

**State of Michigan
Commission of Agriculture
Meeting Minutes**

August 13 and 14, 1997

**Best Western Pioneer Inn
Escanaba, Michigan**

PRESENT:

Jordan B. Tatter, Secretary
Deanna Stamp
Shirley A. Skogman
Director Dan Wyant
Ron Zellar, Assistant Attorney General
Michigan Department of Agriculture Staff

PUBLIC APPEARANCES:

State Representative David Anthony
Robert Barron, Barron Farms, Gladstone
Alan Budinger, Delta-Menominee District Health Director
Brad Deacon, Governor Engler's Office
Jim Hammill, District Wildlife Biologist, Michigan Department of Natural Resources
John Korhonen, Rural Development Council of Michigan
Ron Nelson, Michigan Farm Bureau

ROLL CALL AND ORDER

Commissioner Jordan Tatter called the meeting to order at 4:00 p.m. The roll was called with Commissioners Jordan Tatter, Deanna Stamp and Shirley Skogman present; Commissioners Norman Veliquette and Douglas Darling were absent.

APPROVAL OF AGENDA

The August meeting agenda was approved with the addition of Item Number 8B, Public Comment.

APPROVAL OF MINUTES

Commissioner Shirley Skogman moved to approve the July 10-11, 1997 minutes as presented and recorded. Motion carried unanimously.

NEXT MEETING

The next Commission of Agriculture meeting is tentatively scheduled for September 9 and 10, 1997. Chairperson Norman Veliquette and Director Dan Wyant will review the September

agenda to determine if this meeting of the Commission will be necessary and will notify all parties in the event of a cancellation.

APPROVAL OF COMMISSIONERS' PER DIEM AND TRAVEL

Commissioner Shirley Skogman moved to approve Commissioner travel to attend the Governor's Day activities at the Michigan State Fair in Detroit on August 22, 1997. Seconded. Motion carried unanimously.

APPROVAL OF DIRECTOR'S OUT-OF-STATE TRAVEL

Commissioner Deanna Stamp moved to approve Director Wyant's travel to attend the National Association of State Departments of Agriculture (NASDA) annual meeting in Delaware on September 20-24, 1997. Seconded. Motion carried unanimously.

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WELCOMING REMARKS BY RICHARD OSTRANDER, MANAGER, UPPER PENINSULA STATE FAIR BOARD

Richard Ostrander welcomed the Commission to Escanaba and Michigan's beautiful Upper Peninsula. Members of the Upper Peninsula State Fair Board in attendance were introduced.

INTRODUCTION OF NEW UPPER PENINSULA STATE FAIR BOARD MANAGER

David Pike, director of MDA's Finance and Technology Division, introduced Joseph K. McDonnell. Mr. McDonnell is the newly appointed manager of the Upper Peninsula State Fair. He is a native of the Upper Peninsula and has been an employee of MDA for the past 11 years as a Dairy Inspector. Commissioners expressed their appreciation to Richard Ostrander, who will officially retire September 1, for his many years of dedicated service to MDA and the Upper Peninsula State Fair Board. They also welcomed Mr. McDonnell to his new position.

COMMISSIONERS' COMMENTS

Commissioner Shirley Skogman welcomed the Commission to the Upper Peninsula. She recently participated in the unveiling of the new Upper Peninsula Secretary of State Mobile Unity Secretary of State Candace Miller. She also visited the Marquette County Fair and hopes to visit the Iron and Dickinson county fairs as well.

Commissioner Skogman congratulated Director Wyant on his appointment as Secretary/Treasurer of the Midwest Association of State Departments of Agriculture (MASDA) and on his appointment by Governor Engler as interim Racing Commissioner.

The weather in the Upper Peninsula was good in June, but July was hot and dry. The corn crop has been severely affected by the dry weather and deer damage has increased due to the dry conditions. Deer permits are available, but farmers are hesitant due to increased public pressure. The public needs to be aware that farmers are only trying to protect their livelihood.

There is a very serious threat of potato blight in Idaho, possibly Wisconsin, but it is unknown whether it is in the seed or commercial acreage. Home gardeners should be educated on the seriousness of this problem and be encouraged to spray. The Michigan Potato Commission is

leased that \$200,000 was budgeted for blight research. It is hoped that an early warning blight it can be developed so farmers can monitor their fields on a regular basis. Ben Kudwa has extended an invitation to a Field Day at Michigan State University on August 29, 1997. Commissioner Skogman feels it would be very beneficial for someone from MDA to attend.

