

MICHIGAN COMMISSION OF AGRICULTURE AND RURAL DEVELOPMENT

**Michigan State Capitol Building
Room 426, Fourth Floor
Capitol Square
Lansing, Michigan 48933**

MEETING MINUTES NOVEMBER 9, 2011

PRESENT:

Don Coe, Chairperson, Michigan Commission of Agriculture and Rural Development
Velmar Green, Vice Chairperson, Michigan Commission of Agriculture and Rural Development
Jennifer Fike, Secretary, 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
Keith Creagh, Director, Michigan Department of Agriculture and Rural Development

CALL TO ORDER AND ROLL CALL

Chairperson Coe called the meeting of the Commission of Agriculture and Rural Development to order at 10:02 a.m. on November 9, 2011. Commissioner Fike called the roll with Commissioners Coe, Green, Fike, Hanson, Kennedy, and Director Creagh present.

APPROVAL OF AGENDA

MOTION: COMMISSIONER HANSON MOVED TO APPROVE THE MEETING AGENDA FOR NOVEMBER 9, 2011. SECONDED BY COMMISSIONER FIKE. MOTION CARRIED.

APPROVAL OF SEPTEMBER 14, 2011, MEETING MINUTES

MOTION: COMMISSIONER FIKE MOVED TO APPROVE THE SEPTEMBER 14, 2011, MEETING MINUTES. SECONDED BY COMMISSIONER GREEN. MOTION CARRIED.

NEXT SCHEDULED MEETING

The next scheduled meeting will be held on December 14, 2011, at GreenStone Farm Credit Services, East Lansing.

PROPOSED 2012 MEETING SCHEDULE

Commissioners Green and Hanson advised they have a problem with the proposed November 2012 meeting date and suggested it be held one week earlier, on Wednesday, October 31, 2012.

MOTION: COMMISSIONER KENNEDY MOVED TO APPROVE THE PROPOSED 2012 MEETING SCHEDULE AS AMENDED. SECONDED BY COMMISSIONER HANSON. MOTION CARRIED.

COMMISSIONERS TRAVEL AND COMMISSIONER COMMENTS

Commissioner Kennedy reported harvest is progressing well across the state. The Commission met with the House Agriculture Committee this morning, discussion was positive relative to production agriculture, including the need for common sense regulations and enhancements on the processing side of production agriculture.

Commissioner Hanson reported she attended the Chippewa County Agriculture “On the Farm Breakfast” held September 16 at Taylor Creek Farms, which was co-sponsored by Michigan State University (MSU) Extension and attended by over 800 people. On September 24, RenewaFUEL, which produces biofuel cubes and is a subsidiary of Cliffs Natural Resources, announced the possibility of a shutdown. Hiawatha Land Farm Bureau held their annual meeting on October 25, which she attended. On November 2, she participated in the Upper Peninsula (UP) Potato Growers Annual Meeting in Escanaba. It has been very dry in the UP, which has adversely affected the bean crop; in fact, one producer yielded only one and one half wagons of beans from a 30-acre planting.

Commissioner Green reported he participated in a meeting with the department and JBS at their Plainwell facility, during which they advised a desire to expand their capacity to six days a week and to start marketing beef raised in Michigan. He noted one issue is the price JBS may expect to pay for Michigan cattle. He also attended the U.S. Animal Health Association Annual Meeting, noting the department’s State Veterinarian is now President of that organization. Following that, he toured the winery region of Ontario, which has become a significant wine tourist destination. He attended the event celebrating the 1,000th Michigan Agriculture Environmental Assurance Program (MAEAP) verified site, which was held October 17 at the Lee Sesquicentennial Farm in Laingsburg. On October 13, he joined the department’s Employee Recognition Program. During a recent Bovine Tuberculosis (TB) Advisory Committee conference call, the question as to whether Michigan should require additional TB testing of cattle from Minnesota’s original TB outbreak area was discussed. The Commission agreed Michigan should be reciprocal and not require that degree of testing for Minnesota cattle coming into Michigan. The crops in central Michigan have been very good this year, with tremendous yields compared to what was predicted earlier in the year.

Commissioner Fike reported she traveled to two meetings with the Legacy Land Conservancy in Washtenaw County held to increase farmland preservation efforts in Jackson and Washtenaw Counties by working to increase enrollment in the various programs offered. She attended the Food Summit hosted by United Way of Southeast Michigan, at which Senator Stabenow was the keynote speaker; it brought together those who are working on food systems to focus on ways to increase food access for residents in southeast Michigan. She participated in the Impact Ann Arbor Conference hosted by the Ann Arbor/Ypsilanti Area Chamber of Commerce, during which the Michigan School Board President recognized ongoing efforts within the Farm to School Program. Along with Michigan Department of Agriculture and Rural Development

(MDARD) staffers Mark Swartz and Steve Shine, she attended the recent Great Lakes Integrated Science Assessment (GLISA) meeting. GLISA is a joint program of the University of Michigan and MSU researching impacts of climate change on agriculture and how adaptation strategies might improve the situation in the Great Lakes region. She attended the Washtenaw County Farm Bureau Annual Meeting and the MDARD Employee Recognition Awards Program. It was amazing to see the energy, enthusiasm, and long-term service within the department. The Food System Economic Partnership (FSEP) recently received a USDA Farmers Market Promotion Program grant of \$94,000, which will purchase farm equipment and a greenhouse to help move the Farmer Incubator Project forward. FSEP has also been advocating for the Farm Bill relative to proposed legislation; namely, the Local Food and Farms Act and the Beginning Farmer and Rancher Opportunity Act, which are not currently being included in the Farm Bill.

Commissioner Coe advised he recently traveled to France as a guest of the French Ministry of Agriculture for tours which focused on what the French government has done to apply Certificates of Origin and Regions of Origin to various agricultural products. An interesting issue in Europe, and in particular for France, is that France has been named as the Director of G-20 for the agriculture sector. The French government is concerned because they have been absorbing 60 percent of agricultural subsidies for the European Union (EU) and the other EU countries have indicated that is not sustainable. And, because the EU is in financial difficulty, they expect that a good part of those subsidies will be withdrawn. The French government is researching their options because France it is still a nation of small farmers. It was fascinating traveling that week speaking with various government agencies and with farmers themselves. The level of regulation in Europe at the individual farm level is considerably higher than what exists in the U.S., to the point of being a different form of agriculture. For example, in the production of Roquefort cheese, the government dictates the lambs that will be used, how many hours those lambs have to be on pasture and grass content of the pasture, places limits on supplemental feed, controls the lifecycle of the lambs, and requires extreme testing of the milk. These dictates continue all the way through production and marketing of the cheese – the farmer literally has no say about the operation of his farm. He indicated to the French Ministry that is highly unlikely American farmers would tolerate that degree of regulation. However, rural development is a common concern, and France sees Michigan, California, and Florida as states with whom they would like to work on finding ways to keep their rural economies vibrant and alive. Even though their models are different from ours, the French Ministry is very interested in continuing that dialogue and the department indicated it will pursue that effort.

On October 13, he attended a meeting with the MSU Multi-Species Working Group regarding pasture-raised animals with the focus of producing fresh and local meat. He recognized Commissioner Green's concern that the processors must pay a fair price for those animals. MSU is creating an experiment station with a test herd of 100 head of pasture raised beef; and, in response to their request that local farmers each make a commitment to raise ten animals, ten farmers have volunteered to participate in the test program.

