

MICHIGAN COMMISSION OF AGRICULTURE AND RURAL DEVELOPMENT

Landmark Hotel – Sky Room
230 N. Front Street
Marquette, Michigan

MEETING MINUTES JULY 18, 2018

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
Dr. James Averill, Deputy Director, Michigan Department of Agriculture and Rural Development

EXCUSED:

Charlie Meintz, Michigan Commission 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 9:04 a.m. on July 18, 2019. Commissioner Montri called the roll with Commissioners Bergdahl, Meachum, Montri, and Pridgeon, and Deputy Director Dr. Averill present. Commissioner Meintz was excused from the meeting.

APPROVAL OF AGENDA

MOTION: COMMISSIONER BERGDAHL MOVED TO APPROVE THE MEETING AGENDA FOR JULY 18, 2019. SECONDED BY COMMISSIONER PRIDGEON. MOTION CARRIED.

APPROVAL OF MAY 15, 2019, MEETING MINUTES

MOTION: COMMISSIONER MONTRI MOVED TO APPROVE THE MAY 15, 2019, MEETING MINUTES, AND ANNOUNCED INTEREST TO PROVIDE FUTURE MEETING MINUTES IN A CONDENSED FORMAT. SECONDED BY COMMISSIONER PRIDGEON. MOTION CARRIED.

Commissioner Meachum confirmed that although condensed meeting minutes will be prepared going forward, the audio recordings of meeting proceedings will be available for any specifics until the respective minutes are approved.

NEXT SCHEDULED MEETING

The next scheduled meeting is September 18, 2019, to be held at the Southwest Michigan Research and Extension Center, 1791 Hillandale, Benton Harbor, Michigan.

COMMISSIONER COMMENTS AND TRAVEL

Commissioners shared information relative to agriculture in their respective areas, noting it will be a year remembered for the rest of their careers. Commissioners also shared details around recent industry meetings they attended.

Commissioners Bergdahl, 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 Montri reiterated her request from the May meeting that the Farm Market GAAMP Task Force meet to address the zoning conflict with the Site Selection GAAMP and prepare draft changes for Commission review as soon as possible.

Commissioner Meachum reviewed a retirement resolution before the Commission recognizing Richard Harlow of the department.

MOTION: COMMISSIONER MONTRI MOVED THE RESOLUTION FOR RICHARD HARLOW BE ADOPTED WITH BEST WISHES FOR HIS LONG AND HEALTHY RETIREMENT. COMMISSIONER BERGDAHL SECONDED. MOTION CARRIED.

DIRECTOR'S REPORT

Deputy Director Dr. Averill welcomed and introduced Mike Prusi, Director of the Governor's Northern Michigan Office.

Deputy Director Dr. Averill advised the Director was unable to be here today as he is joining the Governor for a meeting in Adrian with agriculture producers. He shared details of internal meetings in which the Director recently participated, including the Michigan Department of Agriculture and Rural Development (MDARD) first formal New Employee Orientation and recent All Supervisor Meeting. He also shared information around the Director's recent food and agriculture industry meetings, including the Great Lakes Governors and Premiers Summit, tour of Peterson Farms, Midwest Association of State Departments of Agriculture meeting, and crop tour with Governor Whitmer in the Charlotte area. Also, an Emergency Crop meeting was held with state/federal partners and stakeholders to discuss several efforts being coordinated to develop resources to assist the industry during this extraordinary year.

PUBLIC COMMENT

Michelle Halley, Attorney, Marquette, Michigan, advised she represents Hidden Creek Farm. Although the township has dropped their suit against the farm, a neighbor filed a subsequent suit against Hidden Creek Farm. Ms. Halley reiterated the importance of the Right to Farm Act and the Generally Accepted Agricultural and

Management Practices (GAAMPs) in protecting farmers, and advised she supports the removal of zoning from the GAAMPs.

