

MICHIGAN COMMISSION OF AGRICULTURE AND RURAL DEVELOPMENT

Meeting Held via Remote Technology

MEETING MINUTES

May 12, 2021

PRESENT:

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

CALL TO ORDER AND ROLL CALL

Chairperson Montri called the meeting of the Commission of Agriculture and Rural Development to order at 9:00 a.m. on May 12, 2021, noting today's meeting is being conducted electronically to protect the health of Commission members, staff, and the public due to the Coronavirus by limiting the number of people at public gatherings.

Commissioner Boring called the roll with the following Commissioners present: Commissioner Bergdahl in Skandia, Michigan; Commissioner Boring in Stockbridge, Michigan; Commissioner Meintz in Stephenson, Michigan; and Commissioner Montri in Bath, Michigan. Director McDowell, in Rudyard, Michigan, was also present.

APPROVAL OF AGENDA

MOTION: COMMISSIONER MEINTZ MOVED TO APPROVE THE MEETING AGENDA FOR MAY 12, 2021. SECONDED BY COMMISSIONER BERGD AHL. MOTION CARRIED BY ROLL CALL VOTE.

APPROVAL OF MARCH 10, 2021, MEETING MINUTES

MOTION: COMMISSIONER MEINTZ MOVED TO APPROVE THE MARCH 10, 2021, MEETING MINUTES. SECONDED BY COMMISSIONER BORING. MOTION CARRIED BY ROLL CALL VOTE.

NEXT SCHEDULED MEETING

The next scheduled meeting is July 21, 2021. Commissioner Montri noted a face-to-face socially distanced meeting and outdoor tour for the Commissioners are being planned.

COMMISSIONER COMMENTS

Commissioners shared information relative to their farm operations and agriculture in their respective areas. Concerns were expressed around the escalated lack of available labor, increased cost of inputs due to high corn and soybean prices, dry weather conditions in the Lower Peninsula, continuing supply chain issues, lack of access to broadband in rural communities, and increased volatility for Michigan's 2021 agriculture season. Commissioner Montri expressed appreciation for the Implicit Bias Training being made available to the Commissioners.

COMMISSIONER ISSUES

Commissioner Montri introduced resolutions honoring Michigan Department of Agriculture and Rural Development (MDARD) retirees Vijaya Pandit, a 25-year employee with the State of Michigan (SOM), David Pasutti, a 23-year SOM employee, and Vicki Chickering, a 30-year SOM employee. She acknowledged their tremendous contributions to the department.

MOTION: COMMISSIONER BERGDAHL MOVED THE RESOLUTIONS HONORING VIJAYA PANDIT, DAVID PASUTTI, AND VICKI CHICKERING BE ADOPTED WITH BEST WISHES FOR THEIR LONG AND HEALTHY RETIREMENT. COMMISSIONER MEINTZ SECONDED. MOTION CARRIED BY ROLL CALL VOTE.

DIRECTOR'S REPORT

Director McDowell announced Ashley Steffen began April 5 as the department's new Legislative Liaison and shared details around her background. Ms. Steffen will join the meeting later today.

The Director shared details relative to the Michigan Propane Commission, UK Consul General and commodity organizations meeting, Governor Whitmer's recent meeting with farmers, Regional Conservation Partnership Program grants, and Making it in Michigan Agriculture Summit. He also provided a SOM return to work update.

Commissioner Montri noted she hopes efforts are ongoing to replace the Commission's fifth member. The Director acknowledged that need.

PUBLIC COMMENT (AGENDA ITEMS ONLY)

There was no public comment relative to agenda items.

FOOD AND AGRICULTURE INVESTMENT FUND REQUEST: Jamie Zmitko-Somers, Division Director, Agriculture Development Division

Ms. Zmitko-Somers advised four projects are being presented for Commission approval today. The first project today is Carbon Green BioEnergy LLC, which is looking to diversify their production due to growing demand. She introduced company official Gabe Corey, who shared details of the \$5,265,000 project, including its impact on Michigan agriculture. He also answered several questions from the Commissioners, including how they will continue to be a large volume processor of Michigan corn. Ms. Zmitko-Somers advised MDARD staff recommend the Commission approve a Food and Agriculture Investment Program performance-based grant of \$85,000 for Carbon Green BioEnergy LLC.

