

**Michigan Commission of Agriculture Meeting
Geagley Laboratory
1615 S. Harrison Rd.
East Lansing, MI 48823**

**MEETING MINUTES
July 20, 2004**

PRESENT:

Bill Pridgeon, Chair, Commission of Agriculture
James Maitland, Vice-Chair, Commission of Agriculture
James Byrum, Secretary, Commission of Agriculture
Douglas Darling, Commission of Agriculture
Ann Jousma-Miller, Commission of Agriculture
Dan Wyant, Director, Michigan Department of Agriculture

OTHERS PRESENT: *(all or part of the meeting)*

Michigan Department of Agriculture Staff
E.J. Brown, Michigan Association of Fairs & Exhibitions
Clarence Wilbur
Craig Close, Great Lakes Quarter Horse Association
Tonia Ritter, Michigan Farm Bureau
Jeff Ehlert, Great Lakes Ethanol
Ken Lake, Great Lakes Ethanol
Larry Olsen, Michigan State University
William Bickert, Michigan State University
Eric Hanson, Michigan State University
Lee Jacobs, Michigan State University
Ronda Wuycheck, Department of Environmental Quality
Dave Kleweno, Michigan Agricultural Statistics
Mark Bertler, Michigan Association for Local Public Health
Dr. Deb McCullough, Michigan State University

CALL TO ORDER AND ROLL CALL

Chair Pridgeon called the meeting of the Commission of Agriculture to order at 10:02 a.m. on Tuesday, July 20, 2004. Secretary Byrum called the roll with Director Wyant, Commissioners Darling, Maitland, Pridgeon, and Jousma-Miller present.

APPROVAL OF AGENDA

**MOTION: COMMISSONER MAITLAND MOVED APPROVAL OF
THE JULY 20, 2004 AGENDA AS PRESENTED.
SECONDED BY COMMISSIONER DARLING. MOTION
CARRIED UNANIMOUSLY.**

APPROVAL OF JUNE 10, 2004, MEETING MINUTES

Commissioner Byrum offered the following correction on page 28: the spelling of Charlie Kline's name should be Kline instead of Klein.

MOTION: COMMISSIONER BYRUM MOVED APPROVAL OF THE JUNE 10, 2004 MEETING MINUTES. SECONDED BY COMMISSIONER DARLING. MOTION CARRIED UNANIMOUSLY.

NEXT MEETING

The next meeting of the Commission of Agriculture is scheduled for September 16, 2004, in Lansing.

APPROVAL OF COMMISSIONERS' TRAVEL

Commissioners Darling and Byrum attended a meeting with commodity group representatives on June 28, 2004 in Lansing regarding weather and agriculture.

MOTION: COMMISSIONER MAITLAND MOVED TO APPROVE THE ABOVE TRAVEL FOR COMMISSIONERS DARLING AND BYRUM. SECONDED BY COMMISSIONER JOUSMA-MILLER. MOTION CARRIED UNANIMOUSLY.

COMMISSIONERS' COMMENTS

Commissioner Byrum discussed the wheat harvest and localized problems with vomitoxin levels in red wheat. White wheat in the Thumb and Saginaw Valley is doing far better than anticipated, however corn is a concern. Michigan Agri-Business Association will be conducting a conference in September regarding how to handle high moisture/low test weight corn. Heaving rains and ponding have caused multiple crops in individual fields that will make it difficult to harvest and process.

Commissioner Byrum participated in a meeting with the Department of Environmental Quality and industry representatives regarding food processing issues. He and Terry Morrison (Michigan Food Processors Association) will continue to follow-up on several issues. One meeting concerning transportation issues drew approximately 45 participants. Primary discussion was about rail transportation. Other issues covered were fertilizer prices and crop protection materials.

Commissioner Jousma-Miller reported that the western part of the Upper Peninsula (UP) is still wet and farmers are having a difficult time with hay. The Delta County area in the central UP is doing fine. Strawberries are in their last full week.

The Upper Peninsula State Fair Board met Monday, July 19, with two UP State Fair Manager candidate finalists and unanimously selected one to present to the Michigan Department of Agriculture. Commissioner Jousma-Miller was very impressed with the selected candidate and feels with the support of the community will do very well.

