

MICHIGAN COMMISSION OF AGRICULTURE AND RURAL DEVELOPMENT

Byron Center Township Board Conference Room
8085 Byron Center Avenue SW
Byron Center, MI 49315

MEETING MINUTES November 6, 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 9:04 a.m. on November 6, 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 NOVEMBER 6, 2019. SECONDED BY COMMISSIONER MEINTZ. MOTION CARRIED.

APPROVAL OF SEPTEMBER 18, 2019, MEETING MINUTES

MOTION: COMMISSIONER MONTRI MOVED TO MAKE AN ADDITION TO THE SEPTEMBER 18, 2019, MEETING MINUTES IN THE MOTION ON PAGE FIVE RELATIVE TO THE FOOD AND AGRICULTURE INVESTMENT FUND PERFORMANCE-BASED GRANT FOR THE MICHIGAN STATE UNIVERSITY DEPARTMENT OF FORESTRY STATING THAT, DUE TO HER AFFILIATION WITH MICHIGAN STATE UNIVERSITY, SHE ABSTAINED FROM VOTING. SECONDED BY COMMISSIONER PRIDGEON. MOTION CARRIED.

MOTION: COMMISSIONER MONTRI MOVED TO APPROVE THE SEPTEMBER 18, 2019, MEETING MINUTES WITH THE APPROVED ADDITION TO THE MOTION ON PAGE FIVE. SECONDED BY COMMISSIONER MEINTZ. MOTION CARRIED.

PROPOSED 2020 MEETING SCHEDULE

The Commission discussed the proposed 2020 meeting schedule. It was confirmed proposed dates can be changed by the Commission, as well as special meeting dates added, as needed throughout the year.

MOTION: COMMISSIONER PRIDGEON MOVED TO APPROVE THE PROPOSED 2020 MEETING SCHEDULE. SECONDED BY COMMISSIONER MEINTZ. MOTION CARRIED.

The next scheduled meeting is January 22, 2020, to be held in the Lansing area.

COMMISSIONER COMMENTS AND TRAVEL

Commissioners shared information relative to agriculture in their respective areas, as well as details around recent industry meetings they attended. They noted 2019 will be a year to forget and all producers are looking forward to 2020.

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

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

COMMISSIONER ISSUES

Commissioner Meachum reviewed retirement resolutions before the Commission recognizing Michigan Cherry Committee Executive Director Philip J. Korson II and Michigan Department of Agriculture and Rural Development (MDARD) employee Thomas Benner.

MOTION: COMMISSIONER PRIDGEON MOVED THE RESOLUTIONS FOR PHILIP J. KORSON II AND THOMAS BENNER BE ADOPTED WITH BEST WISHES FOR THEIR LONG AND HEALTHY RETIREMENT. COMMISSIONER MONTRI SECONDED. MOTION CARRIED.

DIRECTOR'S REPORT

Director McDowell thanked Commissioner Trever Meachum for his many years of service as a Commissioner and presented him with a plaque in recognition of his outstanding leadership.

The Director introduced Mike Philip, who was recently promoted as the Pesticide and Plant Pest Management Division (PPPMD) Director. Mr. Philip shared he is excited to be overseeing a division with a tremendous scope of regulatory and service programs.

The Director recognized and thanked Gina Alessandri for her prior outstanding leadership as PPPMD's Director. On July 1 of this year, she assumed the role as the department's Industrial Hemp Program Director, and she is doing a fantastic job.

He shared details of internal meetings in which he recently participated, including the MDARD All Supervisors Meeting, Cabinet member trip to the Michigan Youth Challenge Academy, hemp farm tour, and Ag Housing Workgroup meeting. The department was pleased to have had Governor Whitmer and Commissioner Montri join the November 5 MDARD Employee Awards Ceremony.

Gerber's Ag Processing Renaissance Zone was revoked by the Michigan Strategic Fund Board and the State Administrative Board on October 22 due to lack of required job creation and new investment.

