

MICHIGAN COMMISSION OF AGRICULTURE AND RURAL DEVELOPMENT

Meeting Held via Remote Technology

MEETING MINUTES SEPTEMBER 16, 2020

PRESENT:

Brian Pridgeon, Chair, Michigan Commission of Agriculture and Rural Development
Dru Montri, Vice Chair, Michigan Commission of Agriculture and Rural Development
Patricia Bergdahl, Michigan Commission of Agriculture and Rural Development
Tim Boring, Michigan Commission of Agriculture and Rural Development
Gary McDowell, Director, Michigan Department of Agriculture and Rural Development

ABSENT (Excused):

Charlie Meintz, Secretary, Michigan Commission of Agriculture and Rural Development

CALL TO ORDER AND ROLL CALL

Chairperson Pridgeon advised today's meeting is being conducted via remote technology to protect the health of Commission members, the state, and the public due to the Coronavirus by limiting the number of people at public gatherings. He announced that all decisions today will be made by roll call vote and shared details on how the public comment period would be conducted.

Chairperson Pridgeon called the meeting of the Commission of Agriculture and Rural Development to order at 9:03 a.m. on September 16, 2020. Commissioner Pridgeon called the roll with Commissioners Bergdahl, Boring, Montri, and Pridgeon, and Director McDowell present.

APPROVAL OF AGENDA

MOTION: COMMISSIONER MONTRI MOVED TO APPROVE THE MEETING AGENDA FOR SEPTEMBER 16, 2020. SECONDED BY COMMISSIONER BORING. MOTION CARRIED.

APPROVAL OF JULY 15, 2020, MEETING MINUTES

MOTION: COMMISSIONER BORING MOVED TO APPROVE THE JULY 15, 2020, MEETING MINUTES. SECONDED BY COMMISSIONER BERGD AHL. MOTION CARRIED.

NEXT SCHEDULED MEETING

The next scheduled meeting is November 5, 2020, to be held remotely.

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 expressed this is a concerning time for agriculture moving forward, as the needs are many and the resources are few. There was no travel submitted for approval.

COMMISSIONER MONTRI MOVED TO APPROVE NO TRAVEL WAS SUBMITTED FOR APPROVAL. SECONDED BY COMMISSIONER BERGDAHL. MOTION CARRIED.

COMMISSIONER ISSUES

Commissioner Montri thanked Diane Smith and the Michigan Apple Committee's response to recent hateful racist comments made by a Michigan apple grower. So many in the industry are working to make agriculture a welcoming and inclusive space, and it takes industry leaders standing up in such unfortunate instances to express that is not who we are as an industry.

DIRECTOR'S REPORT

The Director echoed Commissioner Montri's appreciation to Diane Smith and the Michigan Apple Committee, adding it was very refreshing to see them come forward to denounce those appalling statements.

He shared details around the recent Michigan Department of Agriculture and Rural Development (MDARD) All Employee Meeting, MDARD's Safe Re-Start Plan, the Ag Housing Workgroup, and this year's National Association of State Departments of Agriculture meeting.

During the All Employee Meeting, they took the opportunity to give a COVID shout-out to the department staff who have continued to show utmost professionalism, particularly during these difficult situations – some of them taking the brunt of criticism and frustration.

Due to COVID-19 restrictions, this year's MDARD Annual Employee Award Ceremony will be held virtually on Thurs., November 5 from 2:00-4:30 p.m., with 69 employees scheduled to receive service awards, as well as five special recognition presentations. He invited Commissioners to join the ceremony and will share logistics once finalized.

Commissioner Montri asked if the Ag Housing Task Force Final Report could be added to November Commission meeting agenda. The Director advised it should be published in time for review during that meeting.

In response to inquiry by Commissioner Montri, the Director advised MDARD is currently involved in final fiscal year 2021 budget negotiations.

MICHIGAN GOOD FOOD CHARTER AND MICHIGAN GOOD FOOD SUMMIT: Rich Pirog, Director, Michigan State University (MSU) Center for Regional Food Systems

Mr. Pirog shared background and specifics of the MSU Center for Regional Food Systems, including focus, scope, funding sources, content areas of the Michigan Good Food Charter, Farm to School Program, food procurement, food policy, healthy food access, Michigan Good Food Fund, cover crops, soil health, and food hubs, as well as diversity, equity, and inclusion in food systems.

