

MICHIGAN COMMISSION OF AGRICULTURE
Grand Valley State University
Michigan Alternative and Renewable Energy Center (MAREC)
200 Viridian Drive
Muskegon, Michigan 49440

MEETING MINUTES
June 15, 2006

PRESENT:

Douglas Darling, Chair, Commission of Agriculture
Dale Norton, Vice-Chair, Commission of Agriculture
Ann Jousma-Miller, Secretary
James Byrum, Commission of Agriculture
Don Coe, Commission of Agriculture
Mitch Irwin, Director, Michigan Department of Agriculture

OTHERS PRESENT: (all or part of the meeting)

Marty Gerencer, Michigan Food & Farming Systems
Jan "John" Koens, Senator Gerald Van Woerkom's office
Marty Mayack, Michigan Farm Bureau
Ron Nelson, Michigan Farm Bureau
Ron Steiner, MSU, The Starting Block

CALL TO ORDER AND ROLL CALL

Chair Darling called the meeting of the Commission of Agriculture to order at 9:20 a.m. on Thursday, June 15, 2006.

Secretary Jousma-Miller called the roll with Commissioners Darling, Norton, Byrum, Coe and Director Irwin present.

APPROVAL OF AGENDA

MOTION: COMMISSIONER BYRUM MOVED TO APPROVE THE JUNE 15, 2006 AGENDA AS PRESENTED. SECONDED BY COMMISSIONER JOUSMA-MILLER. MOTION CARRIED UNANIMOUSLY.

APPROVAL OF APRIL 26, 2006 MEETING MINUTES

Deputy Director Creagh offered a correction to page 19 stating that there is an inter-agency Migrant Services Committee established in 1972 by Executive Order. There is no longer a Commission on Agricultural Labor, abolished by Executive Order in 1995.

MOTION: COMMISSIONER COE MOVED TO APPROVE THE APRIL 26, 2006 MEETING MINUTES WITH MR. CREAGH'S AMENDMENT. SECONDED BY COMMISSIONER NORTON. MOTION CARRIED UNANIMOUSLY.

NEXT MEETING

The next meeting of the Commission of Agriculture is scheduled for July 18, 2006 at the Geagley Laboratory in East Lansing in conjunction with Ag Expo.

COMMISSION COMMENTS:

Commissioner Jousma-Miller reported that she had attended many spring meetings as well as the Spring Open House at the Chatham Experiment Station. The Julian-Stille workshop in the Upper Peninsula (UP) was well attended with approximately 37 people participating. The bio-diesel plant has increased its pre-production sales from 10 million to 20 million gallons. She also attended the Small Town Rural Development Conference.

There has been a lot of moisture in the UP and crops are looking good.

Commissioner Coe stated that northwest Michigan has shared the early spring and with cold weather in the evenings has led to some crop damage primarily in the cherry crop. Extent of the damage is yet unknown. There has been some damage to apples and apricots. The grape wine industry had so far not been affected.

He attended the Michigan Food Processing Association meeting at Crystal Mountain. A good share of the meeting dealt with issues of the larger food processors in the state. Productive discussions were held concerning the Michigan Department of Agriculture (MDA), the Michigan Department of Environmental Quality (MDEQ) and other agencies.

He also attended Ag Day at the Capitol on May 23. He commended the Michigan Farm Bureau for the successful event. There was great turnout of members of the legislature. It is bringing sectors of agriculture up close to the legislature. He stated he hoped the activities continued.

He also attended the FMI and Fancy Food Show in Chicago May.

Commissioner Norton attended a reception at the Governor's home with other industry representatives on April 27, 2006. He also attended two of the negotiating sessions regarding the Michigan Agriculture Environmental Assessment Program (MAEAP) legislation.

Crop activity has been up and down in his area. There were two big rainfalls that complicated planting. Some are still replanting due to drown-out.