He attended the October 17 Northwest Michigan Extension Council meeting and was pleased that MSU Extension, through their new institute, had been able to organize a

very broad group of agricultural interests in that region, and more importantly, at least two community colleges have joined those discussions.

On November 1, he attended the MAEAP Partnership meeting in Lansing, which was held at the request of the Commission and MDARD staff following the Commission's approving the MAEAP Verification Standards and Protocols. Those standards and protocols were communicated to the MAEAP Partnership, along with the challenge of moving from 1,000 to 5,000 MAEAP Verified farms. The well-organized meeting brought a sense of commitment from the partners. During the House Agriculture Committee this morning, it was emphasized there needs to be a funding stream developed in order to reach that target. Much work lies ahead and the effort will require significant support from all partners.

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

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

DIRECTOR'S REPORT

Director Creagh expressed appreciation to Commissioners for their continued involvement in the agriculture issues across the state and also to Commissioners Fike and Green for participating in the recent All Employee Meeting. With over 400 staff in attendance, great enthusiasm was evident and it was a unique opportunity. Staff expressed the day's highlight was the united Quality of Life group message delivered by the three directors.

He also thanked Amy Epkey for coordinating a valuable budget and legislative training for management staff. Leadership from the Governor's Office, the State Budget Office, State Fiscal Agencies, and other experts provided interesting and informational presentations that demonstrated policy, budget, and legislative integration.

In response to Commissioner comments, RenewaFUEL's problems related to dirt in the biofuel cubes which was affecting production capacity of the equipment. He has heard that four bids have been submitted for purchase of the facility.

A disaster declaration is being signed for 16 Michigan counties affected by drought conditions and decreased yields. Also, a letter was sent recently to Wisconsin Agriculture Secretary, Ben Brancel, requesting leniency on cattle import requirements from Michigan into Wisconsin. There is an indication they may consider our request.

As the result of an economic gardening partnership, which involved the Governor, Michigan Economic Development Corporation (MEDC), MDARD, and a broad range of businesses, Huntington Bank has made \$2 billion available for new businesses and entrepreneurs. This is very positive news for the economy in Michigan.

Bloomberg recently announced that Michigan's economic health is second-best in the nation and all economic drivers are pointed in the right direction, which confirms Michigan's strategy for regaining its economic vigor is on track. The department is monitoring the collapse of MF Global to ensure appropriate securities are in place for affected Michigan producers.

Chief Deputy Director Gordon Wenk represented the department at the annual National Association of Departments of Agriculture meeting held in Utah. Through participation on various national panels, he was able to highlight Michigan agricultural activities.

Strategic alignment was the focus of the Cabinet Retreat held on September 16. A Congressional Workshop was held October 18 which provided an opportunity to share Quality of Life group issues with the delegation.

The Governor's Special Messages on Health, Infrastructure, and Talent will each contain an agriculture component. He met with Director Dazzo in follow-up to the Governor's Health Message.

The department is involved in conversations about food hubs, of which there is a wide variety of definitions. One definition builds an economic driver around food and agriculture, building capacities, aggregation, good agricultural practices, incubator kitchens, etc. During a meeting with the Detroit Economic Growth Corporation, various businesses discussed how to implement new approaches. The department will continue to move these types of efforts forward. Additionally, MDARD continues to have discussions around migrant housing and timber issues.

The Director also highlighted some other meetings and events he has attended since the last Commission meeting, which included the Farmers Market at the Capitol; the Michigan Department of Environmental Quality (MDEQ), Michigan Department of Natural Resources (MDNR), MDARD Business Group meeting; meeting with an economist from the Chicago Federal Reserve Board; a risk/media/emergency management training; Statewide Logistics Strategy meeting with Michigan Department of Transportation (MDOT) Director Steudle and MEDC; conversations with MSU President Simon and Bill Rustem about Detroit urban agriculture; the 1,000th MAEAP Verified site celebration; MDARD budget discussion with Budget Office Director John Nixon and the Governor's staff; discussion with a Chinese Ministry of Agriculture official; and he will be presenting this afternoon to the Michigan Agri-Business Association (MABA) Leadership group.

Yesterday, a meeting was held in follow-up to the Food Processors Summit and Governor's Summit on Production Agriculture. Both MSU and the department have already implemented several strategies in response to summit recommendations. One need identified by the food processing industry was reconvening of the Food Processors Workgroup to assist MDARD and MDEQ in addressing their concerns.

A conference call was held with the U.S. Senate Agriculture Committee. The EPA has proposed a rule concerning Concentrated Animal Feeding Operation (CAFO) reporting. Operations above 1,000 animal units (AU) and those below 1,000 AU who have had a

discharge are permitted, a regulation with which both MDEQ and MDARD agree. The conference call offered an opportunity for clarification and common understanding of the proposed rule, and if it would impose reporting requirements on the 300-999 AU operations.

Some of his upcoming meetings include speaking at the Michigan Harvest Gathering Celebration, a Food Hub meeting, meeting with the Consul General of Japan, the Michigan Farm Bureau Annual Meeting, and the Great Lakes Fruit, Vegetable, and Farm Market Expo, in which he encouraged Commissioners to participate.

In response to discussion about Huntington Bank, Commissioner Coe asked that the department bring to the Governor's attention that a number of other commercial banks have added staff members to consider financing opportunities for the agriculture sector and, above all, GreenStone Farm Credit Services remains the state's largest agricultural lender. GreenStone should receive credit for their assistance to the agriculture sector.

Director Creagh advised the department recognizes the significant role played by GreenStone and it was the first bank the Administration recognized as becoming engaged in development of the rural economy with the appointment of Dave Armstrong, GreenStone CEO, to the MEDC Executive Committee. The department will ensure GreenStone is fully informed, and added GreenStone participates in MDARD Rural Development Group meetings and is mutually involved in a number of projects.

MEDC hired an International Trade Manager to focus on agriculture. This manager, Donna LaCourt, will work with MDARD's International Marketing Manager, Jamie Zmitko-Somers, which gives us a direct agriculture linkage within MEDC. This is a direct commitment by MEDC toward the goal of doubling food exports in the next five years.

A meeting was held yesterday with the Council of Foundations, who invited the Quality of Life Directors to present. Discussion included long-term opportunities and how to use the reputation, integrity, and resources of the Foundations toward community and regional-based economic efforts around agriculture in its broadest context to address community needs.

The Governor's Office published a pocket card detailing the ten points around which Michigan will be reinvented: create more and better jobs, leverage our new tax system, reinvent our government, keep our youth here, restore our cities, enhance our national and international image, protect our environment, revitalize our educational system, reinvent our health care system, and winning in Michigan through relentless positive action. The flip side of the card highlights the specific focus of the state's team culture through leadership – enthusiasm, courage, duty, and focus; excellence – vision, integrity, measures, and accountability; and teamwork – results, collaboration, loyalty, and camaraderie.

During the last week of September, he joined Governor Rick Snyder on a trade mission to China, Japan, and South Korea. The goal was to expand current markets, open new markets, and lay groundwork for future investment that will lead to more jobs in

Michigan. He shared a presentation summarizing the accomplishments of that ambitious trip.

