

MICHIGAN COMMISSION OF AGRICULTURE AND RURAL DEVELOPMENT

E. C. Heffron Laboratory
940 Venture Lane
Williamston, MI 48895

MEETING MINUTES JANUARY 11, 2012

PRESENT:

Don Coe, Chairperson, Michigan Commission of Agriculture and Rural Development
Velmar Green, Vice Chairperson, Michigan Commission of Agriculture and Rural Development
Diane Hanson, Michigan Commission of Agriculture and Rural Development
Bob Kennedy Michigan Commission of Agriculture and Rural Development
Trevor Meachum, Michigan Commission of Agriculture and Rural Development
Gordon Wenk, Chief Deputy Director, Michigan Department of Agriculture and Rural Development
Keith Creagh, Director, Michigan Department of Agriculture and Rural Development

CALL TO ORDER, INTRODUCTION OF NEW COMMISSIONER, AND ROLL CALL

Chairperson Coe called the meeting of the Commission of Agriculture and Rural Development to order at 9:03 a.m. on January 11, 2012.

Commissioner Green called the roll with Commissioners Coe, Green, Hanson, Kennedy, and Meachum, and Chief Deputy Director Wenk present. Director Creagh joined the meeting at 9:57 a.m.

APPROVAL OF AGENDA

MOTION: COMMISSIONER HANSON MOVED TO APPROVE THE MEETING AGENDA FOR JANUARY 12, 2012. SECONDED BY COMMISSIONER GREEN. MOTION CARRIED.

APPROVAL OF DECEMBER 14, 2011, MEETING MINUTES

MOTION: COMMISSIONER HANSON MOVED TO APPROVE THE DECEMBER 11, 2011, MEETING MINUTES. SECONDED BY COMMISSIONER KENNEDY. MOTION CARRIED.

NEXT SCHEDULED MEETING

The next scheduled meeting will be held on February 15, 2012, at the Michigan Municipal League Capitol Office, Lansing.

COMMISSIONER COMMENTS AND TRAVEL

Commissioner Hanson reported that it continues to be very dry in the Upper Peninsula (UP) and farmers are concerned about the lack of moisture.

Commissioner Green attended the Michigan Agri-Business Association (MABA) Winter Conference this week. The general agriculture outlook is optimistic and prices are favorable.

Commissioner Kennedy has participated in the MABA conference over the last three days and confirmed everyone in agriculture is currently upbeat. Questions have been raised regarding federal regulatory issues at the farmgate and commercial agri-business. On the Michigan agriculture side, the number having pre-paid farmers before the first of the year was very strong, and this is indicative of a good economy.

Commissioner Coe welcomed Trever Meachum who was appointed to the Commission by Governor Snyder on Monday, January 9. He will serve a four-year term.

Commissioner Meachum advised he will do his best to represent agriculture through serving as a Commissioner and noted that, with his parents and brother, he owns a fruit and cash crop farm in southwest Michigan's VanBuren County. They begin harvesting strawberries in June and finish with corn around Thanksgiving. The farm also has packing, cold storage, and trucking facilities. Their current main concern is farm labor around the federal immigration issues – they plant vegetables in the spring not knowing whether they will have legal workers to harvest in the fall. Commissioner Coe advised the Commission has also been concerned about the labor issue, has routinely directed resolutions in support of seasonal and migrant workers to our Federal Delegation and will continue to be involved in the situation.

On behalf of the Commission, **Commissioner Coe** extended appreciation to retiring Commissioner Jennifer Fike for her valuable contributions to the Commission and the department during her tenure. She will be missed by the Commission and she is wished well in her future endeavors.

Commissioner Coe confirmed the Commission is comprised of five members, not more than three of whom shall be members of the same political party, appointed by the Governor, and with the advice and consent of the Senate. This Commission remains in compliance with that legal authority.

Commissioner Coe attended the January 9 Michigan Agriculture Environmental Assurance Program (MAEAP) planning meeting in DeWitt and joined the MABA events on January 10 in Lansing.

Commissioners Coe, Hanson, and Meachum traveled to attend today's meeting. There was no other travel submitted for approval.

MOTION: COMMISSIONER HANSON MOVED TO APPROVE THE COMMISSIONERS' TRAVEL. SECONDED BY COMMISSIONER KENNEDY MOTION CARRIED.

DIRECTOR'S REPORT

Chief Deputy Director Wenk advised the Director will be joining the meeting about 10:00 this morning and will provide his report at that time. He introduced Craig VanBuren,

Director of the E. C. Heffron Laboratory, who will be hosting a tour of the facility for the Commission this afternoon. Mr. VanBuren thanked everyone for coming to the E. C. Heffron Laboratory and reviewed the security protocol, explaining the need for escorts while in the building. He introduced Robert DeRubeis, Project Manager for Weights and Measures, and Ryanne Hartman, Senior Metrologist, who will be assisting with the tour this afternoon.

PUBLIC COMMENT (AGENDA ITEMS ONLY)

There was no public comment relative to agenda items.