Commissioner Byrum commented that he had spent a lot of time on MAEAP negotiations. He has also been working on bio-economy projects. There are five or six ethanol plants being built in Michigan, all less than 60 million gallons. (The federal subsidy ends at 60 million gallons.) Caro is operating and Blissfield will open in mid-December at which time they will announce that they are doubling their capacity to 100 million gallons. Albion will open in early August, Woodbury in mid-September, Marysville just started construction, and Gratiot County is pending. These plants will thoroughly exhaust the corn production supply in Michigan given current utilization and production. Meetings are being held with various parties to discuss corn supply and demand.

The seed pre-emption bill was passed and signed by the Governor.

Crops across the state are variable. Corn looks better than it did, soybeans looks poorer than people think they should, wheat production should be good with high quality and no disease.

On September 20-21, 2006 there will be a Michigan Bioeconomy Summit regarding biofuels and availability, methane presentation, commercial and industrial biotechnology.

Commissioner Darling stated that crops are variable in his area with much replanting due to rain. Fertilizer prices have come down.

He thanked Racing Commissioner Christine White and Dominic Perrone for hosting the tour at Great Lakes Downs. He appreciated the opportunity to meet representatives from the equine industry.

Commissioner Darling recently spoke at the Equine Partnership Organizational Meeting where they are trying to bring the industry together and discuss common issues.

The House Agriculture Committee held a subcommittee meeting at Oakland University that he attended. The topic was Alternative Renewable Fuels. Representatives from Ford, General Motors, Chrysler and Volkswagen talked about their flex-fuel vehicles, diesel and problems faced trying to bring these products to market. There was much discussion about the lack of infrastructure for the delivery of E85.

COMMISSIONERS' TRAVEL

- Michigan Food Processing Association, June 12, 2006, Crystal Mountain (Commissioner Coe)
- Ag Day at the Capitol, May 23, 2006, Lansing (Commissioner Coe)
- FMI Show and Fancy Food Show, May 5, 2006, Chicago (Commissioner Coe)
- Governor's Reception, April 27, 2006, Lansing (Commissioners Darling and Norton)
- Michigan Equine Partnership Meeting, April 30, 2006, Mason (Commissioner Darling)
- House Agriculture Sub-Committee Field Hearing, May 22, 2006, Oakland (Commissioner Darling)
- MAEAP meetings (Commissioner Norton)
- Travel to spring meetings in the Upper Peninsula (Commissioner Jousma-Miller)

MOTION: COMMISSIONER COE MOVED TO APPROVE THE ABOVE TRAVEL FOR THE COMMISSIONERS. SECONDED BY COMMISSIONER NORTON. MOTION CARRIED UNANIMOUSLY.

DIRECTOR'S REPORT

Director Irwin highlighted activities taking place in MDA including an update on Select Michigan's asparagus promotion. Staff has secured dollars and in-kind partnerships.

He briefly discussed the grape crop damage and disaster declaration earlier in the spring.

Animal identification has generated much interest from others states and organizations asking about Michigan's program. The Michigan Cattlemen's Association has secured a grant for assisting in the education of the program and will be working with MDA staff to get information out to the industry.

He thanked all the interested industry groups for their support.

He briefly discussed the emergency planning being done in the event of detection of Avian Influenza in Michigan. MDA is a key partner in the planning.

Director Irwin shared MAEAP certification numbers to date. MAEAP has verified 119 livestock operations, with 48 pending, and five re-verified. A

total of 82 farmsteads have been verified with 16 pending; and 38 cropping systems have been verified with 10 pending, including the first using the new Crop*A*Syst for Orchards in Leelanau County.

Director Irwin reported that the Upper Peninsula State Fair Foundation has been established. It has a primary goal of helping the fair with preservation, restoration and beautification of the Upper Peninsula State Fairgrounds.

He commented that in addition to the normal critical routine inspections that the Food & Dairy Division conducts, the partnerships between MDA and private industry continues to develop. The Agriculture Development Division and the Food & Dairy Division are working with Leprino Foods on their dairy plant expansion.