The group had a great opportunity to meet with officials in Japan, a country which spends a higher percentage of their income than any other industrialized nation. In Japan, approximately 57,000 acres of agricultural land in several prefectures were damaged and are no longer tillable land due to the March 11, 2011 tsunami and 9.0 earthquake. There are numerous opportunities to help feed the Japanese people while they recover from this disaster, with the top exports to Japan being soybeans, flour meal of oleaginous fruits, fresh/chilled bovine meat, edible offal, and lac (natural gums). Success stories from Tokyo include Nutraceutical dried fruit products, Soy Joy bars, and fruits that are not widely available in Japan – cherries, blueberries, apples, and cranberries. Noteworthy is the successful partnership between Michigan State University (MSU) College of Agriculture and Natural Resources and the Tokyo University of Agriculture. That partnership addresses the common agricultural issues and opportunities that exist between our two countries.

Michigan's top exports to China include malt extract and flour, vegetable saps, cheese and curd, food preps and nesoi, and starch/sugar/brew. Opportunities in China include Mead Johnson, food safety, partnership with the International Food Protection Training Institute (IFPTI), research and development, functional foods, and wine. Mead Johnson of Zeeland, Michigan, has a manufacturing plant in China, and its anticipated export of Phenyl-free Enfamil into Chinese markets will help solve a childhood metabolic disorder. Chinese officials will also be invited to IFPTI to continue food safety training and research. Other success stories with China include Chateau Grand Traverse, who shipped its fourth commercial order of wine last month and is working with Shanghai-based Hengbang wine distributors.

Michigan exports frozen bovine meat, food preps and nesoi, cheese and curd, lac, and edible offal to Korea. Opportunities in Korea center around the U.S.-Korea Free Trade Agreement, new market opportunities, and Michigan wine imports. With the Trade Agreement having been recently signed, the timing for the visit was perfect. The department needs to determine how to normalize federal phyto-sanitary certificates and continue those conversations with Korean officials to gain export efficiencies.

There are various Michigan products being exported to Asia and the department will continue building on those capacities and developing future opportunities. The Governor is focused on increasing the export market and the Director expects other trips in the future.

Commissioner Coe reported that, during a recent Chamber of Commerce meeting in his area, Bill Rustem advised the Executive Office discusses the agriculture industry on a daily basis and recognizes that agriculture was the bright spot that brought us through the bad years. Commissioner Coe complimented the Director and the department for positioning agriculture at the forefront of the Governor's Office agenda.

DIRECTOR'S TRAVEL

Director Creagh has no out-of-state travel planned in the near future.

PUBLIC COMMENT (AGENDA ITEMS ONLY)

There was no public comment relative to agenda items.

BUDGET UPDATE: Amy Epkey, Budget Officer

Ms. Epkey advised the 2012 budget was enacted early in the summer, which contained two placeholders. One was \$135,000 million for post-employment benefits associated with retiree health care, which has been forwarded to the Legislature in a supplemental to disperse among the departments for funding that future liability. Another was the \$145,000 million general fund associated with the concessions savings. Each agency was asked to provide a contingency plan and the department's amount was \$720,000. MDARD's plan was associated with nine funded vacancies remaining within the department following 50 staff leaving through the retirement incentive last fall. Because there also is discussion around two House Bills associated with employee retirement, the supplement has not yet advanced from the State Budget Office. It is encouraging that progress is being made to fund these long-term liabilities.

Initiating the 2013 budget development process was the opportunity to meet with the Governor's Office and the State Budget Office to review department priorities. Being able to meet at the beginning of the budget process to discuss the future goals and priorities of the department is very encouraging. In that meeting, the Director reviewed the goals of increasing economic development, exports, jobs within the industry, access to healthy foods, and the number of MAEAP Verified farms.

The next step involves the department submitting its plan for program enhancements. There are several program areas that require additional resources to meet their goals and there will be a number of issues associated with the current services baseline request, which considers how to better align current funding. These are the discussions the department will be having with the offices of the Governor and State Budget over the next two months.

MDARD will also be working with the Treasury and State Budget Offices on recommending projections in preparation for the January 13 Revenue Estimating Conference. This involves the House and Senate, State Budget Office, and Governor's Office determining what level of revenue is estimated to establish the base for each agency's budget.

In response to question from Commissioner Coe, Ms. Epkey advised that as the department continues to look at priorities and funding areas, ongoing dialogue with the Commission is important. Commissioner Coe asked if it would be beneficial to convene a special Commission Subcommittee review the budget in detail. He encouraged the department to advise if there is anything the Commission can do to help reinforce MDARD's message, particularly with regard to inspections and other staffing issues. The Director advised it is always helpful to be able to state the Commission supports the department's priorities and he will share various budget documents with the Commission as the process moves forward.

Commissioner Coe asked about the funds recently found by the state and if some of those would be directed toward agriculture. The Director advised designation for the \$500 million revenue surplus is being debated and the Governor wants to ensure there is certainty before spending occurs. MDARD will be working with the Michigan Department of Technology, Management, and Budget (MDTMB) and the Appropriations Committees Chairs to determine if there are funds available for the department.

FAIR FOOD NETWORK'S "TURN UP THE VOLUME" PROJECT: Patty Cantrell, Project Manager, Regional Food Solutions LLC

Ms. Cantrell noted that USDA recently reported the total volume of retail sales of local foods is now nearly \$5 billion, four times as previously estimated. "Turn Up the Volume" is a Fair Food Network project to investigate and communicate local food market potential for Michigan specialty crop producers. The goal is helping to build healthy food opportunities across the country. The project is funded through a USDA Specialty Crop Block Grant, which was awarded through MDARD.

The three main components of the effort are 1) complete research on opportunities in the southeast Michigan market; 2) develop a producer-processor council network to consider various business opportunities; and 3) develop communication with the all of the specialty crop producers to emphasize there is strong interest in Michigan in developing this sector of the market. Over the last few months, several articles have appeared in various agricultural publications, staff will be available during the Fruit, Vegetable, and Farm Market Expo, and they are developing a direct mail publication.

The interest is strong, as evidenced by one example of the Michigan Health and Hospital Association's new initiative where hospitals are pledging to source 20 percent of their food from Michigan producers by 2020. To date, 85 of 150 hospitals have committed to that initiative. Reasoning behind their commitment is they see themselves as anchor intuitions in their communities and through investing in local food marketing, are able to influence health before people need hospitalization.

Local product exists across the spectrum of Michigan's rich agriculture economy and substantial marketing opportunities beyond Farmers Markets now exist. That is the message Fair Food Network is communicating across the state.

Innovation in the specialty crop sector is strong, for instance, investment in storage systems to supply items over an extended season and business networks to build marketing relationships.

On the business side, investment and policy aspects are growing. Market research and developing brands is assisting producers to target interested markets. Investment on the policy side has been successful as well. For instance, the Double Up Food Bucks Program initiated at more than 54 Farmers Markets saw an over \$1 million return to farmers as part of that program.

Because most people purchase groceries in the retail market, Fair Food Network will soon launch a pilot in Detroit with five retail grocers to introduce this incentive program into the retail arena.

In response to question from Commissioner Coe, Ms. Cantrell advised the commodity groups are very open to sharing this information and confirmed the local promotion is being received by their producers; but, still many questions are raised as to the risk and cost of making the investment to market in that direction. Food safety is a potential barrier to producers entering that market, as well as prices back to the farm.