BUDGET UPDATE: Amy Epkey, Budget Officer

Ms. Epkey reported, as part of the budget development process, the Revenue Estimating Conference is scheduled for January 13 and will identify revenue projections for 2012-2013 from which the budget will be developed. On January 18, the Governor will deliver his State of the State Address that will outline his priorities. The Governor's budget proposal for fiscal year 2013 will be released on February 9. The department has been very encouraged by the agency's inclusion in budget discussions with the Governor's and State Budget Offices. Details of the Governor's budget proposal will be shared with the Commission as soon as possible after its release, as well as discussion of specifics during the February Commission meeting.

During the legislative process that follows, Senate and House Appropriations Subcommittees will be assigned to MDARD. The Subcommittees work on their recommendations, which are submitted to the respective full Senate or House Appropriation Committee, then on to the full legislative chambers for approval. Any differences between the two proposals will be rectified during a Conference Committee. Another Revenue Estimating Conference will be held in May to either confirm or modify projections made in January. Target amounts are then established for each agency before being forwarded to the Governor for approval. Initial indications project the Legislature will approve the budget early again this year, which would allow the department a better opportunity to plan for the upcoming fiscal year.

In response to question from Commissioner Kennedy, Senate Budget Analyst Bruce Baker advised the leadership of the Revenue Estimating Conferences is a combined effort by the House and Senate Fiscal Agencies and the Governor's Treasury Department.

Ms. Epkey noted, in response to question by Commissioner Green, that an amount for employee concessions was built into last year's budget and departments were requested to develop contingency plans. Fortunately, other alternatives were implemented through union negotiations avoiding the implementation of those contingency plans.

DAIRY PROGRAM UPDATE: Sue Esser, Deputy Director, and Gordon Robinson, Dairy Supervisor, Food and Dairy Division

Ms. Esser reviewed data demonstrating the importance of the dairy industry to Michigan's economy, including that dairy is the largest single segment of Michigan agriculture, and Michigan ranks eighth in U.S. milk production. Over eight billion pounds of milk was produced by Michigan's dairy farms in 2010, with cash sales for 2010 farm

milk totaling \$1.4 billion. Over 26,000 jobs are created from Michigan's dairy industry, with a \$5.9 billion impact on Michigan's economy. Michigan exports a significant amount of dairy products – up to 35 percent of Michigan's milk production, with a cash value of \$500 million, is sold out of state.

The department has various responsibilities related to the dairy industry, including inspection of on-farm operations, transportation facilities and equipment, and processing facilities and equipment, as well as auditing milk sanitation and enforcement ratings on dairy farms and dairy plants for interstate shipment of milk. The Dairy Program adopts the very comprehensive, 383-page National Pasteurized Milk Ordinance. On-farm inspections of Michigan's 2,170 licensed dairy farms, which are located in 75 of the state's 83 counties, entails checking of 19 different items including milking equipment, cow cleanliness, and inspection of milking times and milking parlors.

MDARD is responsible for inspection of Michigan's 123 milk transportation companies, 704 milk tank trucks, and 1,010 milk hauler/samplers. Inspection responsibilities extend to the 84 milk processing plants who not only supply consumers in the state, but export products such as butter, ice cream, milk powder, cheese, and yogurt across the U.S. and to Canada, Mexico, Japan, and the Middle East.

Milk processing plants are required to be inspected at least twice per year by MDARD dairy inspectors and 120 pasteurizers are tested four times each year. Almost 6,000 dairy product samples are taken by MDARD and tested at the department's laboratory. MDARD dairy inspectors are part of a team that assists the industry in complying with the law, as well as helping new dairy processors and existing processors who are expanding. Processing facilities are actually increasing in number, with 13 being added in the last five years.

MDARD Dairy Program staff conducted a total of 7,136 inspections in fiscal year 2010, as well as 90 Grade A surveys to enable interstate milk shipment and oversight of drug residue testing conducted at processing plants.

When appropriate, MDARD is required to facilitate enforcement actions in response to various violations. In fiscal year 2010, 1,442,294 pounds of contaminated milk were removed from commerce, 91 permits were suspended, administrative fines of \$11,380 were collected, and there were nine product seizures and 12 informal hearings or compliance reviews. The department has an excellent working relationship with the industry and the goal is to conduct compliance assistance to help prevent violations.

The federal Pasteurized Milk Ordinance (PMO) requires that Grade A farms be inspected at least once every six months. Failure to conduct the required dairy farm inspections would mean that milk produced in Michigan could not be sold in interstate commerce or to most Grade A plants in the state. The PMO provides for the Certified Industry Dairy Farm Inspection Program (CIDFIP) which enables Certified Industry Field Representatives to conduct dairy farm inspections in place of regulatory inspections normally conducted by MDARD. The department maintains oversight and conducts audits of industry inspections.

Because of dairy inspector retirements and budgetary constraints that prevented hiring replacements, the CIDFIP was implemented in December 2010. Effective June 1, 2011, 90 percent of dairy farms statewide were being inspected by the industry. In October of 2011, the department was able to hire three dairy inspectors. Once the new inspectors are completely trained, MDARD will inspect 77 percent of the farms, with the industry conducting the remaining 23 percent.

Commissioner Green noted that Michigan's requirements for cleaning of tankers creates problems with direct loading (milk goes directly from the cows into milk haulers) certain times of the year when plants are closed, causing transfer stations to become full. Moving Michigan to the national standard would make the process usable year around. Ms. Esser advised the department will further investigate the situation, taking the recommendation under review.

