

**MICHIGAN COMMISSION OF AGRICULTURE AND RURAL DEVELOPMENT**

**AgroLiquid  
3055 West M-21  
St. Johns, MI 48879**

**and**

**Remote Technology via Microsoft Teams  
Dial: 1-248-509-0316, Conference ID 217 672 62#**

**MEETING MINUTES  
March 16, 2022**

**PRESENT IN PERSON:**

Charlie Meintz, Chair, Michigan Commission of Agriculture and Rural Development  
Patricia Bergdahl, Secretary, Michigan Commission of Agriculture and Rural Development  
Juliette King-McAvoy, Michigan Commission of Agriculture and Rural Development  
Monica Wyant, Michigan Commission of Agriculture and Rural Development  
Gary McDowell, Director, Michigan Department of Agriculture and Rural Development

**PRESENT REMOTELY:**

Andy Chae, Vice Chair, Michigan Commission of Agriculture and Rural Development

**CALL TO ORDER AND ROLL CALL**

Chair Meintz called the meeting of the Commission of Agriculture and Rural Development to order at 9:04 a.m. on March 16, 2022. Secretary Bergdahl called the roll with Commissioners Bergdahl, King-McAvoy, Meintz, and Wyant, and Director McDowell present in person, and Commissioner Chae joining remotely via Microsoft Teams.

**APPROVAL OF AGENDA**

**MOTION: COMMISSIONER BERGDAHL MOVED TO APPROVE THE MEETING AGENDA FOR MARCH 16, 2022. SECONDED BY COMMISSIONER KING-McAVOY. MOTION CARRIED.**

**APPROVAL OF FEBRUARY 7, 2022, MEETING MINUTES**

**MOTION: COMMISSIONER WYANT MOVED TO APPROVE THE FEBRUARY 7, 2022, MEETING MINUTES. SECONDED BY COMMISSIONER BERGDAHL. MOTION CARRIED.**

**NEXT SCHEDULED MEETING**

The next scheduled meeting is May 18, 2022.

**COMMISSIONER COMMENTS AND TRAVEL**

Commissioners shared information relative to their farm operations and agriculture in their respective areas, as well as details around recent industry meetings they attended. Concerns were expressed on the challenges currently facing the agriculture industry,

including issues around input costs, agriculture product prices, supply chain issues, and the ability to secure fertilizer products.

Commissioners Bergdahl, King-McAvoy, Meintz, and Wyant traveled to attend today's meeting. There was no other travel submitted for approval.

**MOTION: COMMISSIONER KING-McAVOY MOVED TO APPROVE THE COMMISSIONERS' TRAVEL. SECONDED BY COMMISSIONER WYANT. MOTION CARRIED.**

### **COMMISSIONER ISSUES**

Commissioner Meintz shared retirement resolutions before the Commission recognizing John Beck, Mike Bryan, and Brenda Smith.

The Commissioners recognized the outstanding leadership provided to the Michigan Department of Agriculture and Rural Development (MDARD) by these staff throughout their inspiring careers.

The Director expressed his personal appreciation for everything Brenda, Mike and John have done for the department. He added all three of these outstanding employees will be missed.

Each recipient expressed their appreciation, adding they had thoroughly enjoyed their career with the department.

**MOTION: COMMISSIONER KING-McAVOY MOVED THE RESOLUTIONS FOR JOHN BECK, MIKE BRYAN, AND BRENDA SMITH BE ADOPTED WITH BEST WISHES FOR THEIR LONG AND HEALTHY RETIREMENT. COMMISSIONER WYANT SECONDED. MOTION CARRIED.**

### **DIRECTOR'S REPORT**

Director McDowell shared details around his food and agriculture business tours this month, which is Michigan Food and Agriculture month. Future tours will also be coordinated in conjunction with upcoming Sampling Team Exercises across the state.

He shared details around recent meetings in which he participated, including the National Association of State Departments of Agriculture Winter Policy Conference, several meetings around the Farm Innovation Grant Program, and an EPA Region 5 meeting.