Commissioner Deana Stamp expressed her appreciation to the Upper Peninsula State Fair for inviting the Commission to the Upper Peninsula and to the fair. She commended MDA's efforts which aided in the Supreme Court's favorable ruling on generic advertising. She thanked MDA for participating with other states in the discussion in favor of the continuation of these promotion programs, especially in view of the huge investment of equity by dairy farmers and their producers.

Discussions continue on the changes to the Federal Milk Marketing Orders being conducted by USDA. Preliminary maps outlining consolidation of marketing orders have been circulating for some months. Michigan, as the maps stand today, seems to be in a fairly positive position. The new region, in which Michigan would be included, would have a new class utilization. USDA has published various pricing plans that would be used within these new marketing orders and are receiving comments. Public comments are varied and numerous. Michigan seems to be in a slightly better position with the new proposals.

In 1996 only half of the dairy exports allowed under the Dairy Export Incentive Program (DEIP) were actually exported. The annual DEIP allocations are for the period July 1, 1997 through June 30, 1998. Under GAAP we have committed 137,000 metric tons of dairy products to be exported. The Secretary of Agriculture is to be commended for recognizing the importance of this program and for his assurance that USDA will use this program to its fullest in 1997-98.

The basic formula price for milk has increased slightly, up 12 cents in July to \$10.86. There are still large inventories of cheese in California, Washington, Oregon and Idaho. The basic formula price is now being traded on the coffee, sugar and cocoa exchange and the use of this tool in the first three months is much greater than it has been for cheese or fluid futures, over a thousand open contracts in the first three months. This could prove to be a good tool to help eliminate wide seasonal fluctuations in milk prices, but Commissioner Stamp stressed that farmers need a lot more education on the use of this tool.

The Commissioner extended a thank-you to Director Wyant and MDA staff for attending the Manilac County Fair. The dairy committee appreciated his comments and input regarding a new dairy barn and educational exhibit.

Commissioner Jordan Tatter reported that since the devastating wind and hailstorms of early July, southwestern Michigan has been dry. Fruit sizing and unirrigated row crops have suffered seriously during this widespread dry spell. Michigan's tart cherry harvest should end next week and will result in a crop that exceeds the USDA forecast. This will mandate a recalculation of the Federal Marketing Order diversion percentage, causing industry consternation and possible turmoil regarding the administration of the Federal Marketing Order. There need to be calculations ahead of time that can be counted on.

Commissioner Tatter spent seven days traveling in Scotland. He also attended the 8th Annual Agriculture Field Day at the Southwest Michigan Research and Extension Center of Michigan

State University. He participated in the International Association of Refrigerated Warehouses and The Refrigeration Research and Education Foundation annual committee meetings in Washington, D.C. where considerable emphasis was placed on food safety issues, HACCP, and good handling practices.

He reported that those involved in blueberry production, packing and selling need an update on non-tariff barriers that could potentially limit entry of Michigan-grown cultivated fresh and processed blueberries into eastern Canada. Director Wyant stated that MDA will prepare a response to the Commission on this issue.

Michigan is the only regional state that has not implemented the use-value real property tax assessment. More than 30 states have some type of use-value assessment system as opposed to market value. This is an issue that should be addressed by either the Legislature, Michigan Farm Bureau, Rural Development Council, MDA or the Commission. Director Wyant responded that MDA will work with the Commission on the use-value assessment issue as it relates to the land use debate.

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DIRECTOR'S REPORT

Director Dan Wyant expressed his appreciation to the Upper Peninsula State Fair Board and Dick Ostrander. He also welcomed Joe McDonnell to the fair staff. Debbie Mulvaney of the MDA Escanaba Regional Office was thanked for all her efforts.

The director attended a MASDA meeting in Columbus, Ohio and announced that Michigan will be hosting the 1999 MASDA annual meeting. He also attended several fairs including Cass, Manistac, Monroe and Kent counties, as well as the Ionia Free Fair.

The Director, Senator Harry Gast, State Representatives Ron Jelinek and Bob Brackenridge, and Art Fenrick from Congressman Fred Upton's office joined Dave Mroczek, director of the Berrien County Farm Service Agency and area farmers for a tour of farm crops damaged in the July 2 hailstorm. The tour viewed hail-damaged areas in Berrien County and a federal disaster declaration was requested for four counties (Berrien, Allegan, Ottawa and Kent.) Federal crop insurance is an important issue; a local task force has been formed to evaluate this program.

A visit was made to the Hart area to meet with various segments of the cherry industry. The director spoke at an event/tour held at the Barton Hog Farm in Homer, Michigan. The Bartons, in conjunction with Michigan Farm Bureau and the county extension service, held a tour with local planning officials and county commissioners of their hog production facility. Kalamazoo County commissioners also were invited to tour a local farm to discuss Michigan agriculture and its relationship to land use planning.