In response to question from Commissioner Green about the standard for milk termed Somatic Cell Count. Ms. Esser confirmed the current PMO standard is 750,000/mL and the European Union (E.U.) has a standard of 400,000. Therefore, for milk products to be exported to the E.U., the milk used to make those products needs to meet the 400,000 standard. Milk cooperatives will need to assure that their farmers meet this requirement since any of the milk could be used to make a product or an ingredient for a product that is exported to the E.U. Since the PMO was not changed at the 2011 National Conference on Interstate Milk Shipments and Michigan law currently includes the 750,000 standard, MDARD will continue to enforce the 750,000 limit.

Commissioner Green complimented the Dairy Program on the excellent job they do – Michigan is recognized nationwide for its quality milk. Commissioner Coe added a very encouraging indicator was how quickly the industry stepped forward when MDARD was in the position of not having sufficient staff to complete inspections. However, the department should endeavor to obtain staff necessary to retain its important role in the milk inspection program for food safety.

In response to question by Commissioner Kennedy, Ms. Esser advised the program now has 15 inspectors and 23 total staff. However, the program remains short three staff from the level prior to retirements last year.

Discussion ensued regarding requirements for beginning a small cheese process operation and Ms. Esser confirmed the department is involved with and able to provide assistance to the recently formed Small Cheese Cooperative Group. Commissioner Coe related several problems around zoning of small cheese operations and requested the department meet internally to discuss what could be done to make the road easier for the production of farmstead cheeses.

INTERCOUNTY DRAINS PROGRAM UPDATE: Jim Johnson, Director, and Michael Gregg, Water Resources Program Manager, Environmental Stewardship Division

Mr. Johnson emphasized that county and intercounty drains are a prerequisite infrastructure for Michigan's economic development. There are over 1,100 intercounty drains legally established within Michigan, which is over 6,000 miles serving over six million acres in 51 counties. Each year, staff is involved in about 100 maintenance

projects and 200-225 different drain board meetings. Ranging from small ditches and farm tiles to major rivers and dams, the value of projects in any particular year is about \$42 million, with a total infrastructure value of \$2 billion.

Mr. Gregg advised the Intercounty Drains Program is the legal vehicle for the movement of waters across county lines. The department serves as chair for boards comprised of affected member Drain Commissioners, providing an expedient dispute resolution process for the movement of water across jurisdictional boundaries. The alternative would be costly and time consuming litigation with limited ability to affect solutions. It has been and continues to be an important function for the state. Without drainage, much of the state could not have been developed for agriculture, for roads, or for commercial or residential properties.

Much of the state's population resides in the area of agricultural land that is drainage dependent, which is the southern two-thirds of the Lower Peninsula. Artificial drainage supported by the county and intercounty drainage infrastructure is required prior to any economic development in over 40 percent of the surface area of the Michigan. He reviewed several examples of projects successfully completed recently through the Intercounty Drain Program.

The Michigan Drain Code was originally passed in 1956, has been amended hundreds of times since, and is a lengthy, complex statute. The department's role is providing leadership and guiding the Drain Commissioners toward consensus. Having legal authority under the Drain Code, MDARD accomplishes its responsibilities through convening meetings and public hearings, issuing legal notices, generating legal documents and orders to evidence decisions, maintaining all records and plans, and communicating decisions for engineering, environmental, legal and financial consultants, and construction contracts. The department brings much to the table, including institutional memory; long-term stability; engineering, environmental, finance, regulatory, and legal knowledge; transferability of experience; objective, non-partisan decision making; and a can-do attitude to be part of the solution.

In response to question from Commissioner Coe, Mr. Gregg confirmed that Drain Commissioners are elected officials compensated by the counties. Although there have been some attempts to collaborate by watershed or region to share resources, consolidation of drain commissions across regions has not legislatively been considered.

The department has a long-standing partnership with the Michigan Association of County Drain Commissioners (MACDC). Staff participates on many MACDC committees, district, and annual conferences, and provides a forum for interacting with vendors, agency personnel, consultants, and attorneys.

The program has various other responsibilities, including interstate drain projects; arbitration of MDOT assessment appeals; conducting MDOT drain project petitions; performing as drain experts for the state; facilitating general water resource issues; and providing extension interaction with MACDC for education, policy, and legislation.

Program staff consists of only three personnel. He serves as manager, Brady Harrington is a licensed civil/environmental engineer, and Peggy Snyder provides administrative support. To illustrate the breadth of projects the program coordinates, he reviewed several before and after examples of various intercounty drainage projects.

Commissioner Coe suggested Mr. Gregg review the recently established Food and Water Watch website that will be bringing public attention to water resource implications related to the Farm Bill, the Great Lakes, and agricultural processes. He thanked the program staff for all of their efforts, which because it has not been in the limelight, is obviously being accomplished very effectively. He encouraged Mr. Gregg to advise the Commission if anything arises with which the Commission could assist.

Mr. Creagh added Mr. Gregg is the state expert and numerous other parties contact him to ascertain legal interpretation of the Drain Code and for assistance on the tough resolutions that arise. The Intercounty Drains Program does not currently have sufficient capacity to ensure adequate farmland is available. The department will be building capacity around this infrastructure program, one that is an environmental, public health and safety, and economic development area critical to our long-term viability. Commissioner Coe advised the Commission strongly supports that effort.