The Good Food Charter contains 25 agenda priorities shared by numerous organizations across the state that include healthy/equitable food access for all, food as an economic driver, and market opportunities for farmers. Just one example is Michigan's 2019 Local

Food System's Workforce development in Michigan that included career pathway mapping and working with the Department of Labor and Economic Growth to increase workforce development training for migrant workers.

The 2020 Michigan Good Food Virtual Summit will be launched on October 12, with Director McDowell giving the welcome. The series then continues from October 14 through November 20 and registration information can be found on the summit website at <https://www.canr.msu.edu/michiganfood/summit>. He will forward additional information on speakers and topics to Ms. Ayers for sharing with the Commission.

Most recently, the Center has brought the 28 Local Food Councils in Michigan together weekly to address COVID related topics around federal opportunities and working with various local organizations.

In response to question by Commissioner Montri, the Director advised the recent Governor's Food Security Council meeting highlighted how important these food systems are during the pandemic to ensure a strong local food system across the state.

PUBLIC COMMENT (AGENDA ITEMS ONLY)

There was no public comment relative to agenda items.

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

Ms. Smith thanked the Commissioners and Director for their kind comments earlier, the unfortunate situation was a very challenging time for the industry.

She explained details around the Michigan Apple Committee's representation and request for reapportionment of its districts to assure the board is well represented by engaged growers working in today's modern orchards and accurately reflecting the most recent farm numbers, acreage, and production figures. Their board unanimously voted to propose a reapportionment to establish four districts, with District 1 having one board member, District 2 having three board members, District 3 having two board members, and District 4 having one board member. The Director has submitted his approval of the reapportionment request.

MOTION: COMMISSIONER BERGDAHL MOVED TO APPROVE THE MICHIGAN APPLE COMMITTEE REQUEST FOR REAPPORTIONMENT AS PRESENTED. COMMISSIONER MONTRI SECONDED. MOTION CARRIED.

AMERICAN FARMLAND TRUST'S FARMS UNDER THREAT - THE STATE OF THE STATE: Brian Bourdages, Midwest Farmland and National Agricultural Land Consultant

Mr. Bourdages advised the Farms Under Threat Report is a pivotal study produced by American Farmland Trust to help advance farmland protection. The State of the State portion of that study is especially important to Michigan, which was initially shared through webinars earlier in the year.

He explained details of the analyses of U.S. and Michigan farmland with indications of where the best farmland is located and where development continues to threaten agriculture. Also reviewed were key facts of the scorecard depicting Michigan's policy

responses. All reports and additional information are available on the website at <https://farmland.org/project/farms-under-threat/>. Ms. Ayers will share the link directly with Commissioners.

The various study data sets inherent in GIS can be made available to the department at no cost, which is part of the program support. If there is anything else needed, please contact him directly or advise Ms. Ayers.

The Director advised it has been a pleasure working with Mr. Bourdages, as he is truly passionate and committed to agriculture. With all the specialty crops in Michigan, it is especially important we strive to protect the state's farmland.

Commissioner Montri asked regarding the Executive Summary where Michigan is shown to be close to high threat with low policy response, but in other documents, it appears medium. Mr. Bourdages advised Michigan is actually very close to the edge of danger where it is losing more farmland than is being addressed by policy responses.

In response to inquiry from Commissioner Montri, Mr. Bourdages advised the most significant concern is generational succession. Michigan needs to become creative toward solutions on various fronts important for its farmland and future generations.

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

Mr. Johnson advised the MAEAP Standards before the Commission today are the culmination of work which is happening throughout the entire year. The Commission has the statutory responsibility to annually approve the MAEAP Standards, changes for which were introduced during the last meeting, with consideration for approval during today's meeting. If approved, these standards would be implemented and used for risk mitigation and MAEAP verification for individual operations over the next year.

Mr. Kelpinski reviewed the summary pages of changes for those systems with proposed revisions, and initially discussed the Forestry, Wetlands, and Habitat System. In response to inquiry from Commissioner Montri, Mr. Kelpinski advised Right to Forest is a legislative mandate and contains best management practices. Commissioner Montri advised in Section 1.03 under Low Risk, LMP does not need to be in parentheses. Mr. Kelpinski advised that correction will be made.