The Laboratory Division is continuing gasoline inspections and there is pending legislation to expand the inspection program into the diesel area.

Director Irwin briefly commented about a spray being tested to halt the spread of Emerald Ash Borer.

Director Irwin also commented on the status of the budget process.

The Julian-Stille Value Added Workshops have been reinstated. The workshops were on hold for 60 days while legislation was pending to change the grant program to a loan program and other changes proposed. The legislation is still pending, so MDA is moving ahead with the workshops.

Director Irwin commented about meetings and activities since the last Commission meeting including the MFEA Tourism Conference, FMI Show in Chicago, Michigan Milk Producers Association plant expansion in Ovid, Buy Michigan First Workshops, Ag Day at the Capitol, meetings with the Michigan Municipal League and Michigan Township Association about agricultural tourism, E85 Press Event in Dearborn Heights, Detroit Chamber of Commerce Policy Conference, and meeting about the Federal Farm Bill with members of the National Association of State Departments of Agriculture.

Commissioner Darling noted that in the written Director's Report, the 2005 Envirothon State Champions were from Ogemaw Heights High School and placed third in the 2005 national competition. The 2006 champions were from Caro High School and will be going to Winnipeg, Manitoba for this year's national competition.

FINAL DRAFT GENERALLY ACCEPTED AGRICULTURAL AND MANAGEMENT PRACTICES (GAAMPs) AND RIGHT TO FARM PROGRAM UPDATE: GORDON WENK, DIRECTOR, ENVIRONMENTAL STEWARDSHIP DIVISION; WAYNE WHITMAN, RIGHT TO FARM PROGRAM MANAGER, ENVIRONMENTAL STEWARDSHIP DIVISION; AND PROFESSOR BILL BICKERT, SITE SELECTION & MANURE TASK FORCE CHAIR, MICHIGAN STATE UNIVERSITY

Mr. Wenk presented the seven GAAMPs for the annual review, three with changes. The GAAMPs task forces work throughout the winter to review the GAAMPs. There was a public input meeting held in April 2006. The public comments were distributed to the appropriate GAAMPs committee chairpersons for review and possible inclusion in the GAAMPs.

Dr. Bill Bickert reviewed the changes being proposed in the GAAMPs for Manure Management and Utilization and the Site Selection and Odor Control for New and Expanding Livestock Production Facilities. He stated that most of the changes in the Manure GAAMPs were editorial or changes made to facilitate the understanding or use of the GAAMPs. He pointed out a major change, after much discussion and ongoing research, in the Manure GAAMP in terms of runoff control and wastewater management that now includes the introduction of a wastewater filter strip.

Mr. Whitman stated that Dr. Lee Jacobs (who chairs the Nutrient Utilization GAAMPs Task Force) contacted MDA about a Michigan State University Extension Bulletin supplement, dated June 2006, which is an addendum to the existing bulletin, on soil sampling. It provides for a more comprehensive look at soil sampling, given the cropping history, manure management practices and, more site-specific management techniques for sampling soil. Instead of a standard of at least every three years, this addendum recognizes conditions where soil may be sampled annually or every two or three years (or in some cases every four years.) It does not replace the existing bulletin, but is an addendum. Dr. Jacobs asked that this addendum be added to both the Manure GAAMPs and the Nutrient Utilization GAAMPs which references soil testing.

There was a discussion regarding the request. Because this addendum was not included in the proposed changes that were presented at the April public input meeting, it was agreed that the new addendum be added during the next review cycle.

MOTION: COMMISSIONER BYRUM MOVED TO APPROVE THE GAAMP FOR MANURE MANAGEMENT AND UTILIZATION AS PRESENTED. SECONDED BY COMMISSIONER NORTON. MOTION CARRIED UNANIMOUSLY.