DIRECTOR'S REPORT, CONTINUED

Director Creagh reviewed the current key issues of interest for the department. The U.S. Department of Agriculture (USDA) announced a consolidation plan that includes the proposed closing of three Michigan administrative offices. He asked the Commissioners to advise if they hear of any negative impacts as a result.

There have been a number of cases on which the Attorney General's Office has been successful through their representation on behalf of the department. Attorney General Schuette prevailed on an Amicus Brief filed in the State of California regarding ethanol standards. The Director sent a letter to the Shiawassee County Zoning Administrator regarding their definition of a farm which is inconsistent with the Right to Farm Act.

Current developments in the UP include revitalization of the mine industry; the department is highly supportive of mining and wants to ensure its existence for the long term. MDARD will be lead on land-based industries that are taking a broader rural development perspective. Infrastructure and energy concerns in the UP will present challenges as we move forward.

Progress continues on the food hubs effort, about which Chief Deputy Director Wenk and Rich Pirog from Michigan State University (MSU) met yesterday. MDARD will continue business development around food and agriculture in a number of areas across the state.

The Director spoke recently at the Great Lakes Trade Expo in Grand Rapids. Another meeting was held with Michigan Funders, as well as the Barry County Foundation in Hastings. There are various opportunities for MDARD to assist with food and agriculture issues. He also participated in the MABA Winter Conference.

The Administration, MDARD, MSU, and Prima Civitas are discussing various aspects of international trade, including international trade hubs and how exports can be facilitated. Foreign investment is believed to be a key driver for the current economic recovery.

Significant conversations around migrant labor continue, in particular, how Michigan can be more welcoming to migrants.

Later this month, he will be traveling to the UP. Verso Paper Corporation recently completed a \$45 million renewable energy project at its UP pulp and paper mill. He suggested Commissioner Hanson participate in the upcoming tour of the plant, which is a great example of a biomass, economic/rural development project. A request was received for a Commission resolution in recognition of that project's assisting with long-term sustainability of that plant. The Director will provide background information to Commissioner Hanson in that regard.

DIRECTOR'S TRAVEL

Director Creagh requested approval for out-of-state travel to Reston, West Virginia, February 5-9 to participate in the National Association of State Departments of Agriculture meeting.

MOTION: COMMISSIONER KENNEDY MOVED APPROVAL OF THE DIRECTOR'S TRAVEL. SECONDED BY COMMISSIONER HANSON. MOTION CARRIED.

The Director reported that in light of the Columbia Free-Trade Agreement, he may be participating in a trade mission to that country in late February. Also, USDA will be visiting China in March, and if interest is expressed from Michigan firms, he may also join that trip.

AQUATIC INVASIVE SPECIES MANAGEMENT PLAN: Mike Bryan, Nursery and Export Manager, Pesticide and Plant Pest Management Division, and Sarah LeSage, Aquatic Invasive Species Program Coordinator, Michigan Department of Environmental Quality

Mr. Bryan noted the Aquatic Invasive Species (AIS) effort is a Quality of Life program being coordinated among the three sister agencies, the Michigan Department of Environmental Quality (MDEQ), the Michigan Department of Natural Resources (MDNR), and MDARD.

Ms. LeSage reported the State of Michigan AIS Team is a multi-agency group that is collaboratively addressing the issues surrounding AIS. An AIS is a species that is not native and whose introduction causes, or is likely to cause, economic or environmental harm or harm to human health. AIS compete with native species for food and habitat or directly harm native species and have a definite economic impact by decreasing commercial and recreational fisheries, property values, and tourism. For example, AIS in the Great Lakes region are estimated to cost \$5.7 billion per year. The Great Lakes sport and commercial fishing industries are the most directly impacted, with losses estimated at \$4.5 billion per year.

In order to address these issues in Michigan, the AIS State Management Plan was developed, being first approved in 1996 and updated in 2002. The purpose is to guide the state's efforts on all waters in Michigan. In 2010, the state received funding as part of a Great Lakes Restoration Initiative (GLRI) grant to address AIS. The work plan for this grant has three main focus areas: establishing a more formal AIS program across departments, updating the AIS State Management Plan, and implementing priority activities in that plan.

The AIS Team has updated the AIS State Management Plan, whose goals include prevent new introductions of AIS into Michigan waters; limit the spread of established populations of AIS into uninfested waters of the state; develop an early detection and rapid response program to address new AIS invasions; and manage and control AIS to lessen the harmful ecological, economic, social, and public health impacts resulting from infestation of AIS.

One of the methods being considered to address the prevention aspect of AIS is a vector approach, so rather than focusing on one specific species, focus would be on the vector pathways of shipping and boating, habitat alteration, and biological, or organisms in trade.

Mr. Bryan reported organisms in trade (OIT) relates to the boating industry, as well as the agriculture and aquaculture industries in Michigan. OIT refers to unwanted species sold or moved in trade, sometimes through flea markets or illegal channels, or shared with neighbors. The department has been working with the industry to make it aware of the various challenges, which is part of the department's responsibility as delegated under the Natural Resources and Environmental Protection Act (NREPA).