MOTION: COMMISSIONER MEINTZ MOVED TO APPROVE A FOOD AND AGRICULTURE INVESTMENT FUND PERFORMANCE-BASED GRANT OF \$85,000 FOR THE CARBON GREEN BIOENERGY LLC PROJECT AS PRESENTED. SECONDED BY COMMISSIONER BORING. MOTION CARRIED BY ROLL CALL VOTE.

Ms. Zmitko-Somers noted the second project today is Cultured Ferments Company LLC, which is purchasing equipment for a new product line to meet customer demand. She introduced company official Cortney Lorenz, who shared details of the \$110,061 project, including impact on agriculture in Michigan. She also answered questions from the Commissioners, including review of their current and potential future markets. Ms. Zmitko-Somers advised MDARD staff recommend the Commission approve a Food and Agriculture Investment Program performance-based grant of \$10,000 for Cultured Ferments Company LLC.

MOTION: COMMISSIONER BORING MOVED TO APPROVE A FOOD AND AGRICULTURE INVESTMENT FUND PERFORMANCE-BASED GRANT OF \$10,000 FOR THE CULTURED FERMENTS COMPANY LLC PROJECT AS PRESENTED. SECONDED BY COMMISSIONER MEINTZ. MOTION CARRIED BY ROLL CALL VOTE.

Ms. Zmitko-Somers advised the third project is Coulter Farm Properties LLC, which is building controlled atmosphere rooms for apple and asparagus storage, as well as space for multiple commodity packing and storage. She introduced company official, Caleb Coulter, who shared details of the \$4,580,000 project, including its impact on Michigan's agriculture industry. He also answered questions from the Commissioners, including how it will help reduce food waste. Ms. Zmitko-Somers advised MDARD staff recommend the Commission approve a Food and Agriculture Investment Program performance-based grant of \$75,000 for Coulter Farm Properties LLC.

MOTION: COMMISSIONER BERGDAHL MOVED TO APPROVE A FOOD AND AGRICULTURE INVESTMENT FUND PERFORMANCE-BASED GRANT OF \$75,000 FOR THE COULTER FARM PROPERTIES LLC PROJECT AS PRESENTED. SECONDED BY COMMISSIONER MEINTZ. MOTION CARRIED BY ROLL CALL VOTE.

The final project today is Ackroyd's Scottish Bakery, which is relocating into a larger facility and expanding their production to meet product demand. She introduced their president, Megan Ackroyd, who shared details around the \$1,200,000 project, including its impact on agriculture in Michigan. She also answered questions from the Commissioners, including details of their diversity efforts. Ms. Zmitko-Somers advised MDARD staff recommend the Commission approve a Food and Agriculture Investment Program performance-based grant of \$50,000 for Ackroyd's Scottish Bakery.

MOTION: COMMISSIONER MEINTZ MOVED TO APPROVE A FOOD AND AGRICULTURE INVESTMENT FUND PERFORMANCE-BASED GRANT OF \$50,000 FOR THE ACKROYD'S SCOTTISH BAKERY PROJECT AS PRESENTED. SECONDED BY COMMISSIONER BERGDAHL. MOTION CARRIED BY ROLL CALL VOTE.

Ms. Zmitko-Somers advised July will be the last month to bring projects forward for the current fiscal year.

BUDGET UPDATE: Sylvia Renteria, Director of Finance and Budget

Ms. Renteria discussed details around development of the FY (fiscal year) 2022 budget, noting differences between the Executive and House and Senate Subcommittee recommendations. Major discrepancies include the House version recommending only quarterly allotments of the department's budget, and the Senate greatly reducing FTEs. Both subcommittee versions contain deviations for MDARD from the Executive recommended budget.

Next steps include the May 21 Revenue Estimating Conference, general fund target establishment by both chambers, and the Conference Committee hearing to resolve differences in the budget recommendations. She also reviewed several current pending FY 2021 supplemental and transfer requests. The department will continue to work with the Legislature and the Administration to develop a fiscally responsible budget for the department.