As is the case in several other states this year, Michigan has experienced a high number of cases of Eastern Equine Encephalitis (EEE). While the number is beginning to decline, MDARD has reported 32 EEE cases in owned animals during 2019.

PUBLIC COMMENT (AGENDA ITEMS ONLY)

There was no public comment relative to agenda items.

FEDERAL AGRICULTURE INDUSTRY UPDATE: Jessica Brousseau, Deputy Director, Federal Affairs Office of Governor Whitmer

Ms. Brousseau provided an update relative to federal agriculture issues, concerns, and trends. She shared details around concerning trends, which include the surge in the number of U.S. farm bankruptcies; trade concerns with USMCA (United States-Mexico-Canada Agreement), China, and Japan, and workforce and immigration. She reviewed disaster assistance programs available at the federal level and various programs included in the current Farm Bill implementation. On the radar at the federal level are USDA (U.S. Department of Agriculture) proposed rules to SNAP (Supplemental Nutrition Assistance Program), biofuel waivers, Farm Workforce Modernization Act, and relocation of ERS/NIFA (Economic Research Service/National Institute of Food and Agriculture).

In response to questions from Commissioner Montri, Ms. Brousseau confirmed she has been working closely with the department on the Bovine Tuberculosis issue and discussions with USDA are continuing toward a feasible solution. Relative to the Veterinary of Medicine Loan Repayment Program, her office can assist as the conversation moves forward.

GENERALLY ACCEPTED AGRICULTURAL AND MANAGEMENT PRACTICES (GAAMPs): Mark Swartz, Deputy Division Director, and Ben Tirrell, Right to Farm Program Manager, Environmental Stewardship Division

Mr. Tirrell noted 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. This year, an initial meeting was held with the Task Force chairs, which included specific guidance on the GAAMPs review process. Each Task Force has been working hard to determine if experience in the field or changes within the scientific research community warrant revisions.

There are formatting and clarification changes recommended for each 2020 GAAMP. Proposed additional revisions are also recommended for the Care of Farm Animals, Farm Market, and Manure Management and Utilization GAAMPs. All revisions were posted on September 30 and a Public Meeting was held on October 22, 2019.

Today, the proposed 2020 GAAMPs are presented for the Commission's review between now and the January meeting, with anticipated decision regarding the 2020 GAAMPs at that time.

Commissioner Montri encouraged the department to identify opportunities to help people submit more productive public comment, including examples demonstrating areas under the Commission's purview and advising where other issues should be submitted. Also, in order to demonstrate where changes are science-based, those should be sited within each respective GAAMP; and after approved, each GAAMP should be reviewed by an editor prior to publication.

It was confirmed that any proposed changes from the Farm Market GAAMP Task Force Committee will not be incorporated by January and will be considered when available.

Relative to the Care of Farm Animals GAAMP on page 7, Commissioner Pridgeon asked how the timeframe of treatment is determined. Mr. Tirrell will ask the Task Force and report back to the Commission.

COMMISSION POLICY NO. 7 – ENVIRONMENTAL STEWARDSHIP AND FARMLAND PRESERVATION: Mark Swartz, Deputy Division Director, Environmental Stewardship Division

Mr. Swartz advised the Environmental Stewardship Division (ESD) is offering changes to Commission Policy No. 7 – Environmental Stewardship and Farmland Preservation to incorporate language and references as they relate to the evolution of ESD's programs, as well as align with new efforts of the administration.

MOTION: COMMISSIONER MONTRI MOVED TO APPROVE THE PROPOSED CHANGES TO COMMISSION POLICY NO. 7 – ENVIRONMENTAL STEWARDSHIP AND FARMLAND PRESERVATION AS PRESENTED. SECONDED BY COMMISSIONER PRIDGEON. MOTION CARRIED.