In line with the team goals, MDARD's specific objectives are to prevent new introduction and spread of AIS through water garden and aquarium plant trade channels; prevent spread of AIS through aquaculture and fish stocking activities; and work with MDEQ and MDNR to develop an early detection and rapid response program for AIS. A detailed action plan has been implemented to meet these objectives. MDARD plans to train staff in support of compliance inspections, identify firms that sell aquatic plants and fish, conduct education and outreach with the industry, and administer an AIS permit program in support of research and educational activities.

In response to question from Commissioner Coe, Ms. LeSage advised that species would need to be both non-native and likely to cause economic or environmental harm to be considered invasive. Director Creagh noted that different types of invasive species are approached by the agencies as appropriate for that given species.

Commissioner Hanson reported that during the Annual Soil Conservation meeting, one discussion centered on the numerous plants that had come into the state and are now causing problems. Director Creagh congratulated the AIS Team on their early detection efforts through the inspector training, early warning systems, and education of the industry that will assist in determining what is invasive and what is not as we move forward in our efforts.

ADJOURN AND RECONVENE

Chairperson Coe adjourned the meeting at 10:56 a.m. for a brief break. He reconvened the meeting at 11:14 a.m.

LEGISLATIVE UPDATE: Derek Bajema, Legislative Liaison

Mr. Bajema advised the Legislature is back in session today, with committee meetings convening later in the week. Since the last Commission meeting, Senate Bill 725 was signed into law as Public Act 320. It amends the General Property Tax to specify that property would not lose its status as qualified agricultural property or its classification as agricultural real property because the property owner or lessee implemented a wildlife risk mitigation action plan.

The department was the first agency to present a group of regulation and rule repeal recommendations and several are being addressed legislatively through House Bills 5206-5212. MDARD recently completed a comprehensive review of its 98 regulations, which included a total of 878 rules. Approximately 26 percent of those rules will potentially be eliminated.

Commissioner Coe suggested all of MDARD's regulations be routed through the rules process, rather legislatively. Mr. Bajema advised legislative leaders appreciated being part of the process of trimming regulations and those rules introduced in the recent bills are very routine in nature. Other departments are expected to use a similar process of putting some obsolete regulations through the rules process and some through the legislative process.

MICHIGAN FOOD POLICY COUNCIL UPDATE: Jane Whitacre, Executive Director, Michigan Food Policy Council

Ms. Whitacre advised the Michigan Food Policy Council (MFPC) was created by Executive Order 2005-13 and is funded in partnership with the W.K. Kellogg Foundation. MFPC brings diverse food-related stakeholders together to recommend programs and policies to the Governor that improve Michigan's food future. Its mission is to cultivate a safe, healthy, and available food supply for all of Michigan's residents, while building on the state's agricultural diversity to enhance economic growth.

MFPC is comprised of the directors of the Michigan Departments of Agriculture and Rural Development, Environmental Quality, Human Services, Education, Corrections, Technology, Management, and Budget, Licensing and Regulatory Affairs, and the Michigan Economic Development Corporation/Michigan Strategic Fund, along with 16 Governor-appointed members. In addition, there are 20 volunteer members from various areas within the food system contributing to the Council's work.

Council goals are in alignment with those developed through the Michigan Good Food Charter: 1) Michigan institutions will source 20 percent of their food product from Michigan growers, producers, and processors; 2) Michigan farmers will supply 20 percent of all Michigan institutional, retailer, and consumer food purchases; 3) Michigan will generate new agri-food businesses at a rate that enables 20 percent of food purchased in Michigan to come from Michigan; and 4) 80 percent of Michigan residents will have easy access to food, 20 percent of which is from Michigan sources.

Several special task forces were created to help attain those 2012 goals that can really make a difference for Michigan. Those are the Farmers, Food Businesses, Statewide Local Food Policy Council Network, Institutional Purchasing, Food Access, and Expectations Task Forces. Considerable demand for local food has been generated; however, because the supply of that food is lagging, it creates concern. The supply-side is where the current focus of the Council will be. MFPC is also working on finding ways that state government can more effectively measure, report, and track data to provide a means of knowing what progress is being made. From there, identifying various ways to make improvements at a policy level can be developed.

By providing partnerships, collaboration, initiatives, and leadership, MFPC is making a difference in Michigan as demonstrated by development of the Statewide Food Policy Council Network, supporting the Governor's health and wellness priorities, efforts in the Food Hub Collaborative, extensive communication, resources, and networking, and Council member engagement and support.

In response to inquiry from Commissioner Green, Ms. Whitacre advised that easy access is composed of many factors – transportation, geography, and financial aspects. And because there may be barriers, it is a challenge.

Commissioner Coe advised the Northwest Michigan Local Food Network Summit is scheduled for Friday, February 17 and he invited Ms. Whitacre to make a presentation at that meeting. Ms. Whitacre thanked him for the invitation and advised she would be most happy to present.