RURAL DEVELOPMENT FUND BOARD: Fred J. Taccolini, Rural Development Fund Board Member

Mr. Taccolini provided an overview of the Rural Development Fund Board, which was established by Public Act 411 of 2012. He shared its history, purpose, fund criteria, and explained eligible and priority counties. Of the 66 project requests received, 16 were selected, and \$1.25 million was awarded, with \$1.50 million match dollars having been leveraged. Going forward, the board will meet twice a year to review projects and continue updating criteria.

WESTERN LAKE ERIE BASIN: Jim Johnson, Division Director, Environmental Stewardship Division

Mr. Johnson advised the Western Lake Erie Basin (WLEB) presents an annual algal bloom issue and much is being done within MDARD to impact nutrient movement into WLEB, which causes the algal bloom issue. Part of the research being conducted is the WLEB Edge of Field Study, which is in year one of the five-year project. He shared details of this partnership project between MDARD, the Michigan Department of Environment, Great Lakes, and Energy (EGLE), Michigan State University (MSU), and the Lenawee Conservation District. The goal is to determine a process for helping producers manage field-level stormwater on tiled fields with the purpose of reducing nutrient loss, and the eventual creation of an additional management plan for use in Right to Farm and the Michigan Agriculture Environmental Assurance Program (MAEAP).

RECESS AND RECONVENE

Chairperson Meachum recessed the meeting at 10:21 a.m. for a brief break. He reconvened the meeting at 10:39 a.m.

MICHIGAN AGRICULTURE ENVIRONMENTAL ASSURANCE PROGRAM (MAEAP) STANDARDS – INTRODUCTION OF PROPOSED CHANGES: Jim Johnson, Division Director, and Joe Kelpinski, MAEAP Program Manager, Environmental Stewardship Division

Mr. Johnson distributed to the Commission binders containing the proposed MAEAP Standards revisions for this year. The Commission has the statutory responsibility to annually approve this set of standards, changes for which are being introduced today.

Mr. Kelpinski advised the binders are organized by Risk A*Syst Tools, with the Forest, Wetlands, and Habitat System constituting the majority of the proposed changes. Changes to the other systems are primarily for clarification purposes. He explained organization of and purpose for the various documents in the binders.

The standards are merely being introduced today. The Commission will have next two months to review and formulate any questions for discussion at the September Commission meeting. Any questions in the meantime can be directed to Mr. Kelpinski.

RURAL BROADBAND UPDATE: Peter Anastor, Division Director, Agriculture Development Division

Mr. Anastor advised Public Act 618 of 2018 provides one-time funding of \$20 million for statewide broadband service and is overseen by the Department of Technology, Management, and Budget (DTMB). He explained requirements delineated within the legislation, which creates a competitive grant process, as well as specific qualifications required for each project. Final awards will be granted in April of 2020 with projects to be completed by September of 2023. Resource and contact information can be found at www.michigan.gov/CMICGrant.

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

Mr. Anastor advised six Food and Agriculture Investment Fund projects are presented for Commission consideration today.

Mr. Marshall Rader, CEO of West Thomas Partners, LLC, doing business as Gluten Free Bar, shared information about his company and details around their project, which will help automate their process to meet considerable growing customer demand for their healthy snack bars and bites.

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 West Thomas Partners, LLC.

MOTION: COMMISSIONER MONTRI MOVED TO APPROVE A FOOD AND AGRICULTURE INVESTMENT FUND PERFORMANCE-BASED GRANT OF \$50,000 FOR WEST THOMAS PARTNERS, LLC. COMMISSIONER PRIDGEON SECONDED. MOTION CARRIED.

Mr. Bill Thomassen, Vice President of Bessemer Plywood Corporation, provided an overview of his company and details of their project, which will expand their operations to house a more efficient veneer dryer. The equipment will eliminate a bottleneck in their production process and increase capacity to respond to plywood market opportunities.

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 \$100,000 for Bessemer Plywood.

MOTION: COMMISSIONER BERGDAHL MOVED TO APPROVE A FOOD AND AGRICULTURE INVESTMENT FUND PERFORMANCE-BASED GRANT OF \$100,000 FOR BESSEMER PLYWOOD. COMMISSIONER PRIDGEON SECONDED. MOTION CARRIED.