Commissioner Jousma-Miller received a letter from Dr. Robert Ehlenfeldt, State Veterinarian in Wisconsin, stating Wisconsin is not ready to open the border between Michigan and Wisconsin. Commissioner Jousma-Miller will continue to meet with him and travel to Wisconsin to meet with their TB specialist regarding low impact marketing that could be made available. She will also continue to work with Dr. Nancy Frank on TB free status for the UP, electronic tagging and getting the UP into a position to act as a pilot for Wisconsin.

Commissioner Darling stated that he had the privilege (along with Commissioners Maitland and Pridgeon) of attending the dedication of the Jordan Tatter Conference Room at the Southwest Michigan Horticulture Research Station. Director Wyant shared his thoughts at the dedication and it was a wonderful event and tribute to former Commissioner Tatter.

Regarding crops across the state, the east half of the state has had difficulties. In talking with farmers, it is not just corn and soybeans that are struggling; nurserymen, greenhouse growers, agri-business and chemical business are all struggling. The real economic impact will come at the end of the year when the numbers come in.

In the Toledo area, there were some loads coming in with vomitoxin exceeding the acceptable level.

Commissioner Maitland stated that cherry harvest is just getting started and is later than normal because of the cool weather. Harvest will probably go into the second week in August, which is very unusual. The Cherry Festival was the first two weeks of July and had to import sweet cherries from other states. Governor Granholm was able to attend and met with a small group of farmers and extension agents in the area. She was asked questions about and discussed funding issues for the research stations and the Department of Agriculture, difficulties with obtaining DEQ permits and concerns about the Water Legacy Act and how that would affect agriculture.

Commissioner Maitland had an opportunity, prior to the Commission meeting, to tour part of Ag Expo and the experimental plots at the turf grass facility with Dean Jeff Armstrong.

Chair Pridgeon stated that in his area of the state, there are two crops planted; those planted in April and those planted in late May and June. They also have similar problems with ponding in the fields. The soybean crop that was planted early looks good. The wheat crop was full of head scab? All through the lower tier of counties in Michigan and into Ohio the rains came at the time the plants were flowering.

Commissioner Pridgeon noted that the beef check-off case has gone to the Supreme Court. When the decision comes down, it could affect other programs in Michigan.

DIRECTOR'S REPORT

Director Wyant referred to the 25th anniversary of Ag Expo and Michigan State University (MSU) President McPherson's presentation about farmland preservation, land use and value added agriculture. Dr. Ian Gray was recommended to the MSU Board of Trustees as Vice President of Research and Graduate Studies. They have begun the search for a new Extension Director.

MSU has targeted farmland preservation as a priority and has hired a researcher, Dr. Soji Adelaja. He has obtained funding for specific research projects and has met with Director Wyant, Gov. Granholm and the Farm Preservation Board. Some of the projects include looking at alternative funding mechanisms, the importance of value-added agriculture and the need to have agriculture viability as part of a farmland preservation program, insurance equity, and criteria for where to preserve farmland.

The budget is still in conference committee. There continues to be discussions around the racino package.

The Continental Dairy case has gone to federal court. There has been a preliminary hearing and the judge is expected to act in the near future.

The wine industry has approached MDA to bring the Michigan Liquor Control Commission and the beer and wine wholesalers to the table to discuss interstate and intrastate wine shipments. Because interstate wine shipments are currently being litigated and headed to the Supreme Court, the beer and wine wholesalers want to wait until the Supreme Court decision has been rendered.

The wineries have formed an independent association to deal with policy issues called WineMichigan and have recently elected officers.

Director Wyant met with Commissioner Byrum regarding the Right to Process law and will convene staff to review the law and Generally Accepted Processing Practices that could be put in place to mitigate nuisance complaints.

A meeting is scheduled for August 9, 2004, 1:30 p.m., to discuss Annex 2001. Annex 2001 includes the Great Lakes states and provinces of Canada, dealing with the diversion of water outside of the Great Lakes.

There is currently a discussion regarding a "State Employees Day" at the Michigan State Fair and Upper Peninsula State Fair. There are some concerns about lost revenue. Joe Dumars has partnered with the State of Michigan to put a basketball field house in the Agriculture Building at the Michigan State Fair. The renovation is almost complete and will be usable by fair time.

Commissioner Byrum suggested a survey of commodity groups regarding concerns and suggestions for participation at the Michigan State Fair.

Director Wyant attended the U.S. Fruit & Vegetable Industry Advisory Meeting. It was a good opportunity to talk about the school purchase program, of which Michigan has benefited. Director Wyant is to head a group to look at traceability of fruits and vegetables and homeland security. Director Wyant will be working with MDA's Food & Dairy Division staff, particularly Dr. John Tilden, to develop a recommendation that other states can utilize.