LEPTOSPIROSIS INVESTIGATION BY THE CENTER FOR DISEASE CONTROL: Jessie Clippard, Epidemiology Fellow, Michigan Department of Community Health, and Nancy Frank, Deputy Director, Animal Industry Division

Dr. Frank reported the recent Leptospirosis investigation was unique because of the partnership formed to address this situation. Because Leptospirosis is a zoonotic disease, it can spread from animals to humans, causes flu-like symptoms, and can cause liver or kidney disease. Because of the partnership, we were effectively able to address this particular situation.

In the fall of 2011, MDARD began receiving an increased number of reports of dogs with the serious disease leptospirosis, with some dogs presenting with sudden, severe illness. Many of the cases seemed to be from the Detroit area, and given the severity of illness in the animals, MDARD was concerned about a potential disease outbreak. This offered a good opportunity for a One Health approach, a concept that animal health, human health, and the environment are very closely intertwined; and, in order to address any type of disease situation, a focus on all three aspects is needed. With Leptospirosis, environmental components in particular relate to rats and water. Several meetings between MDARD, the Michigan Department of Community Health (MDCH), and the MSU Diagnostic Center for Population and Animal Health (DCPAH) ensued. Next steps were developed, including contacting the Centers for Disease Control (CDC) for possible consultation. CDC agreed to assist with the investigation for a two-week time period in December.

Jessie Clippard advised the investigation objectives were to define the scope of the outbreak; collect risk factor data and environmental information; and assess knowledge, attitudes, and practices about canine leptospirosis among Michigan veterinarians.

The number of reported canine leptospirosis cases increased from 26 in 2010 to 61 in 2011, with 39 canine deaths and a geographic concentration in southeast Michigan. Through risk factor collection and environmental sampling, it was found that of the 69 percent of the affected dog owners contacted, 27 percent reported seeing rats near or around their home. Sampling of rats near those homes with evidence of rat activity indicated presence of leptospirosis in the rats.

A 30-question, web-based survey developed by CDC was recently distributed to Michigan veterinarians through the Michigan Veterinary Medical Association. The survey addressed knowledge, attitudes, and practices regarding canine leptospirosis. Results of the survey are expected in the spring of 2012 and will be shared with all involved parties. Without the cooperation and assistance of the various groups, the investigation would not have been possible and she thanked all those involved.

Dr. Frank also recognized Dr. Michele Schalow, who was the lead veterinarian on the case, and Mel Poplar, from the Pesticide and Plant Pest Management Division, who provided expertise around environmental issues with rodent control.

Next steps include follow-up with the City of Detroit, who has been extremely cooperative and helpful during the investigation. Results from the veterinarian survey will provide information on how to direct MDARD's outreach and communication campaign to encourage more vaccination of dogs.

In response to question from Commissioner Coe, Dr. Frank advised the investigation was both corrective and preventive in nature. Commissioner Coe complimented MDARD on the initiative and suggested the department make a good news story out of this successful collaborative effort. Director Creagh confirmed the department appreciated the coordination amongst agencies, as well as the resources and expertise provided by all partners in the investigation. He confirmed that success of the effort would be communicated.

TALENT/WORKFORCE DEVELOPMENT UPDATE: Diana Carpenter, Agriculture Market Talent Director, Workforce Development Agency, and Amy Epkey, Budget Officer

Ms. Carpenter provided an update on Workforce Development Agency (WDA) activities since being reformed under the new Administration. They developed a cluster focused strategy, whereby they will be working with five specific industries in the state. Agriculture is the area for which she is responsible. The other areas include energy, healthcare, information technology, and manufacturing. The agency is completely workforce focused, functioning very closely with their partner agencies.

Focus on the agriculture industry is a new direction for WDA. Time has been spent on determining needs that go beyond the migrant worker situation, involving extensive information gathering to identify occupations and skills sets primarily needed for the

industries. When a Venn Diagram is constructed, it becomes evident that skill sets cross each of the industries that create career pathways. This is the first time in a workforce arena where we are considering the synergies and the leverage points, and more importantly, realizing it is totally demand driven.

Their strategy includes identifying basic cluster metrics. The cluster strategy to meet those metrics is to identify the skills demand, identify the skills supply, and train to fill the gaps. Because it is demand driven, they are communicating with employers to identify specific skill needs at all levels to accurately determine those gaps that exist. They are also working with partners to determine how to afford quick training programs to provide those needed skills.

The success of WDA's efforts is contingent upon vertical partner alignment that considers state and local policies and programs and how those align with the demand driven workforce; integration throughout the workforce system; and identification and coordination roles for all at state and local levels. Horizontal partner alignment efforts include the Michigan Works Agency prioritizing funding around target clusters; community colleges targeting/creating programs to address cluster needs; and economic development agencies creating strategies to focus on cluster needs.

State cluster activities have included asset mapping, such as Skills Alliances and other sector focused organizations; a deeper data drive around staffing patterns through developing occupation skill sets, cross walking skills through clusters, and a skills needs survey; and a strong focus on beginning farmer/entrepreneur training and development. WDA will be utilizing the mechanisms in place through the Regional Economic Development Collaboratives across the state to bring employers and strategic partners to the table. This provides the opportunity to identify customized workforce needs specific to regional areas.

Ms. Epkey thanked Ms. Carpenter for her great efforts in providing leadership on agriculture workforce needs. The next step is to quickly gather and compile the information needed and to begin making connections on a regional basis to ensure we are addressing the specific issues of the employers. A strategic plan has been developed and will be reviewed with the Director in the near future.

