

MICHIGAN COMMISSION OF AGRICULTURE

Geagley Laboratory, Gordon Guyer Room
1615 S. Harrison Road
East Lansing, MI 48823

MEETING MINUTES MARCH 17, 2010

PRESENT:

Todd Regis, Chairperson, Michigan Commission of Agriculture
Don Coe, Vice Chairperson, Michigan Commission of Agriculture
Velmar Green, Secretary, Michigan Commission of Agriculture
Jennifer Fike, Michigan Commission of Agriculture
Audrey Herioux, Michigan Commission of Agriculture
Don Koivisto, Director, Michigan Department of Agriculture

CALL TO ORDER, ROLL CALL, AND WELCOME OF NEW COMMISSIONERS

Commissioner Regis called the meeting of the Michigan Commission of Agriculture to order at 2:00 p.m. on March 17, 2010. Commissioner Coe called the roll with Commissioners Coe, Fike, Green, Herioux, Regis, and Director Koivisto present.

Commissioner Regis recognized and welcomed Jennifer Fike and Audrey Herioux who were appointed to the Commission on February 9, 2010.

Commissioner Fike is Executive Director of the Food System Economic Partnership, which is a nonprofit serving five counties in Southeast Michigan whose mission is to catalyze change in the regional food system. Her home is in Ann Arbor, Michigan. She has over 20 years of business management experience. A long-time supporter of Michigan agriculture, she is a Community Supported Agriculture (CSA) member, as well as a member of the Michigan Food Policy Council.

Commissioner Herioux, from Bark River, Michigan, serves as the record keeper for Herioux Farms LLC, a large dairy farm in the Upper Peninsula (UP). She has 41 years of active involvement in agriculture, and in 2003, received the Distinguished Service to Agriculture Award from the Growing UP Agriculture Association, as well as the Outstanding Conservation Award from the Delta Conservation District.

APPROVAL OF AGENDA

MOTION: COMMISSIONER HERIOUX MOVED TO APPROVE THE MEETING AGENDA FOR MARCH 17, 2010. SECONDED BY COMMISSIONER COE. MOTION CARRIED.

ELECTION OF OFFICERS FOR 2010

Pursuant to Executive Order 2009-54, the Commission must elect officers prior to March 31 of each year. Commissioner Coe advised that he previously reviewed the duties of the various Commission officers with the other Commissioners, advising the Commission slate must now rotate on an annual basis.

MOTION: COMMISSIONER COE MOVED TO CAST A UNANIMOUS BALLOT FOR THE 2010 SLATE OF OFFICERS FOR 2010: COMMISSIONER REGIS AS CHAIRPERSON, COMMISSIONER COE AS VICE CHAIRPERSON, AND COMMISSIONER GREEN AS SECRETARY. SECONDED BY COMMISSIONER FIKE. MOTION CARRIED.

APPROVAL OF THE FEBRUARY 10, 2010, AND CORRECTED JANUARY 12, 2010, MEETING MINUTES

A correction to the January 12, 2010, meeting minutes was noted on page 11, in reference to the Wildlife Risk Mitigation Program, the number of herds being enrolled or having requested an assessment should read 365.

MOTION: COMMISSIONER GREEN MOVED TO APPROVE THE CORRECTED JANUARY 12, 2010, MEETING MINUTES. SECONDED BY COMMISSIONER COE. MOTION CARRIED.

MOTION: COMMISSIONER FIKE MOVED TO APPROVE THE FEBRUARY 10, 2010, MEETING MINUTES. SECONDED BY COMMISSIONER HERIOUX. MOTION CARRIED.

NEXT SCHEDULED MEETING

The next scheduled meeting is tentatively scheduled for April 14, 2010. The location will be discussed later in the agenda.

COMMISSIONERS' TRAVEL

Commissioners Coe, Fike, and Herioux traveled to attend today's meeting. Additionally, Commissioner Coe intends to return to Lansing on March 30 to attend the Michigan Farm Bureau Labor Committee meeting.

MOTION: COMMISSIONER GREEN MOVED TO APPROVE THE COMMISSIONERS' TRAVEL. SECONDED BY COMMISSIONER FIKE. MOTION CARRIED.

COMMISSIONER COMMENTS:

Commissioner Coe reported he will be attending a Fresh Food Summit on April 9, which represents the ongoing efforts of the local food network of the five-county region around Traverse City. This morning, he attended the Agriculture Culinary Tourism meeting. The Culinary Tourism Alliance resides within the Michigan Department of Agriculture (MDA) and he noted there is much happening in the direct farm to table and the culinary and agriculture tourism arenas of which we all can be proud.

Commissioner Green reported he joined by conference call the recent Bovine TB Advisory Committee meeting. He also served as a dairy show judge at the Florida State Fair, noting it was an impressive event with numerous educational exhibits. The Michigan Milk Producers Association annual meeting was held yesterday, with over 300 delegates in attendance. It included recognition of John Dilland who will be retiring as General Manager effective April 1, 2010.

Commissioner Herioux advised she is very happy to now be a part of the Commission of Agriculture and is hoping to do a good job for Michigan agriculture.

Commissioner Fike reported it is pleasure for her to be serving on the Commission of Agriculture and she is looking forward to her service. In February, she attended the Michigan Good Food Summit which was planned by the C.S. Mott Group for Sustainable Food Systems at Michigan State University (MSU) where they have multiple workgroups focused on specific challenges within the agriculture industry. Earlier this month, she attended the Local Food Summit in Ann Arbor, hosted by a group that is encouraging ten percent consumption of local food in Washtenaw County within ten years as a way to create jobs and localize the food system. She was in the Traverse City area on March 15 attending the Michigan Land Institute Farm to School Conference, which was attended by 375 people, all interested in working through the issues of getting more local food into the schools. This is also one of the programs coordinated by her organization, the Food System Economic Partnership.

Commissioner Regis thanked his fellow Commissioners for their confidence in his ability to lead the Commission. As one of its key responsibilities, he advised the Commission will be strong ambassadors for Michigan agriculture and this needs to be a high priority from every aspect. Now is clearly the time to promote Michigan agriculture and ensure everyone is aware. Later in the meeting, he will be discussing various opportunities to help provide that awareness, including

alternate meeting locations, agriculture visits and tours, and Commission hosted agriculture events. No other industry in Michigan employs one million people and we need to continue to promote that fact.