Director Wyant visited the UpJohn Pharmacia animal experimentation farm to discuss the future direction of agriculture worldwide. UpJohn has pledged support and use of facilities, resources and management capabilities as we look at future issues.

A Food Safety Alliance of over 40 organizations--farmers, food processors, grocers, restaurateurs--met to discuss food safety issues. The primary focus is to educate the

consumer on food safety, salmonella and e.coli. September will be designated as Food Safety Month in Michigan.

Division 2000 is moving forward with many joint initiatives. One initiative by the FFA Foundation, with strong support and leadership by Jack Laurie and the Michigan Farm Bureau, is the establishment of an endowment fund for "Agriculture in the Classroom." The goal is to raise \$4 million before the start of the fiscal year to fund projects and programs. MDA is intending on providing \$500,000, as a dollar-for-dollar, match. This initiative must go before the State Administrative Board for approval before a contract can be signed with MSU and the FFA Foundation.

Assistant Attorney General Ron Zellar advised that the directors of the departments of Agriculture, Education and Community Health had requested Attorney General Kelley to request reimbursement from the Andrew & Williamson Sales Company. This California-based company was identified as the responsible party for the frozen strawberries distributed in Michigan and the Hepatitis A outbreak. The company has indicated they would consider payment if an explanation and breakdown of the damages and expenses incurred by these state departments is submitted. The Attorney General's office will work with the departments involved to submit the requested information.

Director Wyant introduced Representative David Anthony. Representative Anthony welcomed the Commissioners to the Upper Peninsula and expressed his appreciation to Director Wyant and MDA for their efforts in the Upper Peninsula.

The Michigan Jobs Commission will increase funding of MDA export programs from \$30,000 to 40,000. MDA has increased its commitment to 20 booths and has received a much improved space designation for the 1998 U.S. Food Export Showcase/FMI--Supermarket Show in Chicago. MDA will take a delegation to the 1998 show.

MDA has been working with the City of Ann Arbor to address concerns with the city's proposed pesticide ordinance. The ordinance is currently in draft form and has not been reviewed by the full city council to start the process of enactment. There also is concern that the city is not proceeding through the regulatory steps outlined in the preemptive language of the Act. The preemptive language allows MDA the opportunity to hold a public meeting, the Commission to review MDA's findings and the proposed ordinance and then approve or deny the ordinance's enactment. Commissioner Tatter asked that the Commission be kept informed on this issue. Assistant Attorney General Ron Zellar will also review the proposed ordinance.

Commissioner Stamp asked about testing for Karnal Blunt in Michigan. Director Wyant responded that to date Karnal Blunt has not been found in Michigan, but studies are ongoing. The USDA Laboratory in Niles, Michigan is one of the major testing areas for Karnal Blunt in the United States.

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LEGISLATIVE REPORT - VICKI PONTZ-TEACHOUT, LEGISLATIVE LIAISON

The pet sterilization bill has been assigned a public act number and takes immediate effect. The bill requires that all pets adopted from a local animal control shelter or pet shop be

sterilized.

Two bills were introduced clarifying the handling of ferrets to coincide with the Center for Disease Control guidelines. SB616 would require that ferrets with rabies be handled in the same way as rabid dogs and cats. MDA opposes this bill because the rabies incubation period for ferrets is unknown and there is no scientific data to support the idea that rabies acts the same in ferrets as it does in dogs and cats.

Revisions to the Drain Code have been reviewed by MDA staff and changes have been drafted. MDA has a lead role in organizing a workgroup that includes all known interest groups to review the proposed revisions. MDA and the Michigan Association of County Drain Commissioners have reached consensus on a substitute bill. A workgroup meeting is scheduled for the last week of August.

The Governor signed Senate Bill 345 (Public Act 87) giving local units of government the authority to review land divisions. The bill will give municipalities 45 days to approve or disapprove a completed application for a proposed division. There is concern that it will limit the authority to depth/width and area of parcels only which is in conflict with the local ordinance authority granted under the Zoning Enabling Act.

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Commissioner Tatter recessed the meeting at 6:00 p.m.

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Commissioner Tatter reconvened the meeting on August 14, 1997 at 2:35 p.m.

REPORT ON DEER DAMAGE IN THE UPPER PENINSULA - JIM HAMILL, DISTRICT WILDLIFE BIOLOGIST, DEPARTMENT OF NATURAL RESOURCES

Jim Hammill reported that deer damage to crops is not a new problem in the U.P. During the early 1970s crop damage decreased in the U.P. due to antlerless deer seasons, followed by three severe winters. However, the herd has increased since then from 500,000 to almost 2 million. Approximately 2,000 landowners experience some type of crop damage on their property.