Commissioner Fike recognized Ms. Cantrell's work through various articles she has been coordinating on behalf of the Michigan Good Food Charter and she encouraged everyone to review those publications. She asked about the food safety barrier and the fact that supply is not keeping up with some of the demand. Ms. Cantrell noted that in their journalistic approach to this communication project, they interviewed specialty crop growers and it was an interesting disconnect – there is an abundance of product and much is being marketed across the U.S. and overseas; however, the buyers want to know where it came from and the supply chain is not necessarily providing all of that additional information. Business innovations and networks will be key to connecting entrepreneurs with the opportunity.

Director Creagh thanked Ms. Cantrell for the work she has been accomplishing and bringing awareness of what Fair Food Network is doing. He encouraged her to continue working with the Michigan Food Policy Council to enhance efforts, and advise when there is anything MDARD can do to connect with those activities. Based on Ms. Cantrell's meeting in Detroit, which he and Mike DiBerardo also attended, capacity and aggregation aspects are part of the issue and the impetus around the food hub discussions. Also, food safety is scale neutral and we simply need to ensure producers have the correct practices in place.

MIGRANT WORKERS IN MICHIGAN: Denise Donohue, Executive Director, Michigan Apple Committee, and John Bakker, Executive Director, Michigan Asparagus, Plum, and Onion Committees

Mr. Bakker reviewed various facts with respect to the asparagus industry that demonstrate why migrant and seasonal farm workers are so critical to its success, which is applicable to other commodities as well.

About 1,600 workers are needed to harvest Michigan's 10,000 asparagus acres. An additional 400 (seasonal) workers are needed for processing, packing, and shipping. Asparagus comes into full production about the third or fourth year after planting and each field is harvested 24-36 times a year. The industry is still waiting for a mechanical asparagus picker and the latest brain child has 80,000 moving parts, which indicates migrant labor will be required in the specialty crop industry for the foreseeable future.

After the asparagus harvest, almost all migrant workers stay in Michigan to harvest other crops – cherries, summer squash, peppers, tomatoes, blueberries, peaches, apples, pumpkins, and Christmas trees – which require additional workers beyond those coming for asparagus. Migrant workers have a tremendous network through which they communicate. If workers came to Michigan to harvest asparagus and experienced some problems, that word would quickly spread to Texas, Florida, and other areas from where the other workers might be coming.

Almost all employers provide housing for their workers and families; and, prefer to be paid on a piece price rather than hourly rate. Experienced harvest workers have no problem making or exceeding minimum wage. These are skilled workers with a keen ability to get the job done and often make two times minimum wage because of their productivity. This is over and above housing that is provided. Worker productivity is important because of housing costs, which often includes other family members.

It is not uncommon for employers to receive Social Security “miss-match” letters after the season indicating they potentially have undocumented workers. Growers are not document experts and quite naturally accept a worker who arrives with proper documents. Another problem arises when an undocumented worker is discovered, because documented members of the same family or work group will also be lost.

Asparagus is the “canary in the coal mine” when it comes to predicting labor issues in other Michigan crops. In early March, leaders of the asparagus industry were not expecting the problems that later arose with labor shortages. MDARD was very prompt in responding to the problem, and within a week of being notified, problem-solving discussions were initiated. That key effort and response prevented other Michigan specialty crops from experiencing that same extreme labor shortage.

Unfortunately, prices for both fresh and processed asparagus hit all-time highs in 2011. The long-term supply versus demand situation for U.S. domestically produced asparagus looks extremely favorable. The number one factor limiting growth in the Michigan asparagus industry is labor uncertainty.

Current programs that supply labor don’t work well for asparagus because those programs require a guaranteed start date. The date of the first asparagus harvest is uncertain and changes from year to year – it varied from mid-April to May 10 over the last ten years. Snow cover, air temperature, sun versus cloud cover, soil temperature, and frost all play a significant role in timing of the first harvest.

The Migrant Labor Housing Inspection Program conducted by MDARD is critically important to the industry and the department has done a tremendous job over the last number of years, particularly in light of decreasing resources for the program. Somehow, the department was able to keep the program operating. Their industry is excited about the department’s efforts toward worker recruitment ideas and looks forward to results with that project.

Some of the concerns shared by specialty crop growers are a state E-Verify program, which has been devastating in other states, the federal E-Verify law without a companion guest worker program, and a robust national economy. In 2005 when the country was still growing at a good pace, large worker shortages were experienced.

Ms. Donohue shared good news that the apple crop was 40 percent larger than normal this year. The industry was extremely worried about the labor situation, but was able to harvest successfully, although growers could have used a few additional workers. This is the number one worry for the Michigan apple industry, and for the apple industry

nationwide. This year, 1.5 billion apples will be harvested and every single one must be picked by hand, just as most other specialty crops, to be suitable for the fresh market.

Pursuing an enforcement only strategy at the federal level without dealing with the labor supply issue is the industry's major concern. The pending Congressional bills dictate sealing the border first, for which there is strong sentiment, and addressing the supply issues later. The industry is unable to withstand even six months without an adequate number of workers.

Michigan's growers can relate to the Vandalia onion situation in Georgia, where a \$140 million loss experienced by the industry at the farm gate level was attributed to worker shortage. An Arizona-style law in Michigan created a great deal of concern across the countryside. The industry is in favor of knowing who is in this country; nonetheless, drivers' licenses for workers are expiring, which creates documentation concerns for those workers. As mentioned earlier, workers do possess papers, the question of how good they are sometimes is raised and many are not as complete as they should be.

Despite the economy, certainly in Michigan there still is no question that the locals do not want the harvesting jobs. For example, last year, the United Farm Workers sponsored a campaign called, "Take Over Jobs." Only seven viable workers across the entire U.S. showed up for work on days three, four, and five. With so many specialty crops in Michigan, an enforcement only strategy will leave no reason to celebrate record crops, or apples in Happy Meals at McDonalds, if producers don't have workers to harvest or process those crops.

She expressed appreciation to MDARD for all of their help this year, the Commission's interest in this issue, Governor Snyder's public support of increasing the agricultural workforce, and the focus on Migrant Labor Housing. There is a need to resume in-season housing inspections. The industry does not want the federal government to do those inspections and wants to continue working with the MDARD. She was encouraged earlier this morning when Senator Green talked about better funding support for the Migrant Labor Housing Program. The specialty crop sector needs to bring the U.S. Department of Labor back to the table for dialog with agriculture in Michigan to resolve the differences in how that program is enforced so that our growers know what to do and the Director has pledged to work with the industry to initiate this effort. As the federal action to resolve agriculture labor unfolds, they are encouraged by the direction the department is taking in order to help sustain this sector of our economy.

Commissioner Coe advised the Commission has consistently passed resolutions in support of agriculture jobs and forwarded communications to the Congressional Delegation. This Commission shares the concerns of the industry with regard to the specific issues and recognizes we cannot allow the situation to worsen because of the importance of specialty crops to Michigan's economy. This will continue to be the position of the Commission and he thanked Mr. Bakker and Ms. Donohue for providing a clearer picture of the current situation.

Mr. Bakker advised relative to resumption of in-season migrant labor housing inspections, he is concerned with the reporting aspects and results becoming public

information. Almost as soon as housing is occupied, there will be some minor violations simply due to use. If someone were to obtain that information and splash a headline that a majority of migrant labor housing inspected in-season is out of compliance, you can only imagine the concerns that would develop.