He also attended the Michigan Good Food Summit; and, the 25th anniversary of the Michigan Grape and Wine Industry Conference, during which MDA's Wayne Whitman provided an outstanding presentation on the Generally Accepted Agricultural Management Practices (GAAMPs) for Farm Markets. This week, he attended the Michigan Horse Council International Stallion Exhibition.

He has held various meetings with industry and commodity leaders in the last month. Last evening, he talked with Agriculture Secretary Vilsack in Washington, D.C., during which the Secretary clearly expressed the importance of Michigan agriculture, noting that Michigan's agriculture is the state's number two industry and Michigan nationally ranks second in agriculture diversity.

During the last meeting, there was discussion regarding the need for a joint meeting with the Natural Resources Commission (NRC). He and the Director recently met with the Michigan Department of Natural Resources and Environment (MDNRE) Director and the NRC Chair, along with the Governor's Policy Director, Donna Stine. During that meeting, they discussed the potential opportunities for scheduling a joint meeting. This will be discussed in more detail later in the meeting.

This week, Commissioner Regis will be attending a Gubernatorial Candidate Forum on Agriculture, which is sponsored by a nine-member agriculture coalition. Because it is critical that the eventual new leader of our state understands how important agriculture is to Michigan, he plans to ask the department to prepare informational background packets emphasizing the importance of Michigan agriculture; and, on behalf of the Commission, share a packet with each declared gubernatorial candidate. Copies of that packet would also be provided to the Commission for their information. Even though we do not have money from the State to promote agriculture, the Commission will do everything it can to focus on Michigan agriculture.

DIRECTOR'S REPORT

Director Koivisto reported the department continues to do everything it can to promote the agriculture industry in Michigan, reaching out to traditional agriculture, as well as the emerging areas – enhancing the old and the new as we move forward.

He reminded the Commission that whenever they have an issue to be researched and potentially discussed at a future meeting, Ms. Ayers will make notation for an MDA Executive Staff follow-up meeting. appropriate staff will be

assigned to the issue and a briefing will be provided prior to the next meeting, during which further discussion may ensue if desired.

One of the key issues being diligently addressed is the Civil Rights Commission Report on Seasonal and Migrant Workers. The department is interacting with them in a very positive fashion and will be part of the solution in the future, which will include a multi-departmental workgroup.

During the dinner meeting with MDNRE, concerns regarding Michigan's deer herd were discussed extensively, as well as cervid concerns. Also, both departments will be working together on information sharing, including respective Commission meetings when common issues arise.

A multitude of issues were discussed during the National Association of State Departments of Agriculture meeting held recently in Washington, D.C. The U.S. Department of Agriculture (USDA) is hosting a Traceability Conference scheduled March 18-19 in Kansas City, to which one person from MDA will be attending with all travel costs covered by USDA. Through a three-year program, USDA will host solution-based task force meetings across the country, from which a plan will be developed to further address traceability issues. USDA advised the federal government will pay for any resultant mandates issued.

A small group of directors met with USDA Secretary Vilsack to discuss immigration, requesting USDA to separate the agriculture jobs from the overall immigration efforts and bring timely resolution to the issue.

An issue of grasshopper infestation is affecting the western states and will be moving eastward this year. USDA will be making a concerted effort to halt the movement.

USDA's Dr. John Clifford reported on various efforts regarding Bovine Tuberculosis (TB), namely USDA's regulatory framework and enhanced surveillance. A new approach to indemnification will provide for the selective elimination of animals, as opposed to entire herds.

USDA is expecting an interim rule regarding Chronic Wasting Disease (CWD). A federal workgroup is developing standards that would give states more flexibility in moving cervids between states.

The Horse Protection Act was also discussed at NASDA. Because of the economic crunch, there is considerable concern about horses starving and being released into the wild by owners. Increased efforts will be made to create some voluntary, as well as financed efforts, to address horse protection.

Relative to animal care, continued efforts are anticipated in the area of international health certificates for export. A certificate documenting how the animals were cared for would be required prior to export of either the animals or the meat derived from those animals. In response to inquiry from Commissioner Fike, he advised the Oficina Internacional de Epizootias (Spanish: World Organization for Animal Health) (OIE) would be responsible for that regulation.

Focus on the school lunch program in the future will include improved quality and consistency with more wholesome products. Michigan's locally grown programs will be a large part of that solution.

There was considerable discussion on the Environmental Protection Agency (EPA). Several states expressed concerns, including California, who is having problems with EPA regulations that have resulted in some of their potential investors going elsewhere. Group support was solicited to garner more of a voice with EPA regarding regulations in the future.

In response to inquiry from Commissioner Regis, the Director advised that a large apple shipment was lost by the industry this past Friday. Factors that combined to cause this incident included the severe budget reduction in staff (down from 14 trained and certified inspectors to currently only six), overtime for staff being at the maximum, the State Furlough Day for the union which represents those inspectors, and a school lunch apple inspection required within 48 hours. When multiple inspections are required simultaneously, the department no longer has sufficient inspectors to complete all of the inspections as required. The grower in this case lost \$50,000, which was extremely unfortunate for the industry. When economic shortages exist in the department, circumstances will sometimes result in regrettable situations such as this.

Commissioner Coe remarked this is a very clear example of how the department has reached the point where it is no longer able to deliver the expected services to the agriculture industry. Commissioner Regis added that the critical impact of budgetary cuts to the department needs to be emphasized to the Legislature whenever possible – we should not be seeing this in Michigan's number two industry.

DIRECTOR'S TRAVEL

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

Included in his Michigan travel was a Michigan Farm Bureau (MFB) meeting in Cass County that included four legislators, during which he took the opportunity to talk about the department's funding issues and areas of concern, as well as emphasizing the numerous positives of Michigan agriculture.

PUBLIC COMMENT (AGENDA ITEMS ONLY)

There was no public comment relative to agenda items.

