



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF AGRICULTURE
AND RURAL DEVELOPMENT

GARY MCDOWEL
DIRECTOR

MICHIGAN CRAFT BEVERAGE COUNCIL

Approved Minutes

September 29, 2021 – 1:00-3:30 p.m.

Meeting Location – Michigan Corn Growers' Association

13750 S Sedona Pkwy, Suite 5, Lansing, MI 48906

Council Members Present

Gary McDowell, Director of the Michigan Department of Agriculture and Rural Development (MDARD)

Richard Anderson, Iron Fish Distillery

Mike Beck, Uncle John's Cider Mill

Michael Chetcuti, Arbor Brewing, Baia Estate, Bigalora, and Michigan Hop Alliance

Scott Graham, Michigan Brewers Guild

Robert Jacobson, Leelanau Wine Cellars

Brian Lesperance, Fenn Valley Vineyards

Zachary Owen, Temperance Distilling

Erin Walton, Meijer, Inc.

Council Members Absent

Larry Bell, Bell's Brewery Inc.

Others Present (excluding public attendees)

Jamie Zmitko-Somers, MDARD

Trevor Friedeberg, Michigan Economic Development Corporation (MEDC)

Jenelle Jagmin, MDARD

Sylvia Renteria, MDARD

Johnathon Schweda, MDARD

Ashley Steffen, MDARD

Welcome

The meeting was called to order at 1:10 p.m. by Director Gary McDowell. Director McDowell thanked the Council for their commitment to moving Michigan forward through the pandemic. Director Gary McDowell requested Jamie Zmitko-Somers chair the remainder of the meeting.

Agenda for the September 29, 2021 Meeting

MOTION: ZACHARY OWEN MOVED TO APPROVE THE AGENDA FOR SEPTEMBER 29, 2021. MICHAEL BECK SECONDED. MOTION CARRIED UNANIMOUSLY.

Minutes of July 14, 2021 Meeting

MOTION: ROBERT JACOBSON MOVED TO APPROVE THE MINUTES OF THE JULY 14, 2021 MEETING. ERIN WALTON SECONDED. MOTION CARRIED UNANIMOUSLY.

Council Member Comments, Introductions, and Updates

Erin Walton: Provided an update as a representative of retail food establishments.

Robert Jacobson: Provided an update as a representative of wine makers.

Scott Graham: Provided an update as a representative of micro brewers and brewpub license holders.

Zachary Owen: Provided an update as a representative of large distillers.

Richard Anderson: Provided an update as a representative of small distillers.

Michael Chetcuti: Provided an update as a representative of a representative of restaurants that hold a class C license and serve Michigan wines, beer, or spirits.

Michael Beck: Provided an update as a representative of cider producers.

Brian Lesperance: Provided an update as a representative of wine makers.

Jamie Zmitko-Somers: Provided an update as a representative of MDARD.

Public Comment (on agenda items only)

No public comment.

MEDC Update

Trevor Friedeberg, Director of Business Development Projects at the MEDC, introduced himself and provided an update on structural/organizational changes within the MEDC. Friedeberg discussed topics his team assists companies with throughout Michigan and the MEDC's efforts to aid Michigan companies and small businesses throughout the pandemic.

Legislative Liaison Update

Ashley Steffen, Legislative Liaison at MDARD, discussed Senate Bill 494 regarding the renewal of the MEAP Program, the creation of the Office of Rural Development, and House Bill 4842 regarding a decrease in the markup on costs for qualified small distillers who source a minimum of 40% of their distillate from Michigan-grown grain. Senate Bill 4561 is in regulatory reform and would make refundable licensing fees for certain food establishments.

MDARD Budget Update

Sylvia Renteria, Finance Director at MDARD, introduced herself and provided an update on the newly approved Fiscal Year 2022 budget. MDARD's Fiscal Year 2022 budget is comprised of \$155 million. Renteria reviewed the funding for the newly developed Office of Rural Development and answered questions from the Council. Richard Anderson asked about the potential of restoring funds that were transferred from the program for State emergency expenditures.