Commissioner Montri suggested the Commission visit a forest products company sometime during 2020.

Mr. Benjamin Sklarczyk, CEO of Sklarczyk Seed Farm LLC, and his wife, Alison, shared information about the history and development of their potato seed operation. Their

expansion project will allow for better production efficiency to meet customer demand, as well as ensure separation of GMO from non-GME material.

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 \$100,000 for Sklarczyk Seed Farm LLC.

MOTION: COMMISSIONER PRIDGEON MOVED TO APPROVE A FOOD AND AGRICULTURE INVESTMENT FUND PERFORMANCE-BASED GRANT OF \$100,000 FOR SKLARCZYK SEED FARM LLC. COMMISSIONER MONTRI SECONDED. MOTION CARRIED.

Mr. Anastor advised Maple Drive Farms is an on-farm grain cleaning facility whose project will improve and equip a new cleaning and packaging facility for gluten-free grains. Building an expanded, dedicated processing facility will allow them to meet the rapidly growing demand for teff and other ancient grains.

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 Maple Drive Farms.

The Hudsonville Creamery and Ice Cream Company, LLC, project will assist the company in welcoming a substantial new customer to the group of brands for which it produces ice cream. They will adapt one of their major production lines to meet the customer's specific packaging requirements, as well as significantly increase the volume of their business.

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 Hudsonville Creamery and Ice Cream Company, LLC.

Mr. Anastor advised Mead Johnson and Company, LLC, develops and markets safe, high quality, innovative products that help meet the nutritional needs of infants and children. This project is a series of capital expenditures that will upgrade the Zeeland Manufacturing site to meet regulatory standards for multiple export markets. The end goal of the project will be for Zeeland to be the Mead Johnson Global Supply and Technical Center for Hypoallergenic Infant Formulas.

MDARD staff recommend the Michigan Commission of Agriculture and Rural Development approve a Food and Agriculture Investment Fund performance-based grant of \$175,000 for Mead Johnson and Company, LLC.

MOTION: COMMISSIONER PRIDGEON MOVED TO APPROVE A FOOD AND AGRICULTURE INVESTMENT FUND PERFORMANCE-BASED GRANT OF \$40,000 FOR MAPLE DRIVE FARMS, \$60,000 FOR HUDSONVILLE CREAMERY AND ICE CREAM COMPANY, LLC, AND \$175,000 FOR MEAD JOHNSON AND COMPANY, LLC. COMMISSIONER MONTRI SECONDED. MOTION CARRIED.

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

Ms. Tyszkiewicz shared details of the House and Senate versions of the Fiscal Year 2020 budget, each of which would contain some reductions for MDARD. The department and its partners continue to provide information to the Legislature and State Budget Office relative to reduction impacts. Once budget targets are established, the Budget Conference Committee will meet, and a final budget will be determined.

LEGISLATIVE UPDATE: Dr. James Averill, Deputy Director

Deputy Director Dr. Averill referred to the MDARD Legislative Update provided to the Commissioners and reviewed the status around bills of interest to the department. Any questions can be directed to Nathan Kark, Director of Policy Development and Legislative Affairs.

PUBLIC COMMENT

No additional public comment was requested.

ADJOURN

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

There being no further business, the meeting adjourned at 11:56 a.m.

Attachments:

- A) *Agenda*
- B) *Agriculture and Rural Development Commission Meeting Minutes May 15, 2019*
- C) *Director July 2019 – Issues of Interest Report*
- D) *Rural Development Fund Board Presentation*
- E) *WLEB Edge of Field Study Presentation*
- F) *Rural Broadband Update Presentation*
- G) *Food and Agriculture Investment Fund Requests:*
 - *West Thomas Partners, LLC*
 - *Gluten Free Bar Handout*
 - *Bessemer Plywood Corporation*
 - *Sklarczyk Seed Farm LLC*
 - *Maple Drive Farms*
 - *Hudsonville Creamery and Ice Cream Company, LLC*
 - *Mead Johnson and Company, LLC*
- H) *Legislative Status – July 2019*