BOVINE TUBERCULOSIS ANNUAL SURVEILLANCE REPORT: James Averill, TB Eradication Program Manager, Michigan Department of Agriculture, and Steve Schmitt, Wildlife Veterinarian, Michigan Department of Natural Resources and Environment

Dr. Averill noted the state has been dealing with Bovine Tuberculosis (TB) since 1994 when a deer was found to be positive. The first positive cattle herd was discovered in 1998. He noted that agriculture is a growing industry in Michigan, contributing over \$70 billion to the state's economy and 1.5 million jobs linked to food and agriculture. With 1.1 head, Michigan's cattle industry alone represents an estimated \$1.4 billion to the state's economy.

He reviewed the various Bovine Tuberculosis (TB) zones in the state, as well as the bovine TB positive history over the last few years. In 2009, the department conducted whole herd testing on over 1200 herds throughout the state, testing nearly 60,000 cattle, and finding two Bovine TB positive animals. Since 1997, there have been 46 infected cattle premises and four privately-owned cervid premises. With two positive herds discovered since January, the number is now 48 cattle premises, one in Alcona County and the other in Emmet County, which is outside of the Modified Accredited Zone (MAZ). Epidemiological testing has been initiated to determine the source of infection. Since this represents only one herd in the MAZ, it does not equate to a drop in status for that area; however it will slow the progress toward free status in that portion of the state.

Dr. Schmitt reviewed data on the 2009 Bovine TB surveillance in Michigan's free-ranging white-tailed deer. In 2009, surveillance was focused on the northeastern five counties which represent 95 percent of the Bovine TB positive deer. Intensive surveillance was also conducted within two ten-mile radius circles in Shiawassee and Iosco Counties, due to discoveries of Bovine TB positive deer in those areas. Test results of those areas were all negative. Passive surveillance is conducted in the remainder of the state, which involves education of Michigan's 700,000 deer hunters relative to TB lesions and they are requested to report any suspicious findings. Outside of the five-county area, only 20 positive deer have been found.

Over the years, a total of 184,120 deer have been tested and 668 positives have been found. In 2009, 5,692 deer were tested, with 31 positives. The majority of those were in the four-county area of Alpena, Montmorency, Oscoda, and Alcona, with 22 of those being in Deer Management Unit (DMU) 452.

Deer density and concentration (caused by deer feeding) are the key factors driving TB transmission among the deer – increasing the incidence of direct

aerosol transmission and indirect contamination of the feed. As deer concentration increases, TB transmission increases. These factors have driven the TB eradication strategies that have been in place for over ten years: 1) eliminate feeding and baiting; and 2) reduce deer numbers through hunting. The strategies have been successful in reducing the apparent TB prevalence in white-tailed deer in DMU 452, from which approximately 80 percent of the TB positive have come, from about 5 percent in 1995 to 1.9 percent in 2008. In 2009, that rate remained about the same. In the five-county area outside DMU 452, that rate is currently .4 percent. During the last five years, prevalence is basically level. Disease transmission has declined significantly within DMU 452, over 57 percent; however, it no longer is declining as rapidly. Deer hunting was successful in reducing the deer population about 50 percent from 1995 to 2004; however, that number has increased by 25 percent and leveled off in recent years. This is attributed to hunters observing a reduction in the population and deciding not to take as many deer, as well as feeding and baiting practices.

Deer population and baiting and feeding regulations compliance level are predicted to keep the TB prevalence level in a holding pattern. This is why MDA and MDNRE are supporting and assisting a small group of cattle producers, deer hunters, and land owners in DMU 452, working with a facilitator from MSU, to develop new ideas on how to manage the problem. Their recommendations will be presented at the May NRC meeting and as soon as possible after that, it will be presented to the Commission of Agriculture.

Efforts also continue on development of tools to help manage Bovine TB. These include an effective TB vaccination (hopefully in experimental stages within 2-3 years), continued improvements of TB blood tests, and a TB disease model (which is currently being calibrated).

Commissioner Green shared a situation by which a producer in Shiawassee County with no livestock has been unable to secure a disease control hunting permit. Commissioner Herioux confirmed problems in their area with the ability to secure sufficient numbers of permits. Director Koivisto confirmed the deer herd does present problems with crop damage and the disease factor; and MDA is attempting to help that situation through the Wildlife Mitigation Program. Dr. Schmitt will advise his department that MDA and the Commission request that MDNRE analyze all options for ways to be more liberal with disease hunting permits and advised this effort is already in progress. A further problem lies in finding ways to encourage the hunters to actually use the out-of-season permits to increase the deer harvest.

In response to inquiry from Commissioner Coe, Dr. Schmitt advised concentration is the key issue in controlling the 1.8 million white-tailed deer

population in the state, which is critically affected by feeding and baiting. Each county has a population goal they attempt to maintain.

Commissioner Regis advised deer management will be a continued topic of discussion at future meetings. Also, MDA and MNDRE have committed to pursue opportunities to communicate jointly regarding this issue.

BOVINE TUBERCULOSIS ZONE ORDER AMENDMENT: James Averill, TB Eradication Program Manager, Michigan Department of Agriculture

Dr. Averill reviewed an amendment to the Bovine Tuberculosis (TB) Zoning Order previously approved by the Commission which became effective on January 4, 2010. There is no change to the zonal boundaries or a need for public hearings. Further clarification is being added to the modified Accredited Advanced Zone, Subzones 2 and 3, and the Free Zone sections of the document on pages 6 and 8. The language being added is relative to producers who buy cattle from non-wildlife risk mitigated farms and requiring those individual animals be tested 60 to 120 days after purchase, at the producer's cost. This was explained during all of the public hearings conducted in September 2009. The reason for the amendment is that some producers have questioned MDA's authority to do this. This is allowed in Public Act 466 of 1998, as amended; and thus, that clarification is being added to the order.

In response to question from Commissioner Coe, Dr. Averill confirmed this has been discussed with the industry and the department is able to verify compliance.

MOTION: COMMISSIONER GREEN MOVED TO APPROVE THE AMENDMENT TO THE BOVINE TB ZONING ORDER. COMMISSIONER FIKE SECONDED. MOTION CARRIED.

GOVERNOR'S AGRICULTURE DAY PROCLAMATION

Director Koivisto recognized the unfortunate controversy caused by the Governor's Michigan Meatout Day Proclamation issued earlier this month.