Other issues staff has been working on: weather; Right to Farm GAAMPs; filling the state veterinarian position and the department emergency management coordinator position.

Director Wyant attended an Emergency Management exercise with other cabinet members and Governor Granholm at the State Emergency Operations Center.

Commissioner Byrum helped to facilitate a meeting with Michigan Sugar and many partners from within state government. Dialog between Michigan Sugar and Monitor Sugar about their possible merger continues.

The VandenBosch legal decision was rendered saying that our process could be improved by promulgating rules on abandoned orchards. MDA will be reviewing and moving forward on promulgating formal rules regarding abandoned orchards.

Director Wyant attended the Midwest Association of State Departments of Agriculture (MASDA) meeting in Iowa. One item of particular interest was the Iowa Farm Bureau, Iowa cattlemen, pork, corn and soybean commodity groups forming a coalition for agriculture. It is a public relations group that mobilizes

when agriculture is challenged. They have three goals: help farmers get through regulations and help educate them on how to qualify and understand the regulatory approach; communicate to neighbors and mobilize a campaign to help offset challenges to new facilities or proposed expansions; and to be a voice at the Capitol.

Governor Granholm will be attending the Ionia Free Fair on July 23. Governor's Day at the Michigan State Fair is August 18 and August 20 at the Upper Peninsula State Fair.

APPROVAL OF DIRECTOR'S TRAVEL

- National Association of State Departments of Agriculture (NASDA), St. Paul, Minnesota; September 24-29, 2004.

MOTION: COMMISSIONER DARLING MOVED TO APPROVE THE DIRECTOR'S TRAVEL AS PRESENTED. SECONDED BY COMMISSIONER BYRUM. MOTION CARRIED UNANIMOUSLY.

LEGISLATIVE UPDATE: Brad Deacon, Legislative Liaison

Mr. Deacon reviewed legislative activities.

Rep. Howard Walker's bill on farmland preservation has passed the House 104-1 and has been referred to the Senate Ag Committee.

The licensing bills have been enrolled and sent to the Governor for signature.

The bills regarding application of aquatic pesticides have passed the Senate and are going to the Governor for signature.

The supplemental budget bill passed the House and is pending concurrence in the Senate.

A bill that affects the Motor Fuel Quality program has been introduced. The Michigan Underground Storage Tank Financing Authority (MUSTFA) was created to help take out old tanks that were leaking. MUSTFA had a bonding provision and has been collecting 7/8 of a cent on all gasoline sold. The House has passed and the bill is in the Senate to continue the authority (that was due to expire) with a provision to allow some of the money to be sent back to MDA to help monitor quality and quantity.

Rep. Fran Amos introduced two bills after last month's Commission meeting that would amend the Motor Fuel Quality Act and the Weights and Measures Act, increasing penalties.

There are two bills on the Senate floor to move the Michigan State Fair (MSF) from MDA to the Department of Management and Budget. One bill transfers the MSF from one department to another and the other bill would establish the MSF as a special agency.

Resolutions were introduced in both the House and Senate showing support for Rural Partners of Michigan. The House resolution has been adopted, the Senate resolution is pending.

Commissioner Darling asked if there has been any feedback regarding the PA 116 payments and delays going through the audit process. Mr. Deacon stated that there have been some calls on that. The Department of Treasury has reduced staffing as a result of the early out, medical leaves and vacations. They are processing in the order they receive the paperwork. It is slower than usual.

AGRICULTURE CENSUS UPDATE: Dave Kleweno, Director, Michigan Agricultural Statistics

Dave Kleweno provided a PowerPoint presentation to the Commission summarizing changes and trends in the agriculture census.

Internet usage and manure usage are new categories added to the census.

The official number of farms in Michigan is 53,315. There is slight downward trend of farms in Michigan. Loss of farmland is at approximately three percent. Michigan has lost most of farms in the mid-sized category (50-1,000 acre), an 11 percent drop. This is also a national trend. Increases in number of farms are in the 10-29 acres category and the 1,000-2,000+ acres category. Mr. Kleweno also discussed farm size in relation to sales. He shared information on commodity rankings, irrigation, organic growth, farm marketing and profile of farm ownership.

USA Today had an article this week regarding changes in farming and used statistics from this census.