The Director provided details regarding the announcement of Sarah Lucas being selected as Deputy for the Office of Rural Development, the search for a Senior Environmental Strategist for the Western Lake Erie Basin, and Cheri Ayers being the successful candidate to replace Brenda Smith as his executive assistant.

The Office of the State Employer extended the return to office deadline to Mon., May 2 and MDARD is finalizing plans to transition back to the office at that time. Office staff will continue with a hybrid schedule.

In response to question from Commissioner Wyant, the Director advised during the recent NASDA meeting, main topics of discussion centered around supply chain issues, animal diseases, U.S. Department of Agriculture (USDA) grant funding, and climate change.

**PUBLIC COMMENT (AGENDA ITEMS ONLY)**

There was no public comment relative to agenda items.

**LEGISLATIVE UPDATE: Kenneth McFarlane, Chief Deputy Director**

Mr. McFarlane advised the Legislature is in full swing with appropriations hearings and moving legislation before the in-district summer period begins. Legislative Liaison Ashley Steffen is participating in legislative committee meetings today, including the House Agriculture Committee where the Certificate of Free Sale package of bills is up for voting and testimony will be given relative to the Weights and Measures Act.

Details were reviewed around various other bills that have been moving, including House Bills 5704 and 5671 regarding the Cottage Food provisions in the Food Law, House Bills 5588-89 that would make technical changes to the Dog and Dangerous Animals Laws, and House Bills 5058-5061 dealing with consumable industrial hemp.

**MSU STAFF INTRODUCTIONS: Patrick I. Cudney, Director of Government and Stakeholder Relations, Michigan State University (MSU) College of Agriculture and Natural Resources (CANR); CANR Interim Dean Kelly Millenbah; CANR MSU Extension Director Quentin Tyler; CANR AgBioResearch Director George Smith; and Kim Dodd, Director, MSU Veterinary Diagnostic Laboratory, MSU College of Veterinary Medicine**

Mr. Cudney advised the MSU College of Agriculture and Natural Resources (CANR) has enjoyed a long-standing relationship with MDARD, noting those partnerships are essential to integrating important agriculture research and educational efforts to benefit Michigan agriculture.

CANR Interim Dean Kelly Millenbah shared details of her background and the search for a new dean. She thanked MDARD for their working relationships and support of various educational programs.

AgBioResearch Director George Smith acknowledged the joint commitment of MDARD, CANR, AgBioResearch, and MSU Extension in promoting Michigan agriculture. He highlighted some of the successful projects that have made a tremendous positive impact. This partnership is even more important as we address the challenges agriculture will be facing in the future. He reviewed two infrastructure requests currently before the State of Michigan for a new dairy facility and greenhouse complex improvements. These investments will provide the quality and quantity to ensure CANR's ability to continue assisting the agriculture industry in forging ahead with cutting-edge science, remain competitive, and maintain global food security.

MSU Extension Director Quentin Tyler emphasized the importance of MSU's partnerships with MDARD, including work with MSU Extension, county fairs, and 4-H programs across the state.

MSU Veterinary Diagnostic Laboratory (VDL) Director Kim Dodd noted they closely partner with the department as they address animal agriculture health issues. With broad

and deep testing capabilities, MSU VDL services clients across Michigan, as well as all 50 states and U.S. territories. They look forward to continuing to expand the partnership with MDARD in supporting animal agriculture in Michigan.

In response to questions from Commissioner Wyant, Dr. Smith advised CANR remains committed to an applied research focus on agriculture's needs of today, along with attempting to address the long-term problems. He shared details of some of those projects, noting strategies must have capability for implementation. In addition, discussion ensued around workforce issues and MSU's efforts within the university, as well as leveraging relationships to expand opportunities for agricultural awareness and education development.

Commissioner King-McAvoy recognized the great resource provided by MSU in partnership with MDARD, which provides the synergy for growth of Michigan agriculture and the ability to meet the challenges ahead. She encouraged climate change be a lens applied to all research.