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

Mr. Kelpinski advised in the Livestock System, the most significant changes pertain to the 2020 Site Selection Generally Accepted Agricultural and Management Practices (GAAMP), with changes to maintain integrity of both programs. In response to inquiry from Commissioner Montri, Mr. Kelpinski advised the committees worked closely for over 18 months to consider the various issues involved to ensure consistency between programs and to be inclusive of currently verified farms.

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

Mr. Kelpinski advised the only change to Cropping System was in the Greenhouse*A*Syst Section, which creates consistency with the other approved 2020 standards to add an educational question that addresses the portable toilet issue.

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

Next, Mr. Kelpinski reviewed changes proposed for the Farmstead System. They include consistency with Greenhouse*A*Syst, updating language regarding the Bodies of Dead Animals Act standards, and some minor revisions to remain consistent with other standards.

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

Mr. Kelpinski advised there are no substantial changes recommended for the remaining systems. In response to question from Commissioner Montri, Mr. Kelpinski confirmed that when the Cropping System is approved, it covers the various subsystems.

GENERALLY ACCEPTED PROCESSING PRACTICES (GAPP): Jim Johnson, Division Director, Environmental Stewardship Division

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

In response to questions from Commissioner Montri, Mr. Johnson advised the committee last engaged in a review five years ago, and Chair Dr. Peterson has expressed interest in continuing with the GAAP efforts.

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

RECESS AND RECONVENE

Chairperson Pridgeon recessed the meeting at 10:52 a.m. for a brief break. He reconvened the meeting at 11:03 a.m.

DIVERSITY, EQUITY, AND INCLUSION STRATEGIC PLAN: Kenneth McFarlane, Chief Deputy Director

Mr. McFarlane reported the department recently initiated its Diversity, Equity, and Inclusion (DEI) Strategic Plan development effort, which is being facilitated by Ashley Batteen, MDARD's Recruitment and Professional Development Specialist. All MDARD staff were invited to participate and 28 staff members are actively involved in the process, which is being effectively coordinated virtually. Progress is reported to him as the department's Equity and Inclusion Officer, as well as Human Resources Director Hillary Fabus and DEI Workgroup Chair Lexava Smith. The framework is developing well, and the goal is to introduce the Strategic Plan to staff in January 2021. Once finalized, documents will be shared with the Commissioners.

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

Mr. Anastor advised he is presenting one new project for approval today, as well as two amendments to existing grant projects. He reported the Legislature approved \$1M for the Food and Agriculture Investment Fund for Fiscal Year 2020. Since begun in 2017, 57 projects have been approved and are expected to create nearly 1,000 jobs, with over \$800M of investment in food and agriculture and forest products in Michigan. He expressed appreciation to the Commission for their assistance in those achievements.

The new project presented today is Ethel's Bakery, LLC, which produces gluten-free dessert bars. He introduced Jill Bommarito, Founder and CEO. Ms. Bommarito shared details about the company and their project. Their expansion will have a direct impact on Michigan's agriculture with increased purchases of butter, honey, and eggs, and will create 18 new jobs through a total investment of \$2.3M.

Mr. Anastor advised MDARD staff recommends the Michigan Commission of Agriculture and Rural Development approve a Food and Agriculture Investment Fund performance-based grant of \$90,000 for Ethel's Bakery, LLC.

MOTION: COMMISSIONER BORING MOVED TO APPROVE A FOOD AND AGRICULTURE INVESTMENT FUND PERFORMANCE-BASED GRANT OF \$90,000 FOR ETHEL'S BAKERY, LLC, AS PRESENTED. SECONDED BY COMMISSIONER BERGDAHL. MOTION CARRIED.

Mr. Anastor advised two amendments are being presented today because of complications due to the pandemic. He shared details around the PFI Holdco, LLC (Peterson Farms) project, noting the company has completed their entire project investment and fully implemented the other elements of the project. MDARD staff recommend the Michigan Commission of Agriculture and Rural Development disperse the credit to allow PFI Holdco, LLC (Peterson Farms) to complete their project without requiring installation of the apple peelers by the Italian manufacturer's technicians.