Another proclamation was issued today declaring March 20 as Michigan Agriculture Day. The contents of this proclamation are very positive for Michigan agriculture and the department is very pleased with the Governor's recognition of agriculture as the state's number two industry and its significant economic impact for Michigan.

LEGISLATIVE UPDATE: Nancy Nyquist, Legislative Liaison

Ms. Nyquist reported the Senate passed Resolution 129 which would urge the Governor to rescind yesterday's Meatout Day Proclamation.

Last week, the Director was officially reconfirmed by the Senate as Director of the department by a unanimous vote.

The early retirement incentive legislation has been introduced. It would have a significant impact on state government and the department as well.

Public Acts 13 and 14 were signed by the Governor, which are the Migrant Labor Housing Inspection fee bills that were needed for current fiscal year operation of the program. At \$5 per occupant, the fee was intended to raise \$110,000; unfortunately, the program has already lost about \$20,000 of that because it was not implemented earlier in the year. The department will continue to work with interested parties on the fiscal year 2011 challenges for the program.

The dairy fee bills, which would represent \$100,000 in additional revenue, also as part of the budget agreement for fiscal year 2010, passed the Senate. It is currently awaiting action in the full House.

House Bills 5822, 5823, and 5824 have been passed by the House. These would provide for shooting of feral swine running at large. These passed unanimously. The Senate should be considering the bills in the coming weeks.

The Legislative spring break is scheduled for the weeks of March 29 and April 5. Legislators will be back in session the week of April 12.

Commissioner Regis advised that each month, the Commission receives a Legislative Status report. Should there be a piece of legislation on which more detail is desired or which needs discussion, Commissioners are welcome to advise Ms. Nyquist. She will forward requested details and/or prepare information for discussion at an upcoming meeting.

BUDGET UPDATE: Amy Epkey, Budget Officer

Ms. Epkey reviewed the details included in the 2011 Governor's Executive Budget Proposal. This is the first step in the budget process. There will be an opportunity for Legislative input, various scenarios will be presented, and negotiations will occur prior to final implementation into law.

The Governor's Executive Budget Proposal for 2011, which runs from October 1, 2010 through September 31, 2011, includes a \$47 billion budget for the state, which designates \$7.8 billion in general fund. MDA's budget for 2011 is proposed at \$77 million. This represents only one tenth of a percent of the overall state budget. Included in the department's \$77 million is \$28.8 million of general fund, which is a 4 percent decrease from the prior year. To bring this into perspective, numbers historically need to be reviewed. Since 2000, MDA has experienced a 52 percent decline in general funds. We recognize the state

has been challenged and all agencies have suffered budget cuts; however, the general decline for the state since 2000 is only 13 percent, while MDA is at a 52 percent reduction. This has had a number of significant impacts on the department. MDA has lost 83 full time employees over the last three years – 15 percent of its workforce. The department has needed to close regional offices and eliminate two divisions and their associated management staff to maintain program staff in the field who interact with the public and the industry. We have also needed to eliminate some services and slower response times have been experienced due to staff reductions. Grant funding to the industry has also been reduced, such as base grant funding to Conservation Districts being eliminated.

Ms. Epkey reviewed documents detailing the 2011 Executive Budget. The department's budget includes \$33.5 million of restricted funds, which are received and can be used only for designated programs. Federal funds of \$14.7 million include items such as the Specialty Crop Block Grant, Bovine TB, and Emerald Ash Borer programs. Distribution of funds throughout the department was reviewed.

Significant changes in the 2011 Executive Budget Proposal as presented were discussed. The 4 percent reduction in general funds brings the department to a point of affecting critical services. Five specific areas include 1) the transfer of the Michigan Agriculture Environmental Assurance Program (MAEAP) to MSU, which has been a very proactive, successful program that ensures environmental practices; 2) reduction of all general funds for the Migrant Labor Housing Program, which means inspection of the 850 migrant labor housing camps across the state could not be continued; 3) a \$500,000 reduction to the Dairy Program, which currently inspects 2300 dairy farms and 75 processing plants statewide; 4) 30 percent reduction to the Right to Farm Program, which may not allow the department to conduct the required follow-up on complaints; and 5) a \$379,400 reduction to the Plant Health and Export Certification Program, representing a 12 percent reduction to the program, which could prevent MDA from completing the necessary inspections to allow export of products. These all are of great concern to the department.

The Legislative budgetary process has begun. Four House Appropriations Subcommittee meetings have been held, during which there has been a tremendous amount of industry support, which has been greatly appreciated by the department. Tomorrow, the House Appropriations Subcommittee will present their recommendations for MDA's budget, which will be forwarded to the full House Appropriations Committee, and to the full House. The budget process will then begin in the Senate, where the same steps are followed. Any differences between the House and Senate versions will be reconciled in a Conference Committee before being presented to the full House and full Senate, and

eventually presented to the Governor. Numerous changes and negotiations in the budget are anticipated as the process proceeds.

This Friday, a meeting is scheduled with the industry to discuss the Migrant Labor Housing Program. There will be significant impact to the program if funding is not provided and various options will be discussed. A similar meeting will be scheduled with the dairy industry to discuss the \$500,000 reduction and what that will mean to the program.

In response to question from Commissioner Green, Ms. Epkey advised that the topic of MAEAP funding will be included in discussions the department will be having with the Legislature to determine where their priorities lie and what types of shifting in funding might occur throughout the budget process. Much will be dependent upon the department's final target number.

Director Koivisto added that MSU would assume MAEAP without any funding, so this transfer tactic is simply a way to bury the program. He also emphasized there are zero dollars in the 2011 general fund budget for the Migrant Labor Housing Program. Commissioner Coe noted that Migrant Labor Housing Program inspections must be completed, or the industry cannot have housing for migrants. The Commission has made it very clear they do not want those inspections to move away from MDA. And, most importantly, the industry is prepared to step forward to pay reasonable fees if necessary.

Commissioner Fike advised that given the growth in the agriculture industry, the budget should be reflective of that growth. Another concern is loss of federal money; because of the budget, we are not able to acquire many of those funds due to the match requirements for the federal grants. The state is losing even more money due to the budget reductions. She applauded the department's efforts in attempting to make this budget work.