Relative to workforce issues, work will be conducted on a high level approach, such as the migrant labor issue, as well as on a one-on-one, case-by-case basis. In some cases, it may be as simple as helping a company to realize what resources are available. MDARD can offer the technical expertise to build on the partnership aspects and she is excited to be working with Ms. Carpenter on these efforts. It will be an excellent approach moving forward – there are many resources available to agriculture and communicating that information is a key focus.

Commissioner Coe expressed three issues: 1) the need to determine if a skilled migrant labor workforce is available; 2) what type of attention needs to be developed for crop mechanization; and 3) the need for correct identification by the labor statisticians of employees who are actually working in agriculture (currently being under-reported). Ms. Carpenter advised, through their data collection process, they can help to enhance those

statistics. Other agricultural organizations are attempting to create value-added legislation that addresses the wide diversification of activities on farms. She continues to work closely with other WDA staff on the migrant labor issues, including use of the Agriculture Recruitment System. She emphasized that agriculture is an important industry – give us information on the problem and let us work together to develop a solution.

Director Creagh noted that businesses indicate a need for workers, yet have had a difficult time articulating the skill sets needed. Clearly identifying those skill sets is important, because it is beyond the farmgate where a significant number of people will be employed in the future. The department will be assisting in that effort. He thanked WDA for identifying agriculture as a target sector and noted that workforce development and economic development efforts are now being coordinated. MDARD has been asked to be a strategic driver in the regional collaborative effort, which the department welcomes. In response to question from Commissioner Coe, the Director advised the department is identifying various resource staff to participate in regional efforts and there may be a role for the Commission as well.

Commissioner Green emphasized, beyond skill sets, a good work ethic is primary for quality workers. Ms. Carpenter advised WDA actually considers a good work ethic to be a skill set that is trainable. There are some very successful programs in that arena and their agency is working diligently to bring good practices that will help develop the work ethic skills set. Commissioner Kennedy confirmed it is all about talent potential.

CONSUMER PROTECTION PROGRAM UPDATE: Craig VanBuren, Director, Motor Fuel Quality/Weights and Measures, E.C. Heffron Laboratory

Mr. VanBuren provided an overview of the responsibilities of the Consumer Protection Program and its findings for Fiscal Year 2011, which should be very indicative of what will be found this year and in the future.

The three major program areas housed at the E. C. Heffron Laboratory are Motor Fuels Quality, which is responsible for maintaining the quality of fuel sold in Michigan and the retail gasoline licenses; Weights and Measures, which covers everything that is bought and sold by weight and measured account; and the Metrology Laboratory, which houses the standards for all measures for the State of Michigan. The Consumer Protection Program currently has 26 inspectors, with concentration in the southeast Michigan area where most of the commerce devices are located.

There are three Public Acts for which the program is responsible, the Motor Fuels Quality Act, the Weights and Measures Act, and the new Shopping Reform and Modernization Act of 2011, which replaced the repealed Item Pricing Act.

Within Motor Fuels Quality, 13 inspectors are responsible for conducting quality and quantity inspections on 4,787 licensed establishments across the state. They field approximately 368 quality complaints each year, with a 13.8 percent substantiation rate. Of the 2,304 samples tested last year, 93.5 percent were compliant. EPA-required vapor pressure audits revealed a 97 percent compliance rate. Compliance actions

included 100 “stop sales,” 762 warning letters, 67 compliance meetings, and 131 administrative fines in the total amount of \$96,800.

Within the Weights and Measures area, seven weights and measures inspectors have the ability to check all weighing and measuring devices, and three field metrologists conduct package checks, Registered Service Agency audits, and Act 15 investigations. Last year, there were 1,912 short weight/measure complaints, with a 6.6 percent substantiation rate. Another 142 field complaints were investigated which were scales, packages, or other types of meters. A total of 44,985 fuel device tests were conducted, with 97.2 percent being compliant; 2,060 other devices were tested, which were 91.2 percent compliant; and a 66.4 percent compliance rate was found in the 10,299 packages tested. Other Weights and Measures work included investigation of Item Pricing and Shopping Modernization Acts complaints and administration of the Registered Service Program.

Compliance actions included 49 detainments, 55 warning letters, 12 compliance meetings, and 50 administrative fines in the amount of \$149,972. He reviewed various examples of recent compliance actions, one of which included Crafcoc, Inc., who had sold asphalt patch to the Michigan Department of Transportation. In response to question from Commissioner Green, Mr. VanBuren advised the department is not familiar with how much business the state is doing with Crafcoc, Inc.

The program also provides compliance assistance through participation in yearly trade shows, maintaining close contact with various stakeholder organizations, and holding classes for anyone who requests.

The Metrology Laboratory is one of twelve laboratories in the country that are accredited to International Organization for Standardization (ISO) 17025 standards and one of only three or four that are accredited at the highest level. It is also recognized by the National Institute of Standards and Technology. Last year, 8,442 standards for various manufacturers and pharmaceuticals were calibrated/certified. Many manufacturers are required by international companies to have their scales certified by a state authority and the program would complete that on a fee-for-service basis. Anything scheduled for export must be measured on a state approved scale, which includes many of the large international companies. The Director added the program very efficiently fills a significant role in international commerce.

