *Agenda*
- B) *Agriculture and Rural Development Commission Meeting Minutes March 27, 2019*
- C) *Director McDowell – Issues of Interest Report*
- D) *Site Selection Taskforce Response to Pertinent Action Items*
- E) *2019 Draft Site Selection GAAMP*
- F) *2019 Draft Site Selection GAAMP Institutional Controls Language*
- G) *Dave Overholt Document “Pure Michigan Hemp Farming”*

- H) *Draft Michigan Commission of Agriculture and Rural Development Policy Manual*
- I) *MDNR Chronic Wasting Disease Regulations*
- J) *Proposed Deer and CWD Response Regulations Presentation*
- K) *MDARD's Bovine TB Program Presentation*
- L) *Food and Agriculture Investment Fund Requests*
  - *Northern Hardwoods Lumber, LLC, Briefing Memo and Terms Sheet*
  - *Michigan Turkey Producers, LLC, Briefing Memo and Terms Sheet*
  - *True Blue Processing, Inc., Briefing Memo and Terms Sheet*
  - *Berrybrook Enterprises, Briefing Memo and Terms Sheet*
  - *Dave's Sweet Tooth, LLC, Briefing Memo and Terms Sheet*
- M) *Legislative Status – May 2019*