Commissioner Regis advised the budget has been an ongoing struggle for the department and the implications are that critical programs will not operate, or will not be completed in the timely, accurate fashion they have been in the past. Each of the Commissioners needs to be an ambassador for agriculture, voicing to the Legislature how important the MDA budget is to the agriculture industry.

APIARY INDUSTRY UPDATE: Ken Rauscher, Director, and Mike Hansen, State Apiarist and Region V Supervisor, Pesticide and Plant Pest Management Division

Mr. Rauscher distributed the Pesticide and Plant Pest Management Division (PPPMD) 2009 Annual Report. A color version is available on the MDA website.

He introduced Mike Hansen, Regional Supervisor for Region V. He also serves as the State Apiarist, and much of that work revolves around producer education and certification of bees that are moved across state borders.

Mr. Hansen provided an overview of the apiary industry in Michigan. Pollination of seed crops is critical to the state's agriculture industry. Michigan bees go brood-less in September and restart brood rearing in February, and nearly 35,000 colonies are over-wintered in the state. Many of Michigan's bees spend the winter in Florida, California, Georgia, or Mississippi, with last year alone, 48,000 colonies returning from Florida.

There are estimated 1200-1500 beekeepers in the state, with 100-150,000 colonies during the summer. There are 50-100 commercial operations with 500-5,000 colonies each and an estimated 1000 hobbyists with 1-50 colonies each. Bee colonies move all around the country. In recent years, Michigan bees have pollinated almonds in California, blueberries in Maine, and returned to Michigan for a honey crop.

Beekeeping is growing in Michigan, but faces many challenges. In the 1980s, Michigan and all of North America experienced the introduction of the Varroa Mite and the Tracheal Mite that kill bee colonies. Some pesticides have been utilized in control of those pests with some resistance issues. When the department had funding to conduct research in the 1990s, it worked closely with MSU and began researching colonies in Michigan that although had not been treated, were not dying from mite problems. The research was subsequently transferred to a USDA laboratory in Beltsville, Maryland, and MDA continues to support that effort. From that research, a line of bees termed Varroa Sensitive Hygiene (VSH) Honeybees was developed. Those bees have a genetic trait which senses the varroa mite in the cell, opens that cell, and removes the mite. The bees actually control the mites on their own.

In recent years, a problem with a microsporidian disease, called Nosema Apis, has arisen. A new race of the disease has been identified, Nosema Ceranae, which is more viral and is a dominant species in North America. Fumigillin is the only treatment currently and researchers continue to work on controls.

Colony Collapse Disorder has caused problems for some beekeepers. Science is looking at synergistic effects between organisms, viruses, pesticides, etc., all interacting together to affect the health of the species. USDA conducts some very large research programs focusing on this aspect.

This summer, MDA is participating in a national survey funded by USDA, with the focus on determining if bees should be imported from other countries. Because of the potential for various viruses, there is considerable concern. The survey

will assist in federal trade issues and give the industry a snapshot of what is going on in the industry across the U.S. Michigan is a pilot state in this process.

In the last two years, beekeeping measures were added to the Right to Farm Generally Accepted Agriculture Practices for the industry. Inspections are conducted by the department for beekeepers requiring certification for movement. Michigan also has a Bumble Bee Certification program which allows shipment of bumble bees to Mexico and other Caribbean nations.

Director Koivisto noted the department is fortunate to have Mr. Hansen's expertise, which is recognized and requested all across the country. MDA definitely has the advantage in this arena. Mr. Hansen noted that Michigan's beekeepers are very committed to meeting the needs of the state's agriculture industry.

PROMOTING MICHIGAN AGRICULTURE PRODUCTS: Jennifer Holton, Public Information Officer, and Linda Jones, Grape and Wine Program Manager

Ms. Jones noted that in 1998, the department had 25 people devoted to the promotion of Michigan agricultural products. That has been reduced today to only seven. The Agriculture Development Division has been disbanded and become part of the Executive Office and works closely with the Office of Communications to accomplish promotion of Michigan agricultural products in the most effective way possible.

While the primary responsibility for promotion of Michigan agricultural products lies with the producer who controls most of the variables in the marketing mix, the department can play an important role in creating a good climate for those companies to be successful. With the department's limited resources, there are two main areas in which it can be of value to those companies. One is in the area of advocacy. This includes promoting how beneficial the Michigan food and agriculture sector is to the economy, including quoting statistics on Michigan agriculture; the Exporter of the Year Award; Director visits to companies across Michigan, usually with a media component involved; and communication directly with consumers on benefits of purchasing locally produced products.

The second role the department can continue to pursue is making business connections. Many resources exist which can help Michigan companies achieve success. The department takes pride in knowing what that resource matrix looks like and being able to direct companies to those resources. Coordinating trade shows are an additional means of excellent promotion. Overall, the Office Agriculture Development can help teach people how to effectively market their products and direct them to where they can be successful.

She reiterated the State's ongoing fiscal crisis and subsequent reductions in funding to the department have caused the Select Michigan Program to be severely curtailed. The department is no longer able to promote the Select Michigan brand and has temporarily discontinued executing Memorandums of Understanding (MOUs) for the use of the Select Michigan logo. The 350-400 companies who are already authorized users of the logo are encouraged to continue using it. MDA also encourages all Michigan agricultural companies to complete an agri-food company database form so staff can keep them informed of domestic and international marketing activities throughout 2010.

In response to inquiry from Commissioner Green, Ms. Jones confirmed that the department is no longer able to execute agreements with new companies requesting to use the Select Michigan logo. Discussion ensued regarding whether there might be potential legality vulnerability for the department. The Director advised that use of the Select Michigan logo was restricted only because there are obligations on the department's part to ensure the quality and source of the product meet the program guidelines and the department's funding for administering that program was eliminated. The legality vulnerability issue will be investigated by the department. The Director also advised there currently are multiple promotion avenues and there has been sentiment expressed outside of the department that it would be better to concentrate on the Buy Michigan Program coordinated through the Michigan Economic Development Corporation (MEDC) and the group with whom Ms. Holton is working. Commissioner Fike expressed concerns in that Select Michigan contains specific criteria which lends credibility regarding the origination of products and carries much more influence than Buy Michigan. The Director strongly agreed; but, advised the program was curtailed only because it was taken from MDA during recent budget reductions, it clearly was not the department's decision.