In response to question from Commissioner King-McAvoy, Dr. Smith advised the number of dairy farms in Michigan has decreased, while the number of cows overall has increased. Related to this, an important part of the current dairy infrastructure proposal will help promote sustainability of farms of any size and details around those plans were reviewed.

**MICHIGAN AGRICULTURE FOR SCHOOLS: Lori Yelton, Nutrition-Food Management Consultant, Food and Dairy Division, and Jaime K. Malnar, School District Consultant, Food Distribution Unit, Office of Health and Nutrition Services, and Wendy K. Crowley, Farm to Program Consultant, Child Nutrition Programs, Michigan Department of Education.**

Ms. Yelton reported the Michigan Farm to School Program consists of several initiatives and benefits, including serving healthy local food in school meal programs and creating educational learning opportunities. Specifics were reviewed around economic benefits to farmers and communities, as well as important nutritional and academic benefits.

Ms. Malnar reviewed various aspects of the USDA Foods Toolkit and how these programs support Michigan agriculture. Goals include investing in local purchasing, community and economic development, building farm to institution partnerships, and providing education and marketing.

Ms. Crowley reviewed details around other companion projects, including the farm to school video series, producer trainings, supply chain relief dollars, local food assistance cooperative agreements, and the Ten cents a Meal Program. In the 2020-2021 grant year, grantees of Ten Cents a Meal program purchased 63 different fruits, vegetables, and legumes grown by 109 Michigan farms in 40 counties.

In response to question from Commissioner Chae, Ms. Crowley advised the farm to school programs are available to farms of any size.

In response to Commission inquiries, discussion ensued relative to various aspects of the numerous programs. It was noted the Ten Cents a Meal Program is supported through legislation and advocacy for the programs was encouraged.

### **RECESS AND RECONVENE**

Chairperson Meintz recessed the meeting at 10:45 a.m. for a brief break. He reconvened the meeting at 10:57 a.m.

### **FOOD AND AGRICULTURE INVESTMENT FUND REQUESTS: Jamie Zmitko-Somers, Division Director, Agriculture Development Division, Richard Anderson, Iron Fish Distillery, and Aren Phillips, Walters Gardens, Inc.**

Ms. Zmitko-Somers advised two Food and Agriculture Investment Program project requests are being presented for Commission consideration today.

The first project is Iron Fish Distillery, which is Michigan's first farm distillery, growing grain and distilling spirits, as well as barrel finishing sourced whiskey. The farm is Michigan Agriculture Environmental Assurance Program (MAEAP) certified and attracts over 100,000 guests annually.

Iron Fish executive Richard Anderson shared details around history of the family-owned farm and their \$827,500 project, noting the expansion will increase capacity and provide better accommodations for visitors. They will more than double the amount of grain purchased from Michigan growers to meet customer demand, including export to other states. He explained the various environmentally sustainable practices embraced by Iron Fish.

Following questions and discussion around the project, Ms. Zmitko-Somers advised MDARD is recommending a Food and Agriculture Investment Fund performance based grant of \$55,000 for Iron Fish Distillery LLC.

Because of her business relationship with Iron Fish Distillery, Commissioner King-McAvoy recused herself from voting on this project. She commended them on their success.

**MOTION: COMMISSIONER BERGDAHL MOVED TO APPROVE A FOOD AND AGRICULTURE INVESTMENT FUND PERFORMANCE BASED GRANT OF \$55,000 FOR IRON FISH DISTILLERY LLC. COMMISSIONER WYANT SECONDED. MOTION CARRIED.**

Ms. Zmitko-Somers advised the second request is Walters Gardens, Inc., which is a family-owned business that has grown into a 1,500-acre operation with 13 acres of greenhouse space.

Greenhouse Project Manager Aren Phillips shared details of their \$7,052,000 project, noting the 40,000 square-foot expansion will allow them to meet current customer demand, as well as provide for future growth. The expansion will allow for supplying larger quantities of perennials to local markets across the state and into Canada. Infrastructure improvements in the projects will also benefit local residents, as will their local employment opportunities.