MIGRANT LABOR UPDATE: Belen Ledezma, Office of Workforce Development, and Mark Swartz, Section Manager, Environmental Stewardship Division

Ms. Ledezma advised she is the Director of the Migrant, Immigrant, and Seasonal Workers Services Division under the Workforce Development Agency. Their mandate federally is to assist migrant and seasonal farm workers in finding agricultural employers and also assist the industry in finding a qualified workforce. In her tenure, there has been an over 5,000-person drop in the number of migrant worker contacts received. This indicates something is happening in Michigan, a state that has not experienced a threat of labor shortage in the past. In her opinion, there currently is a true shortage. Some of the camps are closing and not enough families are returning.

In working through some of the issues, their agency realizes not everyone who works with them favors the H-2A Temporary Agriculture Worker Program. Two years ago, there were 32 H-2A employers and now there are only 18, which is a testament that not many employers are interested in this program. There are faults, as well as benefits with the program, and it is not the only choice for recruiting individuals. There is a program they would like to try with Michigan employers. It is the Agriculture Recruiting System, or the Intra-Interstate Clearance System. It is similar to H-2A, but does not specify foreign labor, rather it simply requests labor period, whether it be local or from another state.

The process begins with a work order and is coordinated by seventeen staff across the state, who are very proactive in obtaining projected staff needs from the various employers. If a grower places a job order and is unable to find workers within the local 65-miles or less area, then an Intrastate Clearance Order is issued. The cost to employers is providing inspected housing for those workers outside the local work area. If unable able to find the workforce with Michigan, then an Interstate Clearance Order is utilized.

Traditionally, Texas and Florida have historically been our worker supply states and we are not allowed as state workforce agencies to recruit without a job order in place. If we can encourage some growers to utilize this program, we would then go to Texas and Florida to recruit for them. There are some pitfalls to the program – it involves a contract and work dates need to be met. They are trying to develop a contract that would be something employers could accept and would work with migrant laws within the various states.

They also were able to promote jobs available in Michigan through announcements on the Spanish radio show, which reaches about 30,000 people. Listings on the agency's website are also available across the U.S.

Their agency recently met with growers in the Lansing area and their key concerns included not having the talented workforce needed. Skilled agriculture workers have the speed, endurance, and specific skills to efficiently and effectively handle the crops. The

skill sets required are being articulated to their staff to help the growers obtain the talent quality needed and they are working with the employers on how best to incorporate those skill sets into the job orders.

Another aspect is helping growers to network more effectively. Discussed with growers is the potential for shared labor if those communication lines are open. Their agency could assist with developing a shared labor effort and serve as the point of contact for that effort.

Relative to enforcement issues, under the federal regulations, their agency is required to report any housing violations and to take complaints from both employers and workers. However, one of the benefits in working closely with the employers provides for having five days in which to resolve an issue without sending to an enforcement agency and no fines are imposed. Enforcement doesn't need to be an issue. On the other hand, if an employer is not compliant within those five days, the agency is obligated to report to the enforcement agency.

As you can see, there are various steps being taken by their agency to help agriculture employers. Various bills have been introduced that do scare workers away. And even if workers are born and raised in this country, they feel it is not often worth traveling with their families only to be harassed by local enforcement.

As mentioned by Mr. Bakker, Social Security miss-match letters do happen. However, this does not necessarily mean an individual is undocumented and there is a timeframe during which it can be rectified with the agency. Any group of individuals – including us in the room today – could be processed through E-Verify and not all would have matching numbers – this is one of the main concerns with E-Verify.

Mr. Swartz advised he works with the department's licensing program for migrant labor housing. There currently are 90,000 workers and their families who come to Michigan every year, 45,000 of those are actively part of the migrant labor pool. The licensing program coordinates housing provided for migrant farm workers. Approximately 850 camps are inspected throughout Michigan each year, 4,400 living units with a total capacity for about 22,000 individuals. The program covers housing for about 25 percent of the workforce in Michigan to ensure it meets standards for quality and safety for the workers and their families.

Exit interviews from the Hope Arkansas Migrant Resource Center tell us that two things bring migrant labor to Michigan – the diversity of our agriculture and our national reputation for quality migrant housing. Most of our workers come from Texas or Florida, with Michigan being the northern terminus of the migrant labor stream.

It has been an interesting couple of years with budget reductions leaving only five program inspectors in the field. The program currently has capacity to conduct the pre-season inspections to ensure any damage that occurred to housing in the previous season is repaired and the producer is able to provide safe wholesome housing for the subsequent year. Because of cuts to the program, we still lack the capacity to conduct program in-season inspections to address electrical, sewage, and overcrowding risks

and problems that arise once the housing is occupied, which naturally arise because of the high level of occupancy. We are attempting to address this situation and budget proposals are in process that could return program staffing to the level required to complete those in-season inspections. A return to in-season inspections would allow the department to resolve occupancy issues in a cooperative fashion with the grower and hopefully reduce the risks that the producers take if they are inspected by the U.S. Department of Labor (DOL).

Much of the work to address various concerns is being coordinated through the Migrant Labor Housing Advisory Board, in particular looking at the budget structure to improve program operations and ensure we are efficiently reaching our target audience. We are actively working with both the U.S. DOL and the Michigan Occupational Safety and Health Administration (MIOSHA) on coordination of three sets of expired rules that applied to migrant labor housing within the state. We are trying to bring these to a single standard so that all the producers know exactly what they need to be in compliance. It is anticipated that will resolve in an updated rules set for the Migrant Labor Housing Program and we will work with the U.S. DOL to revise some of their interpretation of their rules set so we can bring those things as close as possible and be very clear about where there are technical differences. We are also working in an attempt to clarify some of the enforcement differences between the approach MDARD takes versus the approach DOL takes.

With E-Verify requirements being pushed federally and some of the migrant housing legislation in other states, it seems the distinction between migrant labor and non-migrant labor is blurring with people settling out, living year around in what used to be licensed housing, and becoming annual labor for farming operations. The program is working with the Michigan Agriculture Statistics Service and Interagency Migrant Services to update the enumeration study of migrant labor, which was last done in 2006. This will provide a more accurate number of migrant workers, as well as a better picture of where they are living and the risks that are associated with their housing.

Much work is being done toward process improvements, working with U.S. DOL to resolve issues and trying to improve our internal program efficiency. Currently, 2011 licensure is coming to a close and inspections for 2012 will begin shortly. The current level of program staffing is working diligently and we are looking forward to improving the program in the future.

Commissioner Green inquired about the workers who are often here for two-three years. Ms. Ledezma advised although their agency is tasked with migrants and seasonal farm workers (MSFW) only, it doesn't mean they won't refer non-migrants and farm workers. The concern they have is that when they refer other individuals outside the MSFW population, they receive numerous complaints from the growers. This is where the importance of specific job descriptions becomes apparent.

Commissioner Coe complimented Ms. Ledezma and Mr. Swartz because they are at the cutting edge of this issue. Growers are communicating their need for workers, and he expressed appreciation of the agencies' efforts in that regard. The difficulties are recognized, but the reality is we need these workers and have been watching with great

concern what has been happening to that work force. It is much more difficult today for workers to make the decision to travel to Michigan for work because of the very justifiable fears they have for their families. The Commission will do whatever it can at a federal level and will continue to communicate that we need a viable Migrant Labor Housing Program, and, the industry has indicated they will contribute more toward the migrant housing issue. He expressed appreciation to Ms. Ledezma and Mr. Swartz for their reports and for the expertise they provide as we move forward. Agriculture must communicate more effectively at the federal level, because the inability of our Congressional Delegates to deal with this issue of immigration has caught our migrant workers in an overall trap. Clearly, we cannot afford to have the situation worsen, we need to find solutions. This Commission will work with the agencies in any way they can to assist.