FINAL APPROVAL OF REGULATIONS: FAIRS, EXHIBITIONS AND RACING DIVISION, presented by Brad Deacon, Legislative Liaison

Brad Deacon presented six rules for final Commission approval: Reg. 808 Payment of Breeders' Awards; Reg. 812 State Purse Supplements for Harness Horse Racing at Fairs and Pari-Mutuel Tracks; Reg. 814 Futurity and Sire Stakes Races; Reg. 820 Michigan-Bred Pari-Mutuel Races; Reg. 817 Quarter Horse Breeders' Awards and State Supplements; Reg. 823 Paint Horse Breeders' Awards, Owners' Awards, and State Supplements. According to procedure, every rule comes before the Commission three times. Rules 808, 814 and 820 had preliminary approval in March 2003. Rule 812 received

preliminary approval in June 2003. A public hearing was held for all four rules on December 9, 2004 and were before the Commission for approval of language at the April 2004 meeting. They are now before the Commission for final approval and have been transmitted to the Joint Committee on Administrative Rules. If everything is in order and upon Commission approval, they will go into effect shortly thereafter. All four rules contain language on embryo transfer policy to make it consistent among different sectors of the horse industry on eligibility for prizes.

Rules 817 and 823 had preliminary approval from the Commission in February 2002. A public hearing was held in November 2002. There were substantial changes that warranted a second public hearing in December 2003. The Commission reviewed the rules again at the April 2004 meeting. Mr. Deacon introduced Mr. Craig Close, Executive Director for the Great Lakes Quarter Horse Association, who made himself available for questions from the Commission. The Paint Horse rule is new and the Quarter Horse rule had some revision.

Mr. Deacon indicated that there was support across the industry, but they had heard from Charlie Kline whose concern was that he had not been more involved and brought into the process. Mr. Deacon stated that was something we could work to remedy.

Mr. Close stated he was supportive of the changes and that he had been involved in the process.

Commissioner Pridgeon conveyed concerns shared with him by Mr. Kline in a telephone call.

Commissioner Pridgeon raised a concern about Rule 814 as it allows for the sire stakes to be lumped together with the futurities.

Director Wyant responded that separation would result in a duplicate rule.

MOTION: COMMISSIONER BYRUM MOVED TO APPROVE THE ADOPTION OF THE REGULATIONS. SECONDED BY COMMISSIONER MAITLAND. MOTION CARRIED UNANIMOUSLY.

MICHIGAN ASSOCIATION FOR LOCAL PUBLIC HEALTH: Mark Bertler, Executive Director

Mr. Bertler gave an overview of the Michigan Association of Local Public Health that represents Michigan's 45 city, county and district health departments. He shared information about MALPH's role in general and specifically what they do in conjunction with the Michigan Department of Agriculture.

MALPH is responsible for the protection and promotion of the public's health in the state. Program areas include the restaurant inspection program, immunization programs and programs related to chronic and communicable diseases. MALPH also responds to disease outbreaks, and are involved with bio-security and homeland security issues.

The restaurant inspection program was transferred by Executive Order in 1996 from the Department of Public Health to the Department of Agriculture. MALPH has been very pleased with the relationship with MDA and the food safety philosophy, serving the public and protecting their health.

MALPH is working on an operational definition of a local public health department. Michigan has a very well established and structured local public health system. The Center for Disease Control is attempting to hold local and state health departments more accountable. Here in Michigan, in cooperation with MDA, MDEQ and MDCH, there is a thorough review of every local health department every three years. MDA has been a leader in helping to identify problems and move toward standards. MDA is often held up as a model, demonstrating how collaboration between a state agency and the field of local public health can work in everyone's best interest.

Mr. Bertler commended Director Wyant and the staff of MDA as an outstanding partner and MALPH appreciates MDA's pro-active approach to bio-terrorism.

Director Wyant thanked Mr. Bertler and discussed why the partnership works. Among those reasons, consistency between state and local standards and uniformity with the Food Code.

ANIMAL HEALTH UPDATE: Dr. Nancy Frank, Acting Director, Animal Industry Division

Dr. Frank informed the Commission that a dairy herd (approximately 144 animals) in Montmorency County has tested positive for Bovine TB. TB was diagnosed at this farm in the past. The strategy used before was test and remove. The farm owners will be offered the choice again of test and remove or a de-population of the farm. The protocol for test and remove is more stringent now than it was in the past because of new USDA requirements.