Three funding sources provide for operation of the program, the Gasoline Inspection and Testing Fund, the Weights and Measures Fund, and the Refined Petroleum Fund, which is scheduled to sunset at the end of 2012. Director Creagh advised the department is working with the Legislature on this funding source.

Future challenges for the program include that 95 percent of staff time is spent on devices generating only 9 percent of Michigan’s annual \$170 billion in weights and measures transactions, which is a result of a customer focus on fuel as prices rise. Responding to question from Commissioner Coe, Mr. VanBuren advised the only answer is to continue educating the public of the fact they are not being shorted at the pump.

The program's 25 inspectors are responsible for over 150,000 devices in the state, which is the highest resident to inspector ratio of any state in the nation. There are multiple goods and items that go unchecked for net content and staff are unable to effectively monitor weighing and measuring device compliance. In response to question from Commissioner Coe, Mr. VanBuren confirmed the inspectors do pay for themselves, and with ten additional inspectors, they could effectively monitor all aspects within the marketplace. Director Creagh advised that a staff increase would require legislative appropriation of funds and establishment of positions.

The Weights and Measures Act was last updated in 2002 and the program is working toward required revisions to meet national standards for test methods and tolerances, require retesting of registered service personnel, create a uniform method to allow business to use accurate devices not NTEP (National Type Evaluation Program) approved, realign fines with the Motor Fuel Quality Act, and include the ability to capture investigation costs.

Discussion ensued regarding various aspects of the program, including the potential of industry support for expanding capabilities. Director Creagh emphasized the statistics quoted here today are based on complaint-only inspections. He advised the department plans to change program focus to identified problem areas, and rather than impose fines and fees, work with the industry on compliance assistance to identify causes. As soon as the new strategy is completed, it will be presented to the Commission to establish how the department intends to move forward. Because program staff are fair and as transparent as possible, they do have strong industry support.

PUBLIC COMMENT

Mr. Bob Baker, Mason County Growth Alliance, noted that collaboration requires connection and the various counties working on regionalism should reach out and participate. There has been fervor about the regional matrix, it is evolving, and those changes will be positive. His area is moving away from the Right Place Region into the West Michigan Economic Development Collaborative. He commended MDARD, its Commission, and the Michigan Economic Development Corporation for their regional collaborative efforts.

Regarding Public Act 88, he noted Michigan Farm Bureau reaffirmed its position of recommending repeal of that Act. From what he is hearing from economic development partners, it will not move from the Senate committee anytime soon. The Mason County Growth Alliance will aggressively pursue a comprehensive marketing strategy, looking at the Advertisement of Agricultural Advantages Act as a possible funding source. It is an economic development tool that can continue to offer opportunities.

Commissioner Coe commended the Mason County Growth Alliance for attending Commission meetings and noted it is the best indication of the counties and regions accepting the importance and role of agriculture in Michigan.

Ms. Tonia Ritter, Michigan Farm Bureau (MFB), shared copies of the MFB 2012 Policy Manual with the Commission, noting it will be distributed to the Legislature as soon as printing is complete. Developing the Policy Manual is a grass-roots process that

begins with the 67 county farm bureaus forwarding resolutions to the 20-member Policy Development Committee. The committee spends several days in Lansing learning about and debating issues and bringing forward resolutions for members to consider at the state annual meeting. At that meeting in December, MFB members approved 105 state resolutions that give MFB staff direction as they work to provide more benefit to its members. MFB also considers national resolutions to assist Michigan agriculture and works very hard to affect that process. MFB's key focus for 2012 will include relieving regulatory burden at the state and federal level, protecting Right to Farm, having an available workforce, and the infrastructure issue.

Ms. Ritter invited the Commission to join MFB's Legislative Seminar on February 15, in particular the reception at the Lansing Center from 4:30-6:00 p.m., noting that is the same day as the Commission meeting.

Director Creagh expressed appreciation to MFB President Wayne Wood for inviting him to speak to the MFB delegates during their policy development process. He looks forward to continuing to work with MFB in the future.

ADJOURN

**MOTION: COMMISSIONER GREEN MOVED TO ADJOURN THE MEETING.
COMMISSIONER KENNEDY SECONDED. MOTION CARRIED.**

The meeting was adjourned at 12:52 p.m.

Attachments:

- A) *Agenda*
- B) *Agriculture and Rural Development Commission Meeting Minutes December 14, 2011*
- C) *Director Keith Creagh – Issues of Interest Report*
- D) *Dairy Inspection Program Presentation*
- E) *Aquatic Invasive Species State Management Plan*
- F) *Aquatic Invasive Species Program and Management Plan Update*
- G) *Intercounty Drains Background*
- H) *Michigan Association of County Drain Commissioners "Pipeline" Second Quarter 2010*
- I) *Intercounty Drains Program Presentation*
- J) *Michigan Food Policy Council Report*
- K) *"Leptospirosis in Dogs and Cats" Article by American Veterinary Medical Association*
- L) *Canine Leptospirosis Investigation in Southeast Michigan, 2011 Presentation*
- M) *Workforce Development Agency Update*
- N) *Consumer Protection Program Update*
- O) *Legislative Status – January 2012*