Ms. Zmitko-Somers advised MDARD is recommending a Food and Agriculture Investment Fund performance based grant of \$95,000 for Walters Gardens, Inc.

**MOTION: COMMISSIONER WYANT MOVED TO APPROVE A FOOD AND AGRICULTURE INVESTMENT FUND PERFORMANCE BASED GRANT OF \$95,000 FOR WALTERS GARDENS, INC. COMMISSIONER KING McAVOY SECONDED. MOTION CARRIED.**

**PUBLIC ACTS WITH COMMISSION ROLE: Brad Deacon, Director of Legal Affairs and Emergency Management**

Mr. Deacon noted the Department of Agriculture was founded through Public Act 13 of 1921 and Executive Reorganization Public Act of 350 of 1965. Various Executive Orders since have affected responsibilities of the department and its Commission, and he noted changes that have been implemented over the years. Those included changing the department's name to the Department of Agriculture and Rural Development.

He reviewed the history and specifics around the various public acts which explicitly assign responsibility to the Commission of Agriculture and Rural Development. Those include Michigan Right to Farm Act (1981 PA 93), Animal Industry Act (1988 PA 466), Agricultural Commodities Marketing Act (1965 PA 232), State Potato Industry Commission (1970 PA 29), Beans (1965 PA 114), Michigan Renaissance Zone Act (1966 PA 376), Insect Pest and Plant Disease Act (1931 PA 189), Michigan Agricultural Processing Act (1988 PA 381), Natural Resources and Environmental Protection Act (1944 PA 451), Food Law (2000 PA 92), Michigan Seed Law (1965 PA 329), Pseudorabies and Swine Brucellosis Control and Eradication Act (1992 PA 239), Horse Racing Law of 1995 (1955 PA 279), Julian-Stille Value Added Act (2000 PA 322), Anhydrous Ammonia Security Act (2006 PA 417), and Michigan Organic Products Act (2000 PA 316).

In response to questions from the Commissioners, discussion ensued around some of the specific responsibilities, including clarification of where Commission input and/or action is required.

**EVALUATION OF SEED QUALITY AND COMPLIANCE 15 YEARS AFTER DEREGULATION: Mike Philip, Division Director, and Andria McCubbin, Nursery and Seed Specialist, Pesticide and Pest Plant Management Division (PPPMD)**

Mr. Philip reported due to budget reductions in 2006, MDARD's seed lab closed, and routine seed sampling ended. PPPMD does continue to investigate complaints. Rumor suggested Michigan had become the "dumping ground" for bad seed. In 2021, the division performed a "seed blitz" led by Ms. McCubbin.

Ms. McCubbin explained the goal of the seed testing was to test the "dumping ground" hypothesis. Originating out of state, 85 samples were collected and analyzed by USDA. Overall, 41 of 85 samples were violative. USDA issued warning letters to each of the 41 with violations, Stop Sale Notices were issued for eight locations, and USDA levied eight fines. This small blitz suggests that Michigan is a dumping ground for bad seed/improper labeling of seed. Another blitz is currently being conducted.

Mr. Philip reviewed future considerations around the department's mission, value, and competing priorities, noting it is an unfunded program. More samples will provide a more

comprehensive, accurate picture of what is happening. Long-term planning needs to be considered around how best to conduct a program at a low cost to the department.

In response to questions from Commissioner Bergdahl, Ms. McCubbin advised most other states do have formal seed testing programs, USDA is very supportive of those programs, and the states do not receive any of the monies collected for fines.

Commissioner Meintz asked if the same seed lots received in other states were sampled as a comparison to what was being received in Michigan. Mr. Philip advised that would have been advantageous, noting the same USDA regulations apply to each state.

Commissioner Wyant asked if USDA publishes their rates of seed violations in other states to provide a national average. Ms. McCubbin advised she would inquire and let the Commission know.