Commissioner Boring suggested some stipulation be added to ensure the peelers are eventually installed. Mr. Anastor advised the company has already purchased and received the equipment and is fully committed to their installation.

MOTION: COMMISSIONER MONTRI MOVED TO APPROVE AMMENDMENT OF PROJECT MILESTONES OF THE FOOD AND AGRICULTURE INVESTMENT FUND PERFORMANCE-BASED GRANT FOR PFI HOLDCO, LLC, AS PRESENTED. SECONDED BY COMMISSIONER BERGDAHL. MOTION CARRIED.

Mr. Anastor advised the second amendment for consideration is for Snackwerks of Michigan, LLC. The project's main customer was making a product that would be provided to the airline industry and due to the significant drop in passengers, the contract ended. Snackwerks has now identified alternative projects for their investments and will create additional jobs and diversify their product line. MDARD staff recommend the Commission of Agriculture and Rural Development amend the project to replace the cookie line project with alternative projects to enable Snackwerks to continue their growth in Michigan and create jobs at the Battle Creek facility.

The Commission suggested language be added to project grant agreements to ensure companies are proactively responding to any disease outbreak issue amongst their staff to ensure protection of the workforce. Mr. Anastor advised he would work with Brad Deacon of the department to develop appropriate language for incorporation into new or amended grant agreements.

Commissioner Pridgeon ask if Snackwerks' pivot on their project makes them better suited for long-term growth. Mr. Anastor advised this does reposition the company with more opportunities because they will have more diversified equipment available which positions them for more growth in the future. In response to question from Commissioner Bergdahl, Mr. Anastor advised Snackwerks has been in Battle Creek for six-seven years with a very experienced leadership team.

MOTION: COMMISSIONER MONTRI MOVED TO APPROVE AMMENDMENT OF PROJECT MILESTONES OF THE FOOD AND AGRICULTURE INVESTMENT FUND PERFORMANCE-BASED GRANT FOR SNACKWERKS OF MICHIGAN, LLC, AS PRESENTED. SECONDED BY COMMISSIONER BORING. MOTION CARRIED.

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

Mr. Kark reported as of September 1, the Legislature officially returned for business, with the budget being its primary focus. Since this is the end of a two-year legislative cycle, any bills not passed by end of this year will expire and would require reintroduction for future consideration. He referred to the MDARD Legislative Update provided to the Commissioners and reviewed the status around bills of interest to the department.

Commissioner Pridgeon asked if action on the Drain Code is anticipated. Mr. Kark advised that the Drain Code bills had moved quickly through the House, but that there was no word on pending Senate action.

PUBLIC COMMENT

Becky Huttenga, Economic Development and Farmland Protection Coordinator for Ottawa County advised she was encouraged to learn of the commitment by the Commission and the department around the importance of succession planning for farmers and other farmland protection. She mentioned efforts moving forward in Ottawa County and advised she would be glad to share further details, offering potential collaboration on efforts.

ADJOURN

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

There being no further business, the meeting adjourned at 11:53 a.m.

Attachments:

- A) *Agenda*
- B) *Agriculture and Rural Development Commission Meeting Minutes July 15, 2020*
- C) *Director's Update*
- D) *Overview – MS Center for Regional Food Systems Presentation*
- E) *Michigan Apple Committee Proposal for Reapportionment*
- F) *Farms Under Threat: The State of the States Executive Summary*
- G) *The State of the States Agricultural Land Conservation Highlight Summary for Michigan*
- H) *The State of the States Agricultural Land Protection Scorecard Highlight Summary for Michigan*
- I) *Michigan Agriculture Environmental Assurance Program Standards Proposed Revisions for 2021*
- J) *Generally Accepted Fruit, Vegetables, Dairy, Meat, and Grain Processing Practices for Noise and Odor*
- K) *Ethel's Bakery, LLC – Food and Agriculture Investment Fund Grant Request*
- L) *PFI Holdco, LLC (Peterson Farms) – Food and Agriculture Investment Fund Grant Amendment*
- M) *Snackwerks of Michigan, LLC – Food and Agriculture Investment Fund Grant Amendment*
- N) *Legislative Status – September 1, 2020*