Ms. Jones advised that opportunities do exist to obtain federal funds to promote Michigan agricultural products and one is the International Exporting Program, which provides a ten to one return on investment. Another is the Specialty Crop Block Grant Program. A staff person, Mike DiBernardo, administers about \$1.2 million per year of federal grants made available to assist producer groups become more competitive.

Ms. Holton advised that she and Linda Jones have served on the inter-agency Buy Michigan Task Force, which was created to provide a one-stop for consumers interested in purchasing locally grown, produced, and made products. A website landing page was created that has assisted in the development of radio and television public service announcements (PSA). The PSA program, coordinated by MEDC, prominently featured Michigan agriculture products, and although developed with very limited funds, stations are running spots on behalf of the Task Force and all Michigan consumers to help support Buy Michigan and

Select Michigan. Additionally, these spots are airing during high school sporting events, on U-Tube, and anywhere someone will offer (at no cost) to generate additional awareness.

In addition, Heather Throne, MDA's Deputy Public Information Officer, and Mike DiBernardo are working in concert to identify and plan future agriculture tours for the Director; more than 50 of these tours have been coordinated over the last two years. These visits offer company management the opportunity for one-on-one conversation with the Director to discuss their business hurdles and identify how MDA can be a partner to help grow their business. If the company is agreeable, media is also invited to join the tours and showcase that particular company in their local area.

Ms. Holton illustrated MDA's Facebook page, noting the department has been a leader within State government in terms of social media. Various aspects of Michigan's agriculture are showcased on the site. The department also has a Twitter account on which interesting agriculture facts are posted that often initiate conversations around a particular area of agriculture. Comcast Newsmakers is another media source the department has been utilizing. It is a five-minute segment that runs on CNN Headline News on the Comcast Cable Networks in the Lansing and Detroit markets. These types of avenues can help promote and outreach in a different way, especially in the metro areas.

Another focus in 2010 is continuing to develop ways to "make it Michigan centered" for the various holidays and events throughout the year. An example was the posting of where consumers could purchase a fresh Michigan turkey for their Thanksgiving dinner, which generated a great response.

Commissioner Regis advised he will be doing a segment for the Comcast Newsmakers the end of this month. He encouraged each of the Commissioners to take advantage of this type of promotion as often as possible within their geographical areas and to coordinate their efforts through the department's Office of Communications to ensure our message is both accurate and consistent.

GRAPE AND WINE INDUSTRY AND CULINARY TOURISM UPDATES: Linda Jones, Grape and Wine Program Manager

Ms. Jones provided an update on the wine industry in the state and the Michigan Grape and Wine Industry Council. Ninety percent of the state's grape production is concentrated in four counties: VanBuren, Berrien, Leelanau, and Grand Traverse. Michigan ranks in the top ten states in the U.S. in both wine grape growing and wine production. In 2005, Michigan's grape industry had an economic impact of \$790 million and an employment of 5,000 full time employees.

Michigan's wine industry continues to grow and is gaining market share. Over the past 13 years, all wine sales in Michigan increased 63% and Michigan wine sales in Michigan increased 220%, representing a market share increase from 3% to 6% of all wine sales in the state. Ms. Jones explained the evolution of Wine Trails, a destination marketing organization centered around wineries, including a group of wineries working together in a region, called the concept of "Co-opetition."

The Michigan Grape and Wine Industry Council was established in 1985 by legislative action and is funded through restricted revenues – non-retail liquor license fees transferred to MDA from the Liquor Control Commission. The Council serves as an advisory body to the department, meets quarterly as a full Council, and helps determine priorities for resource allocation. The diversity of membership was discussed, and it was noted the Director serves as Council Chair. Several Council committees also meet on a regular basis to address specific areas of the industry. The Council program provides research funding and grower education, promotion activities to increase sales, and professional development for the industry.

Accomplishments for fiscal year 2009 included a very successful Winery Establishment Conference, seven new wineries being added to listings, publication of the "Michigan Wine Country" magazine, an Annual Conference, the Wine and Spirits Competition, and various website enhancements to assist the industry to make the connections needed for their business.

The program received a Specialty Crop Block Grant for \$24,000 to initiate a Michigan Culinary Tourism Alliance. The Alliance brings together restaurants, Travel Michigan, MDA, farm market and agri-tourism operators, and culinary schools to create strategies to promote Michigan as "foodie" destination. More and more people who travel want to experience unique food opportunities, so this effort is an important focus for Michigan agriculture.

The annual conference for the industry was recently relocated to Grand Rapids, which enjoyed record attendance and included special activities commemorating the Council's 25th anniversary.

In response to question from Commissioner Regis, Ms. Holton confirmed there is a FaceBook page for Michigan Wines, which is "Vintage Michigan."

Commissioner Regis reported that he and Mike DiBernardo will be meeting Friday with MEDC to discuss the opportunity to contact the Food Network and encourage them to film more of their episodes in Michigan, feature Michigan products, and in turn, receive film credits.

FOOD LAW UPDATE: Kathy Fedder, Directors, and Kevin Besey, Food Safety and Inspection Manager, Food and Dairy Division

Ms. Fedder advised that a workgroup will be formed to review the Michigan Food Law of 2000. In 1999 and 2000, an entire overhaul of the Food Law was completed, impacting food production, food processing, and retail food. This new group will again begin considering all aspects of the Food Law. She invited input and participation from the Commissioners and stakeholders as they move through this process. The department will ensure that all areas of agriculture are represented in this effort to provide a balanced perspective.

In addition, an internal document is being developed by staff to provide some guiding principles to those who work on food and agriculture policy. Although these are very much in the draft stage, they will be shared with the Commission in the future. The principles will help the department recognize the fact that we need to continue to expand and broaden our outreach to those who have an interest in food and agriculture.

Mr. Besey provided detail relative to the Food Law update project, noting one of impetuses was the 2009 Model Food Code published by the FDA. This provides a means of staying abreast of current science, current national food trends, and food safety guidelines.

One of the major changes contained in the 2009 Model Food Code affects how violations are sited by adjusting the scientific categories and moving away from the previous terms of critical and non-critical. It also moves cut leafy greens to a potentially hazardous food category and requires additional training of food workers on allergens.