Dr. Frank updated the Commission on Mackinac Bridge activity. For the last three months (April, May & June) there have been inspections of livestock crossing the bridge. Staff has filed fifty-seven inspection reports, with five cases of discrepancies in the paperwork. One case is pending investigation and one is currently under investigation. In the other cases, individuals were educated about proper paperwork for crossing.

A major focus in the TB program is to continue to implement the split state status. Staff is very involved at markets, monitoring the movement of animals. Application is being written for obtaining free status for the Upper Peninsula. In addition, staff will be looking at next steps in determining future status for the state.

BSE update: We currently have an active surveillance program in Michigan, part of the overall national surveillance plan. As of June, 379 samples for BSE from cattle in Michigan (primarily coming from slaughter facilities) were tested. Approximately 25 samples a day are being collected. The target is about 5,600 over the course of a year. All tests have been negative.

National ID Program for Livestock: The federal government has determined what system they will use for allocating the premises IDs. There is on-going training and education as all states will need to tie into that system.

MDA has submitted a proposal for cooperative agreement money for Michigan with four other states; a five-state, Great Lakes proposal for a new animal ID initiative. Grant announcements will be made in September.

The Animal Industry Division have had emergency management training sessions, and will be implementing a number of tabletop exercises, expanding to include field staff and industry.

Disease update: There have been outbreaks of **vesticular stomatitis** in Texas, Colorado and New Mexico, primarily in horses, but some cattle have been affected. This disease is of concern because it can be confused with foot and mouth disease. A reminder was sent to all states that Michigan has a requirement for an animal coming from a state where vesticular stomatitis has been found, must have a statement on the health certificate indicating that the animal has had a negative exam specifically for that.

CAPTIVE CERVID AUDIT UPDATE: Dr. William Moritz, acting chief, Wildlife Division, Department of Natural Resources; Capt. Alan Marble, acting Chief, Law Enforcement Division, Department of Natural Resources

Dr. Moritz and Capt. Marble updated the Commission on the Captive Cervid Audit. On June 15, 2004, the regulation and bio-security for privately owned cervid was transferred by Executive Order from the Department of Agriculture to the Department of Natural Resources. A non-punitive audit is currently being conducted to review record keeping at each facility, inspection of fences and complete a questionnaire of the business practices (e.g. how they dispose of dead animals). This is based largely on the Wisconsin audit conducted about a year ago. The category 3 and 4 facilities (ranches and full-service operations) are being done first, followed by hobby and exhibition category facilities. There

are approximately 536 facilities in categories 3 and 4 targeted to be completed by October 1, 2004.

A training program was put together with participation of MDA staff and Michigan Deer and Elk Association. Approximately 20 teams (a biologist and conservation officer) have been trained. As of July 19, 193 audits have been completed. The majority of the facilities do not have compliance issues, but approximately one-third of the facilities have improvements to make, mostly repairs to fences or poor on-farm record keeping. A checklist is provided to the owner at the end of the audit and there is a follow-up visit to ensure repairs are made.

The process is going very smoothly with positive feedback. The non-punitive nature of the audit has opened doors for education. DNR continues to receive applications for new facilities or expansion of existing facilities and are addressing those as they come in.

Dr. Moritz showed photos of fencing problems and discussed fencing requirements.

Dr. Moritz complimented MDA staff on the information transfer prior to the beginning of the audit.

PUBLIC COMMENT

Clarence Wilbur, is a beef producer from Ontonagon County. Mr. Wilbur represents the dairy and beef producers in the six-county area in the western UP.

Mr. Wilbur discussed the difficulty in having his large livestock scale certified, as MDA does not have local Weights and Measures certification capabilities in the UP. Because of Bovine TB, the traditional markets for those in the western UP have disappeared. Farmers have tried to work together to bring their cattle down state for sale, but do not have a certified scale to weigh their cattle. It is becoming an economic disaster for the western UP.

Commissioner Maitland asked what it means to not have a certified scale. Mr. Wilbur responded that when selling to livestock operations (e.g. Superior Livestock who conducts video auctions) they look for the seal and date of scale certification.

Commissioner Byrum commented that the rules had changed and scale service companies actually now do the testing and certification. Mr. Wilbur commented that they can get on the route for a service company but it is expensive and they can attest to accuracy, but not certify. Distance is a big issue.

Director Wyant responded that staff will check into this issue and will work with Mr. Wilbur to find a solution for the western UP.

RECESS:

The meeting recessed at 12:50 p.m.