Dr. Bickert reviewed the changes for the Site Selection and Odor Control for New and Expanding Livestock Production Facilities. He stated that the changes proposed are primarily editorial or for clarification purposes. He stated that this GAAMP is different from the other GAAMPs in that you are trying to look into the future to assure with some degree of certainty that a livestock facility is not going to become an annoyance. It is not just the facility, but also the management of the facility. The responsibility is in the hands of the farm owner. Adoption of new technology should be encouraged.

In response to a question by **Commissioner Coe** regarding the proposed change to make the MDA Director responsible for the siting determination, Mr. Wenk explained that pursuant to the Right to Farm Act (1981 PA 93, as amended) the authority for making the siting determination rests with the Director of the Department, not the Commission of Agriculture. This change in the GAAMPs reflects the proper responsible party. The Attorney General's office was contacted for guidance on this issue.

There was a brief discussion regarding the categories listed in the GAAMPs and about the make-up of the review committee and of comments and letters received regarding the GAAMPs. Commissioner Byrum commented, and Commissioner Norton concurred, that the industry should be more responsive when comments are requested during the review process.

MOTION: COMMISSIONER COE MOVED TO APPROVE THE GAAMP FOR SITE SELECTION AND ODOR CONTROL FOR NEW AND EXPANDING LIVESTOCK PRODUCTION FACILITIES AS PRESENTED. SECONDED BY COMMISSIONER NORTON. MOTION CARRIED UNANIMOUSLY.

Mr. Whitman presented changes for the GAAMPs for Care of Farm Animals. The changes are minor, changing the references at the end of each chapter. This GAAMP is different from the others in that each chapter is reviewed by the individual expertise at MSU, e.g. equine, swine, etc.

MOTION: COMMISSIONER BYRUM MOVED TO APPROVE THE GAAMP FOR CARE OF FARM ANIMALS AS PRESENTED. SECONDED BY COMMISSIONER NORTON. MOTION CARRIED UNANIMOUSLY.

There were no changes proposed by the Task Force for the Nutrient Utilization GAAMPs.

MOTION: COMMISSIONER NORTON MOVED TO APPROVE THE GAAMP FOR NUTRIENT UTILIZATION AS PRESENTED. SECONDED BY COMMISSIONER COE. MOTION CARRIED UNANIMOUSLY.

There were no changes proposed by the Task Force for the Pesticide Utilization and Pest Control GAAMPs.

MOTION: COMMISSIONER BYRUM MOVED TO APPROVE THE GAAMP FOR PESTICIDE UTILIZATION AND PEST CONTROL AS PRESENTED. SECONDED BY COMMISSIONER NORTON. MOTION CARRIED UNANIMOUSLY.

There were no changes proposed by the Task Force for the Cranberry Production GAAMP.

MOTION: COMMISSIONER NORTON MOVED TO APPROVE THE GAAMP FOR CRANBERRY PRODUCTION AS PRESENTED. SECONDED BY COMMISSIONER COE. MOTION CARRIED UNANIMOUSLY.

There were no changes proposed by the Task Force for the Irrigation Water Use GAAMP.

MOTION: COMMISSIONER NORTON MOVED TO APPROVE THE GAAMP FOR IRRIGATION WATER USE AS PRESENTED. SECONDED BY COMMISSIONER BYRUM. MOTION CARRIED UNANIMOUSLY.

Commissioner Darling expressed his appreciation to all the Task Force members for their continued diligence through the review process.

RIGHT TO FARM UPDATE

Mr. Whitman reviewed the 2005 Right to Farm Program Annual Report. The Right to Farm Program has been in existence since 1986 and was

initiated to address farm related environmental complaints received by MDA. They work with farmers to resolve conflicts using the scientifically based GAAMPs as the statewide standard. The Site Selection GAAMP is a way to minimize the risk of potential conflicts and improve environmental performance on the farm.