### **BUDGET UPDATE: Sylvia Renteria, Director of Finance and Budget**

Ms. Renteria reviewed details of the Fiscal Year (FY) 2023 Executive Recommended Budget, which includes \$172.2 million for MDARD and touches on all five of the Governor's priority areas. She noted this represents a \$16.2 million increase over last year. Specific dollars and percentages by funding source and program area were reviewed. Also reviewed were one-time General Fund investments that include economic development for food and agriculture industries, Office of Rural Development engagement and support, Buy Michigan Campaign, and Community Supported Agriculture Program.

In addition, ongoing General Fund initiatives were discussed, which include initiatives around pesticide safety, food and agriculture emergency preparedness, and animal welfare and veterinary services. Technical adjustments to the budget involving the Horse Racing Advisory Commission and federal authorizations were also reviewed.

Last month, Senator Victory introduced supplemental legislation that would provide \$1.4 billion for MDARD, with allocation across 15 different wide-ranging categories. The department is evaluating and will work closely with the administration and Legislature to determine how this supplemental would play into the larger picture of available funding statewide. In response to question from Commissioner Meintz, Ms. Renteria advised that funding would typically be allocated over a five-year period.

Commissioner Wyant requested information on how the allocation by program area has changed over the last several years. Ms. Renteria will gather that information and share with the Commissioners.

### **USDA MICHIGAN STAFF INTRODUCTION AND UPDATE: Tim Boring, State Executive Director, USDA Farm Service Agency**

Dr. Boring provided a general update on what USDA Farm Service Agency (FSA) is accomplishing in Michigan and its priority areas. FSA administers programs and loan programs in support of farms across the U.S., operating 47 county offices in Michigan. He shared details around their various programs, which include climate change mitigation, crop insurance subsidies, market development, urban agriculture, and a strong focus on inclusion and equity.

FSA has had the pleasure of collaborating with the department on various issues, such as the recently signed Conservation Reserve Enhancement Program agreement.

The Director advised the department has great working relationships with the USDA FSA and Rural Development offices here in Michigan.

In response to inquiry from Commissioner King-McAvoy, Dr. Boring advised inflation is a huge economic issue and feels the long-term strategy for agriculture must go beyond providing financial assistance to producers to offset immediate challenges. It needs to include a long-term strategic approach of building competitive markets and supply systems. Broadly, USDA is working toward that approach and stakeholders can assist by sharing potential long-term solutions.

### **PUBLIC COMMENT**

Payge Lindow, from the National Young Farmers Coalition, shared work being accomplished by the coalition in Michigan, as well as nationally around the Farm Bill, which includes equitable access to land for beginning farmers. She encouraged the Commission to advocate for better land access for farmers in the upcoming Farm Bill and look to the National Young Farmers Coalition as partners in that effort.

### **ADJOURN**

**MOTION: COMMISSIONER KING-McAVOY MOVED TO ADJOURN THE MEETING. COMMISSIONER BERGDAHL SECONDED. MOTION CARRIED.**

There being no further business, the meeting adjourned at 12:19 p.m.

#### Attachments:

- A) *Agenda*
- B) *Agriculture and Rural Development Commission Meeting Minutes February 7, 2022*
- C) *Retirement Resolutions for John Bock, Mike Bryan, and Brenda Smith*
- D) *Director March 16, 2022 – Issues of Interest Report*
- E) *MDARD Summary of 2021-2022 Michigan Legislature – March 2022*
- F) *MSU Staff Documents:*
  - a. *CANR Leadership*
  - b. *MSU Infrastructure Investment-Dairy*
  - c. *MSU Infrastructure Investment-Greenhouse Complex*
  - d. *MSU Veterinary Diagnostic Laboratory*
- G) *Michigan Agriculture for Schools Presentation*
- H) *Food and Agriculture Investment Program Project Briefing Memos and Terms Sheets:*
  - a. *Iron Fish Distillery*
  - b. *Walters Gardens*
- I) *Public Acts with Commission Role Presentation*
- J) *Evaluation of Seed Quality Presentation*
- K) *MDARD Budget Update Presentation – March 16, 2022*