RECONVENE:

The meeting was reconvened at 1:40 p.m.

FINAL APPROVAL – GAAMPS: Vicki Pontz, Director, Environmental Stewardship Division

Ms. Pontz presented seven sets of Generally Accepted Agriculture Management Practices for final approval: Manure Management and Utilization; Site Selection and Odor Control for New and Expanding Livestock Production Facilities; Nutrient Utilization; Pesticide Utilization and Pest Control; Care of Farm Animals; Cranberry Production and Irrigation Water Use.

Ms. Pontz was joined by Dr. Bill Bickert and reviewed changes in the Manure Management GAAMP.

MOTION: COMMISSIONER MAITLAND MOVED TO APPROVE THE MANURE MANAGEMENT AND UTILIZATION GAAMP WITH REVIEWED CHANGES. SECONDED BY COMMISSIONER DARLING. MOTION CARRIED UNANIMOUSLY.

Commissioner Darling encouraged alignment with NRCS, MDA and other agencies as the documents and practices continue to evolve.

Ms. Pontz reviewed the changes in the Site Selection and Odor Control for New and Expanding Livestock Production Facilities. There was one public comment relative to the Livestock Siting GAAMP expressing how the siting of a large animal operation might impact the economic value of neighboring residences or other property.

MOTION: COMMISSIONER BYRUM MOVED TO APPROVE THE SITE SELECTION AND ODOR CONTROL FOR NEW AND EXPANDING LIVESTOCK PRODUCTION FACILITIES GAAMP WITH REVIEWED CHANGES. SECONDED BY COMMISSIONER MAITLAND. MOTION CARRIED UNANIMOUSLY.

Ms. Pontz was joined by Dr. Lee Jacobs to review the changes for the Nutrient Utilization GAAMP.

MOTION: COMMISSIONER DARLING MOVED TO APPROVE THE NUTRIENT UTILILZATION GAAMP WITH REVIEWED CHANGES. SECONDED BY COMMISSIONER JOUSMAMILLER. MOTION CARRIED UNANIMOUSLY.

Ms. Pontz then presented the remaining four GAAMPs for approval. The Pesticide Utilization and Pest Control, Care of Farm Animals, Cranberry Production and Irrigation Water Use GAAMPs had no changes.

MOTION: COMMISSIONER BYRUM MOVED TO APPROVE THE PESTICIDE UTILIZATION AND PEST CONTROL, CARE OF FARM ANIMALS, CRANBERRY PRODUCTION AND IRRIGATION WATER USE GAAMPs AS PRESENTED. SECONDED BY COMMISSIONER DARLING. MOTION CARRIED UNANIMOUSLY.

COMMISSION RESOLUTIONS:

Director Wyant asked the Commission to recognize the chairs of the seven GAAMPs committees. The committees are science-based and the chairs spend a tremendous amount of time working on these important practices.

MOTION: COMMISSIONER BYRUM MOVED TO RECOGNIZE THE FOLLOWING INDIVIDUALS WITH GRATITUDE: PROFESSOR WILLIAM BICKERT, PROFESSOR ERIC HANSON, PROFESSOR LEE JACOBS, PROFESSOR MARGARET BENSON, PROFESSOR LARRY OLSEN AND PROFESSOR TED LOUDON. SECONDED BY COMMISSIONER DARLING. MOTION CARRIED UNANIMOUSLY.

The following were presented with their resolutions: Professor William Bickert, Professor Eric Hanson, Professor Lee Jacobs and Professor Larry Olsen. Professors Margaret Benson and Ted Loudon were unable to attend.

2001 ANNEX WATER USE: Vicki Pontz, Director, Environmental Stewardship Division and Michael Gregg, Resource Conservation Section Manager

Ms. Pontz distributed recently received information from the states and provinces. The information covers the process that will be used for public input and key issues for public comment. Earlier in the day MDA received a draft of the 2001 implementing documents, and have not had a chance to review them. Ms. Pontz stated that she could return and present a more detailed report after reviewing the documents and again referenced the August 9, 2004 meeting and encouraged the Commissioners to attend.

The Office of the Great Lakes and MDEQ have already scheduled public meetings.