Pro-active requests are now also being reviewed. Individuals who want a facility inspected call to review their practices. The reviews are subject to the Freedom of Information Act with the exception of the manure management plan that is exempt under the Right to Farm Act.

There is particular interest in siting cases with new, large-scale livestock facilities. Staff has made many presentations to township governments through MSU Extension meetings to try and raise awareness and answer their questions. In the last year, staff has provided expert witness testimony on four specific cases where a township sued a farmer and the farmer called upon Right to Farm as their defense. These were all small, hobby farm operations. In three of the cases, the defending farmers prevailed and in the fourth case, the judge has asked for a Right to Farm inspection to be included in his final decision.

He reviewed highlights of the annual report. There was a record number of new complaints received (162) and new complaints in FY06 are tracking at or above that number. Average response time has been 3.9 business days. Historically, verified complaints were 50-50. That number has gradually increased as the reviews have become more comprehensive. More farms have developed manure management plans because of complaints, which helps both the farmer and MDA during inspections.

He briefly reviewed the types of complaints. The majority of complaints last year were air quality complaints, which was a change from water quality issues in all previous years.

Mr. Wenk briefly described the working relationship with MDEQ related to air quality issues.

The Right to Farm Program has approximately 200 files a year on farms in Michigan; 160 complaints, 35 siting and 5 proactive inspections. Additional workload has included requests to respond to complaints about the land application of pressed sugar beet pulp from Michigan sugar beet factories. They are continuing to work with MDEQ, Michigan Sugar and their growers on management plans to make sure they are properly handling the residuals to minimize the odor complaints.

Dr. Bill Bickert thanked the Right to Farm staff for their hard work, particularly, Amy Bearss, for her administrative support.

BOVINE TB UPDATE: DR. STEVE HALSTEAD, STATE VETERINARIAN AND MIKE VANDERKLOK, TB UNIT MANAGER, ANIMAL INDUSTRY DIVISION

Dr. VanderKlok reviewed current testing numbers. Since 2000, over 1.2 million TB test have been conducted. Additionally, over 350,000 animals are looked at through slaughter surveillance every year. There has been no Bovine TB found outside what is currently the modified accredited area (the northern portion of the Lower Peninsula.) There is a specific strain of Bovine TB in Michigan that is identifiable from all other strains. Only this strain has been found in Michigan, and nowhere else in the United States, North America or the world. The key to your program is not letting the disease spread from an area that it is in, and the key to marketing is to say that it has not been spread to other states. The program has been effective in doing that.

In the Modified Accredited Area, there have been seven Bovine TB infected herds since October 2005. There have been five beef herds and two dairy herds. Prior to 2005, the average has been just over seven herds a year. In 2004, there was only one; in 2005, there were three, and 2006 to date there have been four. We are near the end of this testing cycle. There had been a decrease in prevalence of bovine TB in the modified accredited area herds; we would like to see that continue. We are continuing to see in a herd of 100 or 200 animals, one animal being infected. The surveillance program is working.

We are seeing a decline of infections coming from animal to animal movement. The evidence is now pointing toward a transmission from TB infected wildlife.

The animal identification program has become a critical component in tracking animal movement at the beginning of the investigations.

Staff has been working with farmers with a risk program, identifying ways to help prevent wildlife transmissions on the farm. They have worked with 200 farms in the high risk areas and will continue to work with other herds and looks at the data to determine where best to place assets to prevent the infection of Bovine TB.

The last herd found in May in Antrim County was a dairy herd. It was a functioning dairy herd and the first herd identified since the new policy was implemented for depopulation. Staff has met with the owner and they are

moving forward through the process and define new goals for their farm. Staff is working with the farmer to help them get through this difficult process. Approximately 100 animals were tested, one positive and two suspect. They will go to the lab soon. This herd has tested negative for six consecutive years, in business for nearly 40 years.

The other dairy herd was in the process of selling out, so there was no outside effects for that herd.