Ms. Ledezma complimented Mr. Swartz and his staff on the wonderful job they are doing and advised she enjoys working closely with them. Her agency is very supportive of continuing funding for the Migrant Labor Housing Program, because we won't be able to draw those workers to our communities and our agriculture industry without that safe housing. She thanked the Commission for their interest and assistance in the issues surrounding migrant and seasonal farm workers in Michigan.

AGRICULTURE PROCESSING RENAISSANCE ZONE UPDATE: Mike DiBernardo, Economic Development Specialist

Mr. DiBernardo reported that in December of 2002, an Agricultural Processing Renaissance Zone (APRZ) was approved for the Village of Hillman with the designation commencing on January 1, 2003, for a period of 15 years. Throughout the duration of the APRZ, various projects were proposed for the APRZ. Unfortunately, these projects have not come to fruition and do not meet the requirements previously approved. Because this APRZ continues to be out of compliance, revocation of the APRZ effective for the 2012 year is recommended.

In response to question from Commissioner Fike, Mr. DiBernardo advised that two conference calls were held with the Village of Hillman and they agreed that nothing has happened and did not contest the proposed action.

Commissioner Coe advised it is prudent to withdraw APRZs when they are not being utilized and requested a motion from the Commission.

MOTION: COMMISSIONER FIKE MOVED TO RECOMMEND THE DESIGNATION FOR THE AGRICULTURAL PROCESSING RENAISSANCE ZONE FOR THE VILLAGE OF HILLMAN, COUNTY OF MONTMORENCY, BE REVOKED. SECONDED BY COMMISSIONER HANSON. MOTION CARRIED.

Mr. DiBernardo reported in June of 2006, an APRZ for Michigan Biodiesel, LLC, was approved to begin on January 1, 2008, for a period of ten years. Michigan biodiesel did make the initial investment, but has been out of compliance since 2007 and is in violation of the terms of the Development Agreement. Because requirements have not been satisfied, recommendation is made that two years be deducted from the end of the APRZ; therefore, that it expire in 2014. This is the least punitive option and maintains

the integrity of the agreement and the program. Additionally, we will continue to monitor the status of the project, and if other issues arise, additional steps may be necessary.

MOTION: COMMISSIONER FIKE MOVED TO RECOMMEND THE DESIGNATION FOR THE AGRICULTURAL PROCESSING RENAISSANCE ZONE FOR MICHIGAN BIODIESEL, CITY OF BANGOR, COUNTY OF VANBUREN, BE REDUCED BY TWO YEARS. SECONDED BY COMMISSIONER KENNEDY. MOTION CARRIED.

SPECIALTY CROP BLOCK GRANT UPDATE: Nancy Nyquist, Market Development Specialist

Ms. Nyquist reported the department recently announced the recipients of \$1.1 million in Specialty Crop Block Grant funding and shared a copy of the report detailing those grant recipients. The grants are used to enhance the competitiveness of Michigan specialty crops through processors, agri-businesses, producers, local units of government, and legislatively authorized commodity boards in Michigan; including, but not limited to: research, promotion, marketing, nutrition, trade enhancement, food safety, food security, plant health programs, education, increased knowledge and consumption, increased innovation, improved efficiency, reduced costs of distribution systems, environmental concerns and conservation, product development, good agricultural practices, good handling practices, and good manufacturing practices.

The department received 46 proposals totaling \$2.3 million, with 21 proposals recommended to receive \$1.1 million in grant funding. Grant applications were evaluated, scored, and ranked by a Joint Evaluation Committee composed of MDARD and industry representatives not directly involved in any grant proposals.

Commissioner Coe advised these grants are being awarded primarily to educational institutions and/or commodity groups. He advised the Commission would like to express their congratulations to each of the grant awardees, and ask those who were unable to receive a grant this year, to apply in the future.

FERAL SWINE PROGRAM UPDATE: James Averill, Director, and Nancy Frank, Deputy Director, Animal Industry Division; and Tim Wilson, U.S. Department of Agriculture Wildlife Services

Dr. Averill thanked the Commission for the opportunity to update them on the Feral Swine Program and introduced Dr. Nancy Barr, who is now the Program Manager for swine, poultry, and aquaculture, and overseeing the Cervid Program and cattle efforts in the Bovine Tuberculosis Program, Dr. Wendy Osman. He also introduced Tim Wilson from the USDA Wildlife Services (WS).

Dr. Averill reported the division has been very proactive in addressing the issue around the Pseudorabies Virus (PRV) positive feral hog in Midland County. Efforts are being coordinated through cooperation with USDA WS.

Dr. Frank provided an update on the feral swine situation. She noted that feral swine have become an ever increasing nuisance in Michigan, as well as many other states, 38 in total. Feral swine populations likely originated from a combination of intentionally

released and/or escaped wild boars from hunting ranches and escaped domesticated pigs from swine farms. In Michigan, feral swine have been reported in 73 counties, with reports in 35 counties to date during 2011. Various activities have been implemented to reduce the feral swine population in the state.

The program is engaged in various activities toward the feral swine efforts. The "Shoot to Kill" posters and an informative "Feral Swine: Damage and Disease Threats" brochure are being distributed statewide. The department is partnering with the Wildlife Risk Mitigation Project, which focuses on surveillance for bovine TB in wild hogs in the Modified Accredited Zone of Alcona, Alpena, Montmorency, and Oscoda Counties. For lands within the Natural Resources Conservation Service (NRCS) Great Lakes Restoration Initiative Environmental Quality Incentives Program (GLRI-EQIP) priority area (Midland, Bay, Gladwin, and Arenac Counties) that have evidence of feral swine activity within the past twelve months, contracts awardees receive financial assistance for a limited number of conservation practices to repair damage caused by feral swine activity. Michigan Wildlife Conservancy continues to raise funding to provide traps, education, training, and information gathering. Efforts are also ongoing by multiple other stakeholder groups to support education and trapping.

Coordinated with USDA WS, a public service announcement was initiated to help communicate the issue of feral pigs. The department has partnered with USDA WS to provide disease surveillance for PRV, swine brucellosis (SB), classical swine fever, and influenza, plus other diseases depending upon funding and availability of samples.

Mr. Wilson provided an update of the feral swine activities coordinated by USDA WS, whose objectives are to conduct reconnaissance of selected areas to define the scope of local feral swine populations, establish outreach and communications with key organizations and individuals, implement control of feral swine as opportunities allow, and conduct disease surveillance on feral swine. Success of their work is dependent upon the local landowners who report feral swine activities on their properties, along with reports from the various state agencies. Establishing partnerships is incredibly important to the success of their efforts.

Since January 2011, personal contacts have been made with over 100 landowners to inquire about feral hog activity and to scout, bait, or set traps on new properties. Follow-up is conducted on all leads provided by the Michigan Department of Natural Resources, MDARD, and Michigan Wildlife Conservancy, including collection of samples for disease surveillance. He reviewed a map depicting the areas in Michigan with suspected breeding populations of feral hogs, which are the areas of their focus.