AGRICULTURE DEVELOPMENT DIVISION UPDATES: Robert Craig, Director; Christine Lietzau, Organic and Sustainable Ag Coordinator; Linda Jones, Program Manager, Michigan Grape & Wine Industry Council

Robert Craig and Chris Lietzau updated the Commission on Select Michigan Program activities. The program has been expanded from the Grand Rapids area where work has been done with Meijer, Spartan Stores and others, to include the southeast Michigan area. Depending on opportunities for cooperation, other parts of Michigan are also affected. Soybeans and asparagus have been highlighted and the blueberry campaign is currently running. Governor Granholm declared June Select Michigan Month and participated in a radio interview promoting Michigan asparagus. Ms. Lietzau shared examples of promotional and advertising materials that were achieved through cooperative efforts. Organizations and individuals that have partnered with MDA for the Select Michigan Program: Women's Lifestyle Magazine, Meijer, WMGC 105.1 Radio, Frank Turner (Head Chef at Morel's Restaurant), Detroit News and Lansing State Journal.

The promotional kick-off in the Detroit area was at the Fresh Fare Kroger store in Birmingham with an in-store radio remote, preparation of asparagus stir-fry and the store also created a display of Michigan wines. Also, the Lake Lansing Meijer store and Grand Rapids Spartan Stores participated.

Spartan Stores are providing bag stuffers and signage the week prior to the in-store demo to let customers know of the opportunities to taste and purchase Michigan asparagus and blueberries. Staff is meeting with Spartan Stores staff several times a month.

Preliminary accounts of asparagus sales were over one million pounds of Michigan asparagus statewide. Two hundred thousand pounds were sold in west Michigan. Average price this year was \$.99 in non-partnering stores, but in the partnering stores the price was raised to \$1.60 - \$1.99 per pound with an increase in sales of 1.5 percent over last year. According to John Bakker from the Michigan Asparagus Advisory Board, a great deal of the profit went back to the local grower.

K-Mart has agreed to buy fish directly from the Michigan fish industry.

The next Select Michigan promotion will be with Michigan peaches, followed by fall harvest commodities. The Select Michigan Program has made an impact due in part to partnerships with the industry.

Commissioner Darling commented that this is a real success story for partnership between the state, industry and distributors.

Linda Jones, Program Manager, Grape & Wine Industry Council, presented an update on Council activities. She updated the Commission on the State Fair Wine Judging, which despite crop damage, had an increase in entries from 250 last year to 296, and from 22 to 29 wineries entering wine.

The Council has a new website available to the industry to get information about regulatory issues, how to grow grapes and make wine (Michigan.gov/winresources). Called the "WIRM", Wine Industry Resources for Michigan, gives the industry tools to get started. In addition, a start-up guide has been produced.

Sales of Michigan wines have increased approximately nine percent a year for the last seven years that has outpaced the growth of the total wine market. The challenge is the industry is very capital intensive and the wineries would like to see a healthier bottom line. The Council is encouraging more planting of grapes as demand is exceeding supply. The Council is also shifting its focus more toward business development trying to encourage growth and away from some of the promotional activities.

The Council has worked with Climatology Office at MSU to try and identify those counties in Michigan that hold the most promise for the wine grape vineyards (Allegan, Benzie, Cass, Manistee, Mason, Oceana, St. Clair and Washtenaw.) Ninety percent of the wine grapes are now grown in Berrien, VanBuren, Grand Traverse and Leelenau Counties.

The Council will be working with the Select Michigan Program for a fall wine promotion.

GREAT LAKES ETHANOL, LLC: Jeff Ehlert, Chairman of the Board; Ken Lake, Board Member

Jeff Ehlert and Ken Lake updated the Commission on their project in southeast Michigan. Mr. Ehlert distributed a presentation packet and discussed each of the board members and their respective backgrounds.

This project started in 2000 with a meeting to discuss ways to increase profit from farms in non-traditional ways. Conferences followed in 2001 and 2002 regarding bio-fuel plants, followed by meetings with Jody Pollok at the Michigan Corn Marketing Committee. The Lenawee County Ag Council pursued the idea and collected money from local business and worked with the local chamber to complete a feasibility study for Michigan. The feasibility study was favorable and the idea was continued. The start-up capital came from the board members. They are currently working on an equity drive to produce

publications and pay legal fees. They are now close to \$12 million. The building design company was selected and the site has been chosen in Riga Township in Lenawee County, near US-23 on the Adrian and Blissfield Railroad.

Mr. Lake shared that the study has shown great potential for ethanol marketing within 100 miles of the plant. He discussed plans for working with the railroad on transportation and pricing and potential for reaching eastern United States markets and availability of corn to support the plant.