In response to a question from Commissioner Byrum, Dr. VanderKlok reviewed the repopulation criteria. He stated that the Michigan Department of Natural Resources (MDNR) has been cooperative in areas where wildlife reduction was required. They have provided advice on how to reduce the draw for wildlife to the herds.

Dr. Halstead stated that MDNR has worked hard to enforce the feeding and baiting issues and educate hunters. There was a brief discussion about the MDNR management permits and herd reduction permits and controlling the deer herds.

Dr. VanderKlok stated that the hard decisions come now with risk assessment of the way the farms have been managed. It is more one-on-one with the farmers.

Dr. Halstead said they are bringing an epidemiologist on board to help look at both the livestock and wildlife sides of this issue to analyze the data collected through the program.

Dr. Halstead updated the Commission about the Annual Bovine TB Conference held earlier in the month. It's primarily a scientific conference looking at research and policy.

He also briefly discussed the United States Department of Agriculture's (USDA) review of Michigan's program that occurred in March. It is currently being finalized.

In response to a question about next steps from Commissioner Darling, Dr. Halstead stated that they need to do everything possible to eliminate the overlap between the livestock and the wildlife side to be able to manage the disease in domestic animals. MDNR shows that numbers are trending down in deer and they believe that eventually the disease will die out. There are other ideas being developed to help including a possible vaccine for wildlife.

Dr. Halstead commented that support for the animal identification program is strong from producers and from other states. There will be a six-month update presented at the July Commission meeting.

MIGRANT LABOR HOUSING REVIEW: GORDON WENK, DIVISION DIRECTOR, ENVIRONMENTAL STEWARDSHIP DIVISION AND JOEL GORCH, MIGRANT LABOR HOUSING PROGRAM MANAGER, ENVIRONMENTAL STEWARDSHIP DIVISION

Mr. Wenk reviewed the issues raised at the last meeting that included zoning issues (in terms of siting) for migrant labor housing and worker availability. Staff is updating and developing resource material that will be made available to the producers that they can use when interacting with their local township. Included in that material will be an Attorney General's Opinion that states that townships cannot prohibit the building of migrant labor housing.

Michigan's Migrant Labor Housing law sets it apart from a number of other states in that it establishes standards for housing. This law is currently within the Public Health Code. Staff has been reviewing ways to amend this act to strengthen the ability for farmers to site housing.

In terms of worker availability and attracting workers to Michigan, good quality housing in Michigan due to the inspection and grant programs has been the industry's best draw for workers. Staff has been on recruiting trips to both Texas and Florida and one of the biggest draws for workers has been the high quality housing available in Michigan.

Some workers will most likely not return to Michigan this year because of the opportunities to continue to work on hurricane recovery efforts in the south at a higher wage.

There are farmer "one stop" areas where workers provide their names and farmers can go there as a way to find workers. Mr. Wenk stated that there may be ways to help recruit workers through the inter-agency work groups, through Spanish radio stations, etc.

There have been some reports of worker shortages in blueberries. MDA will continue to inspect and license housing for farmers to make sure that lack of license does not prevent farmers from obtaining workers.

Mr. Wenk stated that it is unknown how many migrant workers there are in Michigan, however, MDA licenses facilities to house 22,000 (including families.) There is an enumeration study underway through the inter-

agency work group to try and determine how many workers come to Michigan on an annual basis.

Commissioner Byrum asked if anyone was working with the townships who require special use permits for labor housing. Mr. Wenk stated that information has been provided to the townships. As an individual farmer meets with the local townships, staff can provide information, or sometimes act as an intermediary to assist.

In response to a question from Commissioner Byrum about ways to increase worker availability, Mr. Gorch stated that each time they have gone to other states to promote Michigan and conducted surveys, housing has been the most important, after being paid fairly.

Mr. Gorch also stated that another impediment to bringing workers to Michigan is the State of Georgia has enacted their own immigration reform legislation, so workers who are undocumented who would normally migrate from Florida to Michigan or Ohio are afraid to travel through Georgia.