The DNR has adopted a number of different measures to deal with the deer overpopulation: summer shooting permits, block permits, 2 for 1 hunts in an extended hunting season, an early season from September 19-28, availability of leftover licenses for over-the-counter sale, moving up the application period to August 1 so archers would have the permits early, and making the antlerless deer license a stand-alone license. White-tail deer can only be controlled through heavy antlerless harvest. There are 450,000 antlerless deer licenses available this year which should result in the elimination of about 150,000 antlerless deer.

DNR would like to see the deer herd more evenly distributed, with more deer on public land and less deer on private land. There are many problems and concerns to address when handling

the deer situation on agricultural lands. It can be a very emotional and controversial issue. A measure of understanding is important by all those involved. Education of why rules are in place and why compliance is necessary is needed. Another problem is that some property owners limit access to their farms for deer hunting.

Commissioner Tatter asked if MDA and/or the Michigan Farm Bureau could assist in working with those property owners who limit access to their property. Mr. Hammill responded that any encouragement MDA or the Michigan Farm Bureau could give to farmers in the use of block permits would be greatly appreciated.

Commissioner Tatter inquired about the wolf population in Michigan. Mr. Hammill stated that this is a major concern of the DNR and the Natural Resources Commission would be reviewing the wolf management plan at its October meeting.

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UPDATE ON BEEF, SHEEP AND PORK ALLIANCE - ROBERT CRAIG, DIRECTOR, OFFICE OF AGRICULTURE DEVELOPMENT, AND DR. LARRY GRANGER, OFFICE OF AGRICULTURE DEVELOPMENT

Robert Craig reported that on August 26 there will be a joint meeting between the Michigan Beef and the Eastern Cornbelt Beef alliances. The regional beef alliance is comprised of Indiana, Illinois, Ohio, Kentucky and Michigan. The alliance provides a forum whereby the departments of Agriculture can meet to discuss the goal of improving profitability for the beef industry. It is the desire of the alliance to bring a major meat packer into the region.

Dr. Larry Granger is working closely with the alliances on many unique challenges. Focus is aimed at genetic improvement to enhance the quality of the product that reaches the consumer on a region-wide basis. The industry in Michigan depends on the quality of calves that can be imported from southern states. MSU is working on pricing systems and on ways higher quality animals can be certified, possibly through some type of labeling arrangement.

The sheep alliance is promoting a formalized risk sharing venture to encourage construction of a lamb feeding facility. This 3200 head facility would furnish 10,000 head per year or about 2 percent of Wolverine Packing's yearly slaughter.

There is a lot of progress in the pork industry as the number of sows has increased 11 percent. Michigan is the only one of six states that showed an increase. Last March, regional meetings were held to encourage corn growers to recognize the pork industry as a major way to add value to their commodity. A Thumb area co-op in Pigeon established a program to allow corn growers to invest in the swine industry by pledging 5,000 bushels of corn per year.

Commissioner Stamp believes that now may be the time to form a dairy industry alliance as

There are many issues that need to be addressed.

UPDATE ON UPPER PENINSULA AGRICULTURAL DEVELOPMENT ACTIVITIES AND RURAL DEVELOPMENT COUNCIL OF MICHIGAN - ROBERT CRAIG, DIRECTOR, OFFICE OF AGRICULTURAL DEVELOPMENT, AND JOHN KORHONEN, ISHPEMING CITY MANAGER AND EXECUTIVE COMMITTEE MEMBER OF THE RURAL DEVELOPMENT COUNCIL OF MICHIGAN

John Korhonen reported that American Eagle Corp. expects to start an airplane maintenance facility at the former Sawyer Air Force Base in November. The facility which employs about 180 workers currently is located at Marquette. The company has said the move could result in 80 jobs. Officials with Hamlin, Inc. of Lake Mills, Wisconsin and the Michigan Jobs Commission will sign documents soon and the company is expected to start manufacturing within three to six months.

Robert Craig reported that he has been working on the two alternative crops, canola and cranberries. He has met with MSU, local farmers and agri-business leaders to discuss the feasibility of these crops in the Upper Peninsula. In June, MDA was asked by Ontonagon County Economic Development to look into the feasibility of a canola processing plant using the buildings and facilities at White Pine Mine. It appears that canola production would be better suited in the western half of the U.P. and cranberry production better suited in the eastern half. He is also looking into the possibility of an underground horticulture production and packaging operation. There is great interest by a Canadian company to use a portion of the mine to grow flowers and vegetables in the underground greenhouses.