Mr. Ehlert and Mr. Lake answered Commissioner questions about logistics and questions related to the potential of the plant.

PLANT HEALTH UPDATE: Ken Rauscher, Director, Pesticide & Plant Pest Management Division; Dr. Deb McCullough, PhD, Associate Professor, Department of Entomology & Department of Forestry, Michigan State University

Mr. Rauscher introduced Pat Lockwood, Director of **Emerald Ash Borer (EAB)** Policy for MDA. Mr. Rauscher provided the Commission with a copy of a revised quarantine that designated two additional small areas to the quarantine in the last couple of weeks. One area is in the town of Quincy and the other is near the town of St. Helen in Roscommon County.

In addition, Mr. Rauscher provided a list of municipalities that received funding under the tree removal program. \$1.2 million was made available through federal appropriations as part of the 2004 federal appropriation to USDA. Funding was distributed to the municipalities based on applications. Approximately 145 municipalities were contacted within the six southeast counties that were part of the original core. Forty-seven municipalities responded. A formula was developed and money was distributed based on a per tree figure.

Mr. Rauscher introduced Dr. Deb McCullough, MDA's research partner on EAB at MSU and a member of the EAB Science Advisory Panel. Dr. McCullough presented a PowerPoint presentation on EAB research updates and provided a partial list of projects currently being conducted regarding EAB.

Dr. McCullough answered additional questions from the Commissioners.

Mr. Rauscher distributed information regarding **Asian soybean rust**. Soybean rust currently exists in Brazil and Ecuador, north of the equator. The estimate is that it could be wind blown at any time into the United States. Once it is established, it becomes a yearly infection problem and becomes a management issue. The tactic is to be prepared with fungicides. Other hosts for soybean rust include dry beans and snap beans. Unless there are fungicide

applications, there are 40-60 percent yield reductions. Seed companies are trying to develop resistant seeds.

PUBLIC COMMENT:

Tonia Ritter, Michigan Farm Bureau (MFB), commented regarding the abandoned orchard issue, an issue important to Farm Bureau members, who were concerned about the integrity of the program prior to the VandenBosch ruling. MFB looks forward to working with MDA and moving that process along as quickly as possible.

Budget rumors are changing daily. Tied to that is the Agriculture Enhancement Program that includes not only additional funding for agriculture, but also the opportunity for the horse racing industry in the state. There are concerns about the viability of that moving forward.

Ms. Ritter commented that she had spoken to Alex Draper from the Michigan Deer and Elk Association and from the industry's perspective, believes things are going very well with the captive cervid audit. As a reminder, the industry supported the audit and expected that there would be a few things that would need some correction. They want to have a respectable business in the state and look forward to the audit being completed. Ms. Ritter compared this audit to the annual dairy farm inspections, that it is a good process for the industry.

ADJOURNMENT

MOTION: COMMISSIONER DARLING MOVED TO ADJOURN THE MEETING. COMMISSIONER BYRUM SECONDED. MOTION CARRIED UNANIMOUSLY.

Meeting was adjourned at 4:40 p.m.

ATTACHMENTS

A - Minutes June 10, 2004

B – Legislative Report

C – Ag Census Update

D – Regulations, Certificates of Adoption

- Reg. 808 Payment of Breeders' Awards

- Reg. 812 State Purse Supplements for Harness Horse Racing at Fairs and Pari-Mutuel Tracks

- Reg. 814 Futurity and Sire Stakes Races

- Reg. 820 Michigan-Bred Pari-Mutuel Races

- Reg. 817 Quarter Horse Breeders' Awards and State Supplements

- Reg. 823 Paint Horse Breeders' Awards, Owners' Awards, and State Supplements

E – Michigan Association of Local Public Health

F – GAAMPs Final Draft

- Manure Management and Utilization*
- Site Selection and Odor Control for New and Expanding Livestock Production Facilities*
- Nutrient Utilization*
- Pesticide Utilization and Pest Control*
- Care of Farm Animals*
- Cranberry Production*
- Irrigation Water Use*

G – Commission Resolutions

- Professor William Bickert*
- Professor Eric Hanson*
- Professor Lee Jacobs*
- Professor Margaret Benson*
- Professor Larry Olsen*
- Professor Ted Loudon*

H – 2001 Annex Water Use

I – Agriculture Development Division Update

J – Great Lakes Ethanol

K – Plant Health Update

L – Public Comment