Research Committee Report

Richard Anderson gave an update from the Research Committee. The Research Committee discussed research grant priorities for fiscal year 2022 with one priority focusing on sustainable water use and wastewater discharge. Grant proposals are currently being accepted and the submission timeframe will close on October 25, 2021. Joint Evaluation Committees will begin reviewing the proposals in December 2021 and provide recommendations at the Council's January 2022 meeting.

Promotion Committee Report

Brian Lesperance presented an update from the Promotion Committee, continues to meet monthly. He noted the Promotion Committee will continue to work on consumer facing assets, with a focus on digital content. Traffic to the website has increased and digital campaigns continue to focus on gratitude towards the industry, its staff, and to consumers shopping locally. The Promotion Committee is taking a look at partnering with Pure Michigan.

FY21 Budget Update and FY22 Budget

Jenelle Jagmin reviewed the FY21 budget and provided a high-level discussion of the Council's FY22 budget with discussion on allocating funding.

MOTION: MICHAEL BECK MOVED TO APPROVE THE FY22 BUDGET, MOVING \$35,000.00 OF UNALLOCATED FUNDING TO RESEARCH, TOTALING \$335,000.00 FOR FY22 RESEARCH. ZACHARY OWEN SECONDED. MOTION CARRIED UNANIMOUSLY.

Staff Report

Jenelle Jagmin presented a staff update regarding the below projects:

Approval of FY22 Council Meeting Dates

Jenelle Jagmin proposed four dates in FY22 for the Council to meet: January 26, 2022; April 13, 2022; July 27, 2022; and October 12, 2022.

MOTION: ROBERT JACOBSON MOVED TO APPROVE THE PROPOSED MEETING DATES. ERIN WALTON SECONDED. MOTION CARRIED UNANIMOUSLY.

Strategic Priorities

Jenelle Jagmin reviewed the six strategic priorities determined for 2020-2022 and FY21 activities toward the priorities. Key program highlights of FY21 include the approval of nine research grant projects totaling \$274,000; 21% increase in e-newsletter subscribers; increased annual website traffic by 1,157%; and secured a consultant for diversity, equity, and inclusion (DEI).

FY21 Annual Report and FY22 Annual Plan

Jenelle Jagmin discussed various successful efforts made in FY21 to increase engagement with and outreach to the craft beverage sector. She presented items to be addressed/implemented in FY22, including leveraging the DEI consultant for meaningful impact; reviewing and approving FY22 research grants; developing a craft beverage agricultural directory; partnering with Travel Michigan, and investigating a craft beverage conference for 2023.

DEI in the Craft Beverage Sector

Jenelle Jagmin announced the Michigan Roundtable for Diversity & Inclusion has been selected as the DEI consultant for the Council. Jenelle has begun conversations with Freda Sampson, the DEI Strategist, on the phased approach for helping the Council move forward with its DEI strategic priorities. Zachary Owen answered some of the questions the Council had, as a member who assisted in the review and selection of the consultant. The Council held conversation on DEI related challenges and discussed some of the potential outcomes from working with the Michigan Roundtable for Diversity & Inclusion.

New Business/Council Priorities

No new business was discussed.

Public Comment

No public comment.

Adjourn

MOTION: ROBERT JACOBSON MOTIONED FOR THE COUNCIL MEETING TO ADJOURN. SCOTT GRAHAM SECONDED. MOTION CARRIED UNANIMOUSLY.

The Craft Beverage Council meeting adjourned at 3:58 p.m.



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DESIGNATION OF AUTHORITY

As Director of the Michigan Department of Agriculture and Rural Development, I hereby designate Jamie Zmitko-Somers to act in my absence as my "Official Designee" on the **Michigan Craft Beverage Council**.

This designation shall remain in effect until it is rescinded in writing, or a new agency director is appointed.

A handwritten signature in blue ink that reads "Gary McDowell".

Gary McDowell, Director
Michigan Department of Agriculture and Rural Development

Dated: January 25, 2021