RECESS AND RECONVENE

Chairperson Meachum recessed the meeting at 10:16 a.m. for a brief break. He reconvened the meeting at 10:32 a.m.

NURSERY INSPECTION FEES: Mike Philip, Division Director, Pesticide and Plant Pest Management Division

Mr. Philip advised PPPMD requests the Commission approve a proposed increase in its nursery and related inspection fees by an amount related to inflation, as authorized through P.A. 189 of 1931. Program costs are approximately \$3 million, with licensing and inspection fee revenue totalling about \$1 million. He reviewed specifics of the requested increase, which totals \$4,600 in additional revenue.

Commissioner Meintz suggested the department request additional license fee increases to help offset the revenue shortfall. Mr. Philip advised licensing fees will be reviewed in the future, as well as potential program efficiencies.

MOTION: COMMISSIONER MEINTZ MOVED TO APPROVE THE PROPOSED INCREASE TO THE NURSERY INSPECTION FEES. SECONDED BY COMMISSIONER PRIDGEON. MOTION CARRIED.

INDUSTRIAL HEMP AND MARIJUANA UPDATE: Gina Alessandri, Industrial Hemp Program Director

Ms. Alessandri provided an overview of the department's Industrial Hemp Program. She reviewed the differences between industrial hemp and marijuana, including definition, cultivation, products, and uses of each. Industrial hemp is an agricultural product that may be legally grown, processed, possessed, and sold.

She reviewed the history of industrial hemp in the U.S., which culminated with the Michigan Industrial Hemp Ag Pilot Program that allows hemp growing, processing, and handling within the state. The program requires proper licensure, background checks, a research agreement, and preharvest testing to ensure compliance. Various lessons learned from the program included that growing and processing are very labor intensive, requires farmers to be very attentive, and cross-pollination is a concern. Additional processors, outreach, and education are needed, as well as addressing intersecting issues with marijuana laws.

USDA recently published their final interim rules, which the department is currently analyzing to understand the impact on Michigan's laws. This program will always be regulated by government, if not accomplished at the state level, then federally. Michigan needs to ensure it has the resources necessary to operate the new program.

Discussion ensued regarding the current program, regulation, federal implications, and the program going forward. It is an emerging program on which the department is closely focused as it evolves to ensure Michigan remains a leader.

PRODUCE SAFETY RULE INSPECTIONS UPDATE: Amber Matulis, Food Safety Modernization Unit Manager, and Kristin Esch, Produce Safety Specialist, Food and Dairy Division

Ms. Matulis and Ms. Esch provided an overview of the Produce Safety Rule, adoption into state law, and implementation efforts.

The Produce Safety Rule is one of seven Food Safety Modernization Act (FSMA) rules and is the first to specifically address growing and harvesting practices on farm, which include agricultural water, biological soil amendments, equipment, tools, buildings, animals in the growing area, health and hygiene, and training. To give Michigan the authority to conduct inspections, the CFRs (Code of Federal Regulations) were adopted into state law.

The Food and Drug Administration's role in implementation through various federal entities was reviewed. The program is currently federally funded and administered by MDARD. History of the rule and specific details of its implementation were discussed, including which areas are being delayed as research continues.

Specifics of compliance dates were reviewed, as well as a history of the department's Produce Safety Program. Success has been strengthened by critical industry support. Also discussed in detail were farm inventory development, education, outreach, and technical assistance. Michigan has been a leader in multi-state mock inspection

trainings, strives to maintain consistency on a national level, and is committed to being a national leader in produce safety.

FOOD AND AGRICULTURE INVESTMENT FUND REQUEST: Jodi Gruner, Economic and Community Development Specialist, Agriculture Development Division

Ms. Gruner advised the project being presented today is a \$3.9 million investment in Battle Creek that will create 38 new jobs. She introduced Eric Stief, Director of Strategic Partnerships for Snackwerks. He provided an overview of the company and specifics of their current project with a major international cookie producer. The project will not only drive business for Michigan companies directly, but also could bring additional production products from global companies to Michigan.