Other issues that need to be addressed by the workgroup include changes in the shell fish inspection program to allow producers to ship out of state, as well as revisions to the Michigan Egg Law. Also to be considered are general small business issues to review who is regulated and how they are regulated.

Commissioner Regis advised that anyone wanting to serve on the Food Law Taskforce may advise the Director. Food safety continues to be an important issue and Michigan is fortunate to have the International Food Protection Training Institute located in Battle Creek.

REVISED COMMISSION POLICY MANUAL: Brad Deacon, Emergency Management/Administrative Law Coordinator

Mr. Deacon noted that under stipulations included in Executive Orders 2009-45 and 2009-54, several revisions to the Michigan Commission of Agriculture Policy Manual were required. He briefly reviewed those revisions, noting the manual

covers how the Commission as a board manages itself, as well as the overarching policies for the department on a series of topics.

The primary changes include provisions for 1) officers being named in March with rotation of the chair on an annual basis; 2) the Governor appointing the Director, and subsequently, by December 15, the Commission conducting an annual performance review and salary recommendation; 3) substantial new language regarding conflict of interest; 4) directing the Commission to refer all legal, legislative, and media inquiries to the department; and 5) removal of equine regulations, since the Office of the Racing Commissioner was abolished and regulation of horse racing was transferred to the Gaming Board.

In response to inquiry from Commissioner Coe, Mr. Deacon advised the Commissioners may still express their personal opinion as an individual member of the Commission. The intent in the policy is to ensure that the Commission as a board and the Director do not express differing opinions. This also applies when one or two of the Commissioners meet with the Legislature on a particular issue on behalf of the Commission.

Discussion ensued regarding the Promotion of Agriculture policy as it refers to the Select Michigan Program. Because the department encourages people with agreements to continue using the logo and it is not an exclusive option, it was determined that language could remain as stated in the policy.

In response to question from Commissioner Fike, Mr. Deacon advised there is no mandatory date by which the Commission Policy Manual must be reviewed. The Commission may request a review at any time deemed necessary.

MOTION: COMMISSIONER HERIOUX MOVED TO APPROVE THE REVISIONS TO THE MICHIGAN COMMISSION OF AGRICULTURE POLICIES AS PRESENTED. COMMISSIONER GREEN SECONDED. MOTION CARRIED.

PROPOSED 2010 MEETING SCHEDULE AND PROPOSED COMMISSION 2010 ACTIVITIES: Commissioner Regis

In an effort to further promote agriculture in Michigan, Commissioner Regis suggested the Commission consider potential site tours and visits, as well as participation in various agriculture events. MDA's Office of Communications was asked to assist with facilitating editorial boards for each Commissioner within their respective local area, which would occur between now and the first part of April. Communications will provide talking points and media packets. Commissioner Herioux advised the newspaper in the Escanaba area is the Daily Press and Commissioner Fike advised the Ann Arbor News has become

www.annarbor.com. If there are other media outlets the Commissioners would like contacted, please let the Communications Office know.

Commissioner Regis proposed the Commission consider targeting spring, summer, and fall as opportunities for outreach or visits in various areas throughout the state. He reviewed the Proposed Commission Activities Schedule as developed with assistance from MDA Communications and Agriculture Development staff.

He proposed the April 14 meeting venue be changed to Bay City and to hold the meeting at Michigan Sugar. The day would focus on Michigan field crops, a \$1.7 billion industry in the state. Included could be presentations from Saginaw Valley State's Agriculture Program, the Corn Marketing Program of Michigan, the Michigan Bean Commission, and Michigan Milk Producers. Michigan's dairy industry ranks eighth in the nation, with a \$1.3 billion economic impact. Also proposed for the afternoon are site visits and tours of Michigan Sugar and Star of the West Milling Company. This would provide an opportunity to invite all of the media in the area to join for any or all of the day's events.

MOTION: COMMISSIONER HERIOUX MOVED TO APPROVE THE CHANGE IN MEETING LOCATION FOR APRIL 14 FROM GEAGLEY LABORATORY TO MICHIGAN SUGAR IN BAY CITY. COMMISSIONER FIKE SECONDED. MOTION CARRIED.

On May 13, the Michigan Grape and Wine Industry Council (MGWIC) will be hosting grape and winery tours in conjunction with their meeting in Traverse City that day. Commissioner Regis suggested the Commission sponsor an agriculture event that same day to include a morning tour of food processors in the area and join the MGWIC winery tours in the afternoon. Commissioners able to attend could join the event; no formal business would be conducted. These types of events would help fulfill the Commission's responsibility to assist in the promotion of Michigan agriculture. The Northwest Michigan media would be invited to attend the afternoon tours. Commissioner Coe also suggested the tree fruit and grape industries be included and offered to assist MDA Communications with potential sites to visit. The Commission agreed this was a good event and the department should move forward with planning efforts.

In order to accommodate receiving the MDNRE Deer Management Report as soon as possible, as well as stay abreast of other agriculture issues, the potential of scheduling an official Commission meeting in May or June in Lansing was discussed. It was determined an official meeting on Wednesday, June 16, 2010, would be held in Lansing. Commissioner Coe suggested the agenda could include MDNRE updates on other animal issues as well.

The July 20 Commission meeting is already scheduled to be held in conjunction with the Ag Expo event at MSU that day. Following the Ag Expo breakfast, there could be an opportunity to schedule media interviews.

Commissioner Regis and the Director recently met with MDNRE and discussed potential dates for a joint Commission meeting. A joint meeting with The Natural Resources Commission (NRC), based upon their already scheduled meeting on August 12 in the Escanaba area, was determined to be a viable date. This offers the Commission an opportunity to meet in the Upper Peninsula (UP) and recognize the agriculture industry in that community. In response to inquiry from Commissioner Coe, Mr. Deacon advised that under Executive Order 2009-54, by December 31, 2010, the Governor must designate one person to serve on both the Michigan Commission of Agriculture and the Natural Resources Commission. An agenda item for the August 12 meeting would include discussion of the person who would serve on both Commissions. Commissioner Regis requested the department look at the most economical way for the Commission to travel to Escanaba and explore the potential of scheduling an agriculture tour or event while in the UP area. The August 18 Commission meeting would then be canceled.