Commissioner Coe stated that because of recent immigration raids in northern Michigan, the migrant communities in other states do not consider Michigan a desirable place to come. With immigration laws not moving at the federal level, it increases the level of apprehension for migrant workers.

Mr. Gorch stated that there may be some labor shortages in strawberries. Also, there is some specialization in the migrant work force.

Mr. Gorch gave a brief update on program activity. Because of the mild winter, some inspections have been conducted early. Applications came in earlier, due in part to increased fines for operating without a license. Because of reduced funding and staff, a checklist was developed to be sent to the farmer ahead of time so they can review the list and work on areas that need attention prior to when the inspection takes place. Farmers have asked for the list in Spanish so that workers that come early can help ready the housing units.

After a discussion about the proposed migrant labor resolution, it was determined that staff would re-work the resolution and present to the Commission at the July 18 Commission meeting.

OFFICE OF RACING COMMISSIONER (ORC) ACTIVITY UPDATE:
CHRISTINE WHITE, RACING COMMISSIONER

Commissioner White referred the Commission to a copy of her written remarks and highlighted several items of interest.

She pointed out the licensing data that shows there are 531 licensees in Wayne County, 420 in Oakland County, 389 in Genesee County and 173 in Macomb County. This high density of licensees in these counties reflects the existence of numerous horse farms. She stated that she believes these farms are helping to stave off rapid development in these areas. The horse farms are often in areas that no longer support commercial agriculture.

Pari-mutuel racing began in Michigan in 1933 when the first racing act was passed in order to create jobs and economic opportunities due to the Great Depression. It has continued to support jobs and opportunities throughout the state.

Local communities with pari-mutuel tracks (Jackson, Swartz Creek, Isabella Township, Hazel Park, Muskegon and Northville) receive over \$1.2 million to defray the cost of police and fire protection. This funding is taken from the wagering. The local governments report their yearly expenditures to the Office of Racing Commissioner. In 2005, the local governments reported that they made expenditures in the total amount of \$1.06 million.

The total amount wagered on live racing in 2005 was \$22,712,959, down from \$23,934,235 in 2004, which is a 5% decrease. To date, the current amount of money wagered compared to the same time period last year is down 8%. Live handle is up 4%, which include the period including the Kentucky Derby and Preakness. Simulcast wagering is down 6.8%.

Commissioner White stated that it is extremely difficult to promote simulcasting. She feels that focus should be on live racing. Once you get people interested in live racing, they will occasionally start wagering or going to watch races on simulcasting.

One of Michigan's best promoters is the general manager and part owner of the Jackson Harness Raceway. He says it takes at least three years of intensive promotion to see results. They pack the stands in Jackson every night.

She stated that most know that racing must compete with the three commercial casinos in Detroit and 17 Native American casinos. ORC

records show that there was a decline when the lottery came into existence in the 70's.

In 1995, there were 827 days raced. The ORC appropriation in 1995 was \$3.5 million. The total number of race days in 2006 is 1,883 because ORC is also responsible for overseeing simulcast racing. The ORC appropriation in 2006 is \$3.29 million. This is requiring a re-evaluation of priorities since the funding has not kept pace with the responsibilities of the ORC.

In response to a question from the tour at Great Lakes Downs, Commissioner White stated that there were 19,787 samples tested in 2005. Approximately 14,000 were TCO2 tests, commonly referred to as "milkshake" in the racing industry. The "milkshake" is a combination of sodium bicarbonate, sugar and water. It is put down the horse's nose with a tube. It supposedly takes the lactic acid out of the horses system and they can run further and have more stamina. Michigan has been testing for this longer than most states. There were 4,400 urine tests, 1,000 blood tests and 2 miscellaneous samples. There were 35 positive results.

Commissioner White stated that she appreciates the relationship with the Geagley Lab and they are constantly working to improve communication and focus resources where needed.