He explained the design of a typical coral trap, which can trap more than one animal at a time, and the labor intensive strategy required for trapping. Since 2005, there are 47 traps in inventory, 31 are deployed to the field, and 31 hogs have been trapped. With new funding, they now will be able to assign dedicated personnel to become more proactive and increase program effectiveness.

In response to question from Commissioner Kennedy, Mr. Wilson reported feral swine are nomadic in nature and very unpredictable. Commissioner Hanson inquired about

the source of feral swine, noting that although sightings have been reported in the UP, there are no hog production or hunting facilities in those particular areas and reported damage from deer is more of a problem in the UP. Mr. Wilson advised some animals do escape from facilities, which is followed by natural reproduction. The feral swine population in Michigan is very difficult to estimate and there have been several instances of feral swine/motor vehicle collisions. Dr. Frank advised that rapid follow-up to reports of sightings will provide better numbers in the future.

In response to inquiry from Commissioner Green, Mr. Wilson advised it is not yet known whether the MDNR Invasive Species Order will reduce the number of feral swine in Michigan. Because feral swine is a frequent issue discussed, Commissioner Green encouraged the Commission to support the MDNR Invasive Species Order as tool to effectively reduce the population.

Director Creagh advised a comprehensive approach to address feral swine is important and encouraged the Commission to assist in communicating that USDA WS is critical to the department's being successful in their feral swine efforts. Relative to the Invasive Species Order, MDARD is routinely communicating with MDNR, who is working with the Attorney General's Office to clarify the Order. Historically, the Commission's position has been to encourage the Legislature to regulate the facilities and in the absence of regulation, to allow the Invasive Species Order to be implemented. At this point in time, the Senate has chosen not to enact legislation, the Order will stand, and the Administration will work toward clarity as they move forward with the implementation.

In response to question from Commissioner Fike, the Director advised the Invasive Species Order, as amended October 8, 2011, is scheduled to be effective April 1, 2012.

Commissioner Coe advised he is receiving direct communications in this regard and the other Commissioners confirmed they are receiving similar communications. A Freedom of Information request has been received by MDARD and legal action is imminent. The Commission's recognizes the risk to the agricultural community from diseases borne by feral swine. It also recognizes testimony received from game ranches with businesses established in the state. The Commission's position is that the privilege of raising animals behind the fence carries responsibilities and encouraged the Legislature, the game ranch operators, and other interested parties to devise legislation that would provide proper controls for animals behind the fence, along with significant penalties for those who do not abide by those controls. The Legislature has not acted and the MDNR has moved forward with the Invasive Species Order. At this time, the appropriate action on the part of the Commission is to reiterate to the Legislature we hope a legislative solution can be found, because in absence of that, we will have added costs to farmers raising animals behind the fence. The Commission also encourages the Director to continue working with MDNR and other agencies on this issue. The hope is to avoid the cost of law suits – we need to solve the problem. Commissioner Green emphasized the Commission needs to be supportive of the Invasive Species Order. Commissioner Hanson agreed the Commission should stand with their current position and monitor the situation as actions move forward. Commissioners Fike and Kennedy advised their position is that barring any legislative action, the Invasive Species Order should be implemented as planned.

Commissioner Coe confirmed no action is required from this Commission for the Invasive Species Order to be implemented. On the basis of consensus by the Commission, deer are a much greater threat to agriculture in many ways than feral swine at this point in time.

The Director confirmed MDARD will continue to work with MDNR toward the implementation of the Invasive Species Order, barring any legislative action.

**GENERALLY ACCEPTED AGRICULTURE AND MANAGEMENT PRACTICES UPDATE:
Jim Johnson, Director, and Wayne Whitman, Right to Farm Program Manager,
Environmental Stewardship Division**

Mr. Johnson reported the formal approval of the Generally Accepted Agriculture and Management Practices (GAAMPs) will occur during the December Commission meeting. In preparation, the draft GAAMPs have been provided to the Commission for review over the next month.

Mr. Whitman explained there is an annual GAAMPs review process required by the Right to Farm Act and to facilitate that for the respective eight committees, a review process schedule is prepared. The process is initiated by MDARD in the spring and each chair determines the need to reconvene task force members to discuss possible changes based on research, legislation, etc. This past year, four of those committees determined there were no changes needed. The other four have proposed changes that are indicated in revision mode on those respective GAAMPs. The process for considering proposed changes includes opportunity for public comment, consideration of any additional changes, final draft GAAMPs being presented to the Commission in November, and committee chairs formally presenting proposed changes to the Commission in December. It is then the Commission's duty to approve or revoke any of those final proposed changes to the GAAMPs. He reviewed how the changes are formatted and encouraged the Commissioners to review the GAAMPs prior to the December meeting and advise if they have any suggestions or questions.

Mr. Johnson advised discussions are ongoing relative to how the department can best approach urban agriculture and the relationship between the Right to Farm Act and its application in an urban setting. There is a potential for the creation of an Urban Agriculture GAAMP and the question being asked by those not familiar with the system is how a GAAMP is established. It became clear to the department that it needs to create a procedure that clearly outlines the process for creating a new GAAMP and also for the annual review process for existing GAAMPs. This is the purpose behind the draft Right to Farm Policy Appendix the Commissioners received for information and review. Significant comments were just received from the Attorney General's Office and those will be incorporated into the Appendix prior to formal presentation and request for approval during the December Commission meeting.

Relative to urban agriculture, there have been various ideas, from a Commission policy statement to a GAAMP that would establish a very specific and limited role for the department with regard to the continuum of agriculture within an urban setting. MDARD

has discussed this topic with the Attorney General's Office and options are being considered.

Beyond that, urban agriculture efforts continue in Michigan. The department has been meeting with the City of Detroit, who is very interested in the relationship between the Right to Farm Act and urban agriculture, as well as in MDARD helping them to make good decisions. Detroit has two committees working on issues, one is a large stakeholder group and we now have a staff person assigned to participate with that group. There also is a small group working on the city's ordinance and we have a staff member serving in that capacity as well. As that staff individual identifies areas requiring specific expertise, such as care of farm animals, fertilizer, or pesticide issues, etc., the department will bring in various resources from state agencies to ensure Detroit is developing the best ordinance possible as they move forward. Last week, staff presented to the Shiawassee, Genesee, and Lapeer County Planning Commissions regarding urban agriculture in that area. While trying to deal with the policy questions, the department continues to provide resources and move forward on urban agriculture efforts.

Commissioner Fike reported that recently in Ypsilanti, the Cleveland City Council presented to them regarding urban agriculture as economic development. It is interesting some of the land use ordinances and policies they have established and how it is creating jobs in Cleveland and improving the health outcomes for that population. She expressed appreciation to the department in working with the City of Detroit in helping to resolve some of their issues, particularly in light of the food access problem in Detroit.

Commissioner Coe advised the Commission should be cognizant of the Right to Farm Act and its benefits to the agricultural community and understand that urban areas are going to have very specific issues; however, it is important that we find a way to build viable agricultural systems within urban areas. He expressed the hope to have this effort be fully staffed through the department before any formal recommendation is requested from the Commission. In the meantime, he recommended the Commission support urban agriculture in general.

LEGISLATIVE UPDATE: Derek Bajema, Legislative Liaison

Mr. Bajema advised the Legislature is completing work prior to their annual two-week hunting/Thanksgiving break. Senate Bill 210, the Large Carnivore Act would require USDA license inspection and animal microchips. It passed the Senate and is currently in the House Agriculture Committee.