Discussion ensued relative to MDARD grant funding available to support the project. Ms. Tyszkiewicz advised funding for this project is made available from FY 2019 Carry Forward funds that are currently pending approval by the Legislature.

Ms. Gruner advised MDARD staff recommends the Michigan Commission of Agriculture and Rural Development approve a Food and Agriculture Investment Fund performance-based grant of \$150,000 for Snackwerks of Michigan, LLC., based on Legislative approval of FY 2019 Carry Forward funding.

MOTION: COMMISSIONER PRIDGEON MOVED TO APPROVE A FOOD AND AGRICULTURE INVESTMENT FUND PERFORMANCE-BASED GRANT OF \$150,000 FOR SNACKWERKS OF MICHIGAN, LLC., AS PRESENTED. SECONDED BY COMMISSIONER MEINTZ. MOTION CARRIED.

BUDGET UPDATE: Maria Tyszkiewicz, Chief Budget/Financial Officer

Ms. Tyszkiewicz reviewed details and answered questions relative to the FY 2020 budget as enacted by the Legislature. It includes a \$107.9 million gross appropriation, which is a five percent decrease from FY 2019, and represents a \$11.6 million General Fund decrease from the prior year. Specifics of the Governor's changes to the Legislative Conference Report through Administrative transfers were reviewed, which restored funding to the department's regulatory programs.

The FY 2020 budget is one on which the department will be working throughout the year with the Governor's Office, State Budget Office, and the Legislature. It is hoped that funding can be restored for information technology efforts and the Food and Agriculture Investment Fund Grant Program.

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

Mr. Kark referred to the MDARD Legislative Update provided to the Commissioners and reviewed the status around bills of interest to the department. The House Agriculture Appropriations Subcommittee has been meeting to discuss several initiatives within MDARD. The department continues to work with legislators to stress the importance of agriculture in our state.

PUBLIC COMMENT

Blain Beckett, iHemp Michigan, shared activities of his organization and thanked MDARD for the job they have done to assist industrial hemp growing in Michigan. He offered several suggestions, advising their organization looks forward to working with state leaders to develop a strong program. He announced iHemp Michigan is hosting a Midwest Industrial Hemp Expo at the Lansing Center on January 10-11, 2020.

John Freeman, Industrial Hemp Industry President, highlighted advantages of various future uses of industrial hemp, including as a renewable fuel. He encouraged steps to provide research into those key capabilities as the industry grows in Michigan.

CLOSING COMMENTS

Commissioner Meachum thanked everyone who has made his journey as a Commissioner such a pleasant one. On behalf of the Commission, Commissioner Montri expressed how thankful they and the department are for his outstanding leadership.

ADJOURN

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

There being no further business, the meeting adjourned at 12:31 p.m.

Attachments:

- A) *Agenda*
- B) *Agriculture and Rural Development Commission Meeting Minutes September 18, 2019*
- C) *Proposed 2020 Meeting Schedule*
- D) *Philip Korson II Retirement Resolution*
- E) *Thomas Benner Retirement Resolution*
- F) *Director November 2019 – Issues of Interest Report*
- G) *Federal Agriculture Update Presentation*
- H) *Commission Policy No. 7 – Environmental Stewardship and Farmland Preservation*
- I) *Request for Approval to Increase Nursery and Related Inspection Fees*
- J) *Industrial Hemp in Michigan – Program Overview*
- K) *Michigan’s Produce Safety Rule – Implementation Effort Update*
- L) *Snackwerks of Michigan Briefing Memo and Terms Sheet*
- M) *Snackwerks of Michigan Presentation*
- N) *FY 2020 MDARD Enacted Budget Overview*
- O) *Legislative Status – November 2019*
- P) *iHempMichigan Comments*
- Q) *Midwest iHemp Expo Announcement*