In response to a question from Commission Norton, Commissioner White stated that all the farms referred to in the county numbers are racing horses. The ORC licenses owners, trainers, drivers or jockeys and grooms.

LEGISLATIVE REPORT: Director Mitch Irwin

Because Ms. Clark was unable to attend due to a legislative session, Director Irwin gave a brief update to the Commission on the status of the Julian-Stille Value-Added package, MAEAP legislation and agriculture renaissance zones. He referred the Commission to the printed update.

(Commissioner Coe left the meeting due to a previous commitment.)

PUBLIC COMMENT

Marty Gerencer, Michigan Food & Farming Systems (MIFFS), thanked the Michigan Department of Agriculture for partnering with MIFFS for the second statewide Select Michigan Day to be held on September 14. The Michigan House of Representatives has approved a resolution. One of the events for the first annual statewide Select Michigan Day was held at the same facility the Commission meeting was held. They had over 600

guests, legislators and business owners. There were over 30 vendors in attendance. There were a number of business relationships developed and local product was moved onto store shelves.

Another key focus for MIFFS is helping local farmers get food “out the door” and strengthening supply chains. They welcome suggestions and partnership to strengthen the supply chains.

Commissioner Darling noted that MDA has had a great working relationship with MIFFS over the years and thanked them for their work.

Ron Nelson, Michigan Farm Bureau, commented that the TB issue is a serious issue that must be dealt with. What is good for the producer is not always good for the industry. It is not just the economics, but also the science. He stated that generally, MDA and its employees have done a good job balancing that. He commented briefly about deer numbers in the state and the number of TB positive finds. He gave high marks to veterinary medicine for continuing to work on this issue.

He spoke briefly about the budget and that targets had not yet been publicly announced.

COMMISSIONERS ISSUES

Commissioner Byrum stated that Michigan Ethanol is going to request a “Right to Process” review of their operation consistent with that which was conducted on New Era Canning last year. He asked that when the formal request comes to MDA, that the review be initiated and he would then recuse himself from discussions, as Michigan Ethanol is an active member of Michigan Agri-Business Association.

MOTION: COMMISSIONER NORTON MOVED THAT WHEN THE FORMAL REQUEST FOR RIGHT TO PROCESS REVIEW IS RECEIVED FROM MICHIGAN ETHANOL THAT IN THE ABSENCE OF GENERALLY ACCEPTED MANUFACTURING PRACTICES A REVIEW AND STUDY BE CONDUCTED WITH KNOWLEDGABLE EXPERTS TO DETERMINE IF THEY ARE FOLLOWING INDUSTRY STANDARDS. COMMISSIONER JOUSMA-MILLER SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.

Commissioner Norton commented about the National Animal Health Monitoring System (NAHMS) survey about to come out. The survey has been questioned by the swine industry about concern over the information being collected would be subject to the Freedom of Information Act. There is information being collected that is non-health related about the

environment, numbers, anti-biotic use, etc. The Swine Welfare Committee has had a number of discussions on what is happening in North Carolina whose producers have refused to participate as it is presently. The National Pork Board will be in discussions with the NOMS people to see if the survey can be rewritten so that it is more consistent with previous surveys. If they cannot come to a resolution, the survey may be delayed for two years.

Commissioner Darling thanked the Commission for reading through the lengthy materials provided prior to the meeting and also to staff for the preparation.

MOTION: COMMISSIONER BYRUM MOVED THAT THE MEETING BE ADJOURNED. SECONDED BY COMMISSIONER JOUSMA-MILLER. MOTION CARRIED UNANIMOUSLY.

The meeting was adjourned at 12:10 p.m.

Attachments:

A - Agriculture Commission Meeting Minutes April 26, 2006

B - Directors Report – June 2006

C – Final Draft GAAMPs and related comments

D – Bovine TB Update

E – Migrant Labor Housing Review

F – Office of Racing Commissioner Activity Update

G – Legislative Update