

**MICHIGAN COMMISSION OF AGRICULTURE  
Geagley Laboratory  
Gordon Guyer Room  
1615 S. Harrison Rd.  
East Lansing, Michigan 48823**

**MEETING MINUTES  
September 16, 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  
Gail Frahm, Michigan Soybean Promotion Committee &  
Michigan Biodiesel Alliance  
Ron Nelson, Michigan Farm Bureau  
Tonia Ritter, Michigan Farm Bureau

**CALL TO ORDER AND ROLL CALL**

Chair Pridgeon called the meeting of the Commission of Agriculture to order at 9:00 a.m. on Thursday, September 16, 2004. Secretary Byrum called the roll with Director Wyant, Commissioners Darling Maitland, Pridgeon and Jousma-Miller present.

**APPROVAL OF AGENDA:**

**MOTION: COMMISSIONER MAITLAND MOVED APPROVAL OF THE SEPTEMBER 16, 2004 AGENDA AS PRESENTED. SECONDED BY COMMISSIONER DARLING. MOTION CARRIED UNANIMOUSLY.**

**APPROVAL OF JULY 20, 2004, MEETING MINUTES**

**MOTION: COMMISSIONER DARLING MOVED APPROVAL OF THE JULY 20, 2004 MEETING MINUTES. SECONDED BY COMMISSIONER MAITLAND. MOTION CARRIED UNANIMOUSLY.**

## **NEXT MEETING**

The next meeting of the Commission of Agriculture is scheduled for November 9, 2004, in Lansing.

## **APPROVAL OF COMMISSIONERS' TRAVEL**

August 9, 2004, DEQ Annex 2001 Meeting, Lansing; Byrum, Darling  
August 12, 2004, EAB Legislative Tour, Ann Arbor; Darling  
August 18, 2004, MI State Fair Governor's Luncheon, Detroit; Maitland, Byrum, Darling  
August 26, 2004, USDA CSP Dedication, Waldron; Darling, Pridgeon  
August 31, MI Farmland Community Alliance Statewide Education Conference, Lansing; Darling  
Commissioner Jousma-Miller accompanied DNR staff on several captive cervid audit visits.

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

## **COMMISSIONERS' COMMENTS**

**Commissioner Jousma-Miller** reported that the Upper Peninsula is doing extremely well. Crops are a little slow with a cold summer. Most activities have been related to the DNR audit visits on the confined herds. She commented that minimal infractions were found. She discussed fencing issues and the audit questionnaire.

**Commissioner Darling** commented on maturing crops in his area. There is some anxiety about harvest due to moisture in the grain and lines at the elevators caused by the usage of the grain dryers. Fuel costs will also be an issue