September 15 is a regular Commission meeting. It was proposed that a tour of Michigan Milk Producers Association's new facility in Ovid be coordinated following that meeting.

No official meeting is scheduled in October. As a fall event, it was proposed the Commission be invited to join the Culinary Tourism Meeting to be held in Greenfield Village, Detroit on October 14. Again, this would be an opportunity for Commissioners who are able to attend this Commission sponsored event.

Commissioner attendance at the non-meeting events was encouraged by Commissioner Regis as opportunities for them to explore all aspects of Michigan's agriculture.

It was determined the November 10 meeting at Constitution Hall and the December 15 meeting at Geagley Laboratory would remain as scheduled.

MOTION: COMMISSIONER FIKE MOVED TO APPROVE THE REVISIONS TO THE MICHIGAN COMMISSION OF AGRICULTURE PROPOSED 2010 MEETING SCHEDULE AND THE PROPOSED COMMISSION 2010 ACTIVITIES SCHEDULE AS DISCUSSED. COMMISSIONER COE SECONDED. MOTION CARRIED.

COMMISSIONER ISSUES

In response to the Governor's recent Michigan Meatout Day Proclamation, Commissioner Green advised the Commission should send a resolution to the Governor requesting she retract that proclamation, by which Michigan's livestock and dairy producers are considerably offended. In addition, because of her reference to the potential for various foodborne diseases in meat, something should be published in the media to reinforce to consumers that Michigan does have a safe meat products in the state. A proposed resolution was reviewed, discussed, and revisions suggested.

MOTION: COMMISSIONER GREEN MOVED TO APPROVE THE COMMISSION RESOLUTION AS REVISED REQUESTING THE GOVERNOR RETRACT HER MICHIGAN MEATOUT DAY PROCLAMATION. COMMISSIONER HERIOUX SECONDED. MOTION CARRIED.

It was requested the department forward the resolution to the Governor's Office.

Noting that Michigan's food and agriculture industry, our state's second largest economic driver and contributing over \$71.3 billion to Michigan's economy each year, Commissioner Regis proposed a Commission resolution in support of all Michigan's food and agriculture industry.

MOTION: COMMISSIONER REGIS MOVED TO SUPPORT A RESOLUTION IN SUPPORT OF MICHIGAN'S FOOD AND AGRICULTURE INDUSTRY. COMMISSIONER FIKE SECONDED. MOTION CARRIED.

It was requested the department forward the resolution to the Governor's Office, Michigan Farm Bureau, and the media. Commissioner Regis remarked we all are very proud of Michigan agriculture.

Commissioner Regis emphasized that supporting and promoting Michigan agriculture is extremely important; however, there currently is no money for those activities in the department. Under his authority to form subcommittees, he is forming the Promoting Michigan Agriculture Subcommittee. The subcommittee would begin to work with the Governor's Office and the Michigan Economic Development Corporation to explore funding opportunities to promote Michigan agriculture industry. Commissioner Fike offered to assist Commissioner Regis on that subcommittee. In response to question from Commissioner Coe, Mr. Deacon confirmed that two Commissioners could be involved in the subcommittee and remain in compliance with the non-quorum stipulations of the Open Meetings Act.

Commissioner Coe advised that one of the issues raised in the Executive Order was the lack of regular communication with the Governor's Office and there was a very clear request and a commitment from the Governor's Office to increase the number of meetings with the Commission. He suggested that meetings be scheduled once a month with the Chair and a rotating member of the Commission in an attempt to establish a more open dialogue with the Governor's Office. Commissioner Regis advised he would be working toward that goal.

In light of the distance traveled by two of the Commissioners, Commissioner Coe suggested meetings could last longer to provide adequate time to address all of the issues before the Commission.

Commissioner Fike commended MDA staff who yesterday provided the excellent orientation for Commissioner Herioux and herself. She was impressed by the professional staff and the amount of work accomplished by the department given the limited resources available. Commissioner Herioux added her compliments, noting that, from the day she was appointed, she has been provided all of the information she could possible need.

PUBLIC COMMENT

Kathleen Hawkins, Michigan Cattlemen's Association, advised the association supports the Bovine TB Zoning Order amendments and appreciates Dr. Averill's communication and close working relationship with their organization.

She expressed appreciation to the Commission for their support of the meat and dairy industries and for their asking the Governor to retract her Michigan Meatout Day Proclamation. She shared a press release which the Cattlemen's Association issued today in response to the proclamation. She reported this issue has spread quickly across the nation and groups have been formed to stop the Meatout Day in Michigan, including the organization of a meat barbeque at the Capitol on Saturday.

E.J. Brown, Michigan Association of Fairs and Exhibitions, emphasized their 86 fairs to be held in 2010 is one of the best venues to promote agriculture products across Michigan. He invited everyone to stop by, visit, and support their local fair.

ADJOURN

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

The meeting was adjourned at 5:50 p.m.

Attachments:

- A) *Agenda*
- B) *Agriculture Commission Meeting Minutes February 10, 2010*
- C) *Corrected Agriculture Commission Meeting Minutes January 12, 2010*
- D) *2009 Bovine TB Surveillance Presentation*
- E) *Bovine TB Draft Amended Zoning Order*
- F) *Legislative Status – March 2010*
- G) *Governor’s Michigan Agriculture Day Proclamation*
- H) *MDA 2011 Executive Budget Summary and Budget Detail*
- I) *Michigan’s Honey Bee Programs Presentation*
- J) *Promoting Michigan Agricultural Products Presentation*
- K) *Michigan Grape & Wine Industry Council Presentation*
- L) *“Michigan’s Grape & Wine Industry Fast Facts” Brochure*
- M) *“Wine Country” Magazine*
- N) *Commission Policy Manual Revisions*
- O) *Michigan Commission of Agriculture Proposed 2010 Meeting Schedule*
- P) *Proposed Michigan Commission of Agriculture Activities*
- Q) *Commission Resolution Requesting Retraction of Governor’s Meatout Day Proclamation*
- R) *Commission Resolution Supporting Michigan Agriculture*
- S) *Michigan Cattlemen’s Association Press Release*