Senate Bill 395, which would repeal the act that allows county boards to provide funds for advertising agricultural trade or products, has not moved any further in the process. Senate Bill 472, which would require open space development rights come before the Commission, rather than the Legislature, for approval or rejection is awaiting House Agriculture Committee action. Senate Bill 725 would provide that property owners would not lose qualified agricultural property tax status because of implemented Wildlife Risk Mitigation practices. This is significant to the department because those practices are very important to the Bovine TB Program.

House Bill 4582-4583, which would exempt personal property tax for machinery used to install land tile and implementing soil and water conservation techniques, is awaiting action on the House floor. House Bill 4751 limits MDARD's exposure in arbitration and unfair practice hearings and the department supports that legislation. House Bill 5130, which updates the Michigan Food Law of 2000, was recently introduced and had its first hearing this morning.

He thanked the Commission for appearing before the House Agriculture Committee this morning. This was an excellent opportunity for the Committee to meet the Commission and for the Commission to recognize the great partnership MDARD has in the House Agriculture Committee.

A Senator's recent interest in the nursery and growers inspection program has spurred the department to reexamine how those inspections are conducted and a meeting has been scheduled this afternoon to discuss that topic.

Funding for MAEAP and Farmland Preservation Programs are some of the top priorities for the department moving forward. Over the last few months, he had the great opportunity to participate in field visits with staff from each of the divisions and witness the great work they are accomplishing. Two additional agricultural tours with legislators were coordinated and provided a great opportunity to demonstrate how policies they implement impact the industry.

Commissioner Green inquired about possible legislation requiring E-Verify in Michigan. Mr. Bajema advised proposed legislation in this regard has caused concern in the migrant community. Although the bill sponsor is willing to work with the department, it does not appear to be moving forward at this point in time.

In response to question from Commissioner Fike, Mr. Bajema advised the sponsor of the legislation that would provide for sales of wine at Michigan Farmers Markets is waiting for further discussion before moving forward with the bill.

Commissioner Hanson asked about proposed changes to the federal Agricultural Child Labor Regulations that would significantly affect employment of youth on farms. Mr. Bajema advised considerable concern has been raised about that issue and the department is examining the impact of those changes at the federal level. He believes the U.S. House is considering variations to those changes. The department will continue to monitor the situation, as it would affect 4-H youth and other youth under the age of 16 working on farms. Director Creagh advised the department is coordinating comments in this regard with the National Association of State Departments of Agriculture on a national level and will communicate the Commission's concerns through that channel.

The Director emphasized the importance and tremendous impact of legislative agriculture tours and he encouraged the Commission to engage Mr. Bajema with local legislators whenever a tour opportunity arises in their area. Commissioner Hanson added that tours with locally elected officials have also proved very beneficial in the UP.

TIMBER HARVEST RESOLUTIONS FROM UPPER PENINSULA COUNTIES: Don Coe, Commission Chair

Commissioner Coe advised timber harvest concerns are a federal issue and referred discussion to the Director.

Director Creagh advised that resolutions were received from several UP counties relative to the timber harvesting industry in Michigan. With the Commission's concurrence, he will request that MDARD staff develop a white paper, to include applicable statistics, etc., and make a formal presentation during the December meeting.

COMMISSIONER ISSUES

Commissioner Coe reviewed a resolution before the Commission recognizing the success and growth of MBG Marketing over the last seventy-five years. Commissioner Coe shared details of the resolution:

WHEREAS, in the 1920s, the cultivating of blueberries in Michigan was initiated by Stanley Johnston, a young horticulturist at the Michigan State University Experiment Station; and

WHEREAS, the Michigan Blueberry Growers Association was established in 1936 to organize growers in the new blueberry business for the purpose of addressing their mutual needs and marketing their berries as a group; and

WHEREAS, the 1950s and 1960s brought much growth to the Association and its first full-time General Manager, William "Bill" Donald was appointed in 1950; and under his guidance, membership grew to over 400 growers; and

WHEREAS, Peter Holbien was General Manager from 1962 until 1983, a time that encouraged growth and expansion of warehouse capacity, survived the 1972 devastating frost to southwest Michigan, and moved forward with mechanization and modernization; and

WHEREAS, in 1983, John Shelford became General Manager and oversaw the geographical expansion of the Association and development of key process marketing relationships with Cherry Central Cooperative and Pro-Fac Cooperative; led continued development of their export business; and recruited Georgia and Florida growers to join Michigan Blueberry Growers Association; and

WHEREAS, in 1989, the Association changed its name to MBG Marketing to convey a more diverse business image, which was complete with continued developments on the international front and expansion at home; and

WHEREAS, MBG was Michigan's Exporter of the Year in 1993, with increased promotional activity, including the opening of "The Blueberry Store" in South Haven and the addition of a winter fresh sales program, marketing off-season for South American blueberry growers in Chile, and direct investment in product development; and

WHEREAS, in 1995, Kirk McCreary was named General Manager (later CEO) and built a state-of-the-art fruit receiving, pre-cooling, and shipping facility in Alma; initiated a call for action for more stringent food safety and quality initiatives in the processed fruit arena; led MBG into the Naturipe Farms partnership; built a facility in Grand Junction; and developed innovative technology to track production from field to consumer; and

WHEREAS, Frank Bragg became the new CEO in 2006, forming Naturipe Foods to market frozen fruit direct to customers; and refining new millennium market strategies, including development of a grower certification program, membership expansion, plant expansions and renovations, and a product development kitchen for value-added market opportunities; and

NOW, THEREFORE BE IT RESOLVED that the Michigan Commission of Agriculture and Rural Development recognizes MBG Marketing as the world's leader in the blueberry industry; and

FURTHER BE IT RESOLVED that the Michigan Commission of Agriculture and Rural Development hereby congratulates MBG Marketing on seventy-five years of growth and success in the blueberry industry and expects that MBG Marketing will continue to have an even greater impact on the agriculture industry in the 21st century and beyond.

MOTION: COMMISSIONER KENNEDY MOVED THE RESOLUTION RECOGNIZING THE SEVENTY-FIFTH ANNIVERSARY OF MBG MARKETING BE ADOPTED. COMMISSIONER HANSON SECONDED. MOTION CARRIED.

PUBLIC COMMENT

No public comment was requested.

ADJOURN

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

The meeting was adjourned at 1:11 p.m.

Attachments:

- A) *Agenda*
- B) *Agriculture and Rural Development Commission Meeting Minutes September 14, 2011*
- C) *Proposed 2012 Meeting Schedule*
- D) *Director Keith Creagh – Issues of Interest Report*
- E) *Governor's "Reinventing Michigan" Pocket Card*
- F) *Michigan's Food and Agriculture Industry: Accomplishment in Asia*
- G) *Fair Food Network: Turn Up the Volume*
- H) *Asparagus Labor Facts*
- I) *Agriculture Processing Renaissance Zone Recommendation: Michigan Biodiesel, LLC*
- J) *Agriculture Processing Renaissance Zone Recommendation: Village of Hillman*
- K) *Specialty Crop Block Grants Report*
- L) *Feral Swine Update*
- M) *Feral Swine Activities by USDA Wildlife Services*
- N) *Legislative Status – November, 2011*
- O) *Timber Harvest Resolutions from Upper Peninsula Counties*
- P) *Resolution in Recognition of MBG Marketing Seventy-fifth Anniversary*