Robert Barron of Barron Farms located in Gladstone, Michigan, reported that he has studied the cranberry production possibility. He and his wife have gathered a great deal of information on cranberry production and its soil needs. The Michigan Cranberry Council and MDA formed a technical group that invited a consultant from Wisconsin to review possible Michigan sites. His 100-acre parcel, 110-bed site is scheduled for ground breaking next year. Michigan has a favorable natural climate, proper soil and water resources, and the fruit processing capability to support a significant cranberry industry.

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UPDATE ON FOOD AND DAIRY DIVISION - KATHY FEDDER, DIVISION DIRECTOR

The Centers for Disease Control is focusing on a seed supplier in Kentucky as the source for the E. coli outbreak in alfalfa sprouts. It has not been determined if the contamination occurred at the grower or at the seed supplier level, but it did not occur in Michigan. In light of this outbreak, MDA is working with alfalfa sprout operations in Michigan on preventative issues for recontamination of seed and lot number/coding.

A federal study based on 20 states, not including Michigan, indicated that more than 40 percent of milk used in school lunch programs is short weight. MDA is working with the eight Michigan dairies who currently participate in this program to answer their questions on weights and measures determination of short weight. MDA will organize a program in early September to assist dairies in their quality control measures to ensure they can comply with the weights and measures standards.

MDA has been meeting with milk safety officials in other states, the FDA, and dairy industry representatives regarding the Resolution 5 Committee recommendations proposed at the 1997 International Conference on Interstate Milk Shipments (NCIMS). The recommendations move from a quality standard to a food safety standard. The proposal also includes the elimination of the Grade A standard because it is not recognized as part of the international standard. MDA is supportive of the broad changes, but there are details in the plan that are viewed with much concern. Specific proposals developed from the Resolution 5 Committee will be voted on at the NCIMS meeting in October.

Commissioner Stamp asked that if Grade A milk standards were eliminated, what would be the national standard. Ms. Fedder responded that there would be a move to a more internationally accepted standard for what is a number-one grade, number-two grade, etc. A more detailed report will be presented to the Commission at its next meeting.

UPDATES BY DIVISION DIRECTORS OF THE LABORATORY, ENVIRONMENTAL STEWARDSHIP, AND HUMAN RESOURCES DIVISIONS

Updates by division directors of the Laboratory, Environmental Stewardship and Human Resources divisions will be presented at the August 15, 1997, Regional Employee Meeting.

PUBLIC COMMENT

Don Nelson, Michigan Farm Bureau, reported that they are looking very carefully at the use value assessment issue. The more they study this issue, the more confusing it becomes because Michigan's agriculture is so diverse and complex.

Mr. Nelson also commented on the highway advertising issue. Local farm markets are advertising along Michigan highways. The Michigan Department of Transportation (MDOT) has been removing the signs, even though they are only seasonal. Director Wyant indicated that MDA will contact MDOT concerning this issue.

Another concern is the bill reported out of committee prohibiting passengers from riding in the back of pickup trucks. This is of great concern to production agriculture. The Michigan Farm Bureau requested an amendment to the bill for production agriculture. Unfortunately, the amendment was unsuccessful.

Brad Deacon, Governor Engler's Office, thanked Director Wyant, MDA staff, the agricultural community and the Michigan Farm Bureau for their support of the Governor's gas tax road initiative.

Ian Budinger, Delta-Menominee District Health Director, introduced himself to the Commission. He stated that he performs food service inspections for the local health agency,

ow a part of MDA. He is looking forward to working closely with MDA on all food safety issues

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ommissioner Skogman moved to adjourn the meeting at 4:06 p.m. Seconded. Motion carried unanimously.

.TTACHMENTS

he following support documentation and handout materials are on file in the Commission of griculture office:

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.ttachment A Director's Report

.ttachment B Legislative Report

.ttachment C Report on Deer Damage in the Upper Peninsula

.ttachment D Update on Beef, Sheep and Pork Alliance

.ttachment E Update on Upper Peninsula Agricultural Development Activities and Rural evelopment Council of Michigan

Jordan B. Tatter, Secretary of the Michigan Commission of Agriculture, do hereby certify that have read the minutes of the August 13-14, 1997 meeting of the Commission of Agriculture and they are a true and accurate description of the proceedings thereof.

ordan B. Tatter, Secretary

Daniel J. Wyant, Director of the Michigan Department of Agriculture, do hereby certify that I ave read the minutes of the August 13-14, 1997 meeting of the Commission of Agriculture and they are a true and accurate description of the proceedings thereof.

aniel J. Wyant, Director

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