STATE OF MICHIGAN DIVERSITY, EQUITY, AND INCLUSION INITIATIVE: Poppy Sias Hernandez, Equity and Inclusion Officer, State of Michigan – Office of Governor Gretchen Whitmer

Ms. Hernandez provided an overview of the State of Michigan Diversity, Equity, and Inclusion (DEI) initiative. This collaborative structure is focusing on how to improve DEI efforts statewide. Various components around this year's strategic plan were reviewed, the overall goal of which is to operationalize equity and inclusion across the state. Through training, coaching, and mentoring, leadership within all departments will be developed to improve impact of DEI efforts. Initiative updates will be provided each quarter and MDARD's Equity and Inclusion Officer (EIO) will share those with the Commissioners.

In response to Commissioners' questions, Ms. Hernandez clarified strategies around hard to reach populations and appointment of EIOs within state departments. Commissioner Montri noted the various questions demonstrate why this is a priority across the state, and thanked MDARD EIO Ashley Batteen and all department staff who engage in DEI efforts. She invited Mss. Hernandez and Batteen to review the Commission Policy Manual to assist in building DEI context into those policies.

The Director thanked Ms. Hernandez for her efforts in assisting the department in ensuring a clear, consistent message to its employees. He reinforced that this was a bedrock issue for the department.

SPOTTED LANTERNFLY UPDATE: Rob Miller, Invasive Species Prevention and Response Specialist, and Robin Rosenbaum, Plant Health Section Manager, Pesticide and Plant Pest Management Division

Ms. Rosenbaum reported spotted lanternfly is likely to be the next invasive pest to arrive in Michigan. Mr. Miller reviewed specifics of the potentially significant threat from the spotted lanternfly and its impacts to agriculture and the public. Because the pest is difficult to eradicate, particularly in vineyards, it could have a significant impact on the state's grape industry. Spotted lanternfly can inadvertently be moved long distances on goods or conveyances and there is no way to prevent arrival of the pest in Michigan. He also shared details of MDARD's preparation through the inter-agency Michigan Spotted Lanternfly Readiness Team established in December 2019. Early detection and

response will be critical in managing the pest. MDARD and its partners will strive to eradicate initial introductions of the species through extensive delimitation survey, targeted broadcast application of insecticide, and creation of trap trees.

In response to questions from Commissioners, Mr. Miller advised the pest lays egg masses on most anything and may have arrived in the United States on shipments of stone from Asia. Thus far, grape is the only crop in which significant damage has been recorded; however, its unknown how spotted lanternfly will impact Michigan's specialty crops. The Commission requested future updates be shared with them as the situation progresses.

LEGISLATIVE UPDATE: Ashley Steffen, Legislative Liaison

Ms. Steffen referred to the MDARD Legislative Update provided to the Commissioners and reviewed activities and current status around bills of interest to the department. She noted specifics of bills related to horse racing, industrial hemp, food licensing and registration fees, federal Restaurant Revitalization Fund, timelines for reporting of deaths and serious injuries on family farms, and allowing commodity group meetings to be held remotely. MDARD has been very busy working with the legislators and other affected agencies involved in the various bills introduced.

In response to question from Commissioner Meintz, Ms. Steffen advised the bills specific to horse racing are an attempt to revive the industry in Michigan.

PUBLIC COMMENT

No public comment on non-agenda items was requested.

ADJOURN

MOTION: COMMISSIONER MEINTZ MOVED TO ADJOURN THE MEETING. COMMISSIONER BORING SECONDED. MOTION CARRIED BY ROLL CALL VOTE.

There being no further business, the meeting adjourned at 11:18 a.m.

Attachments:

- A) *Agenda*
- B) *Agriculture and Rural Development Commission Meeting Minutes March 10, 2021*
- C) *Retirement Resolutions for Vijaya Pandit, David Pasutti, and Vicki Chickering*
- D) *Director's Update March 10, 2021*
- E) *Food and Agriculture Investment Fund Projects*
- F) *Fiscal Year 2022 Budget Update*
- G) *Spotted Lanternfly Presentation*
- H) *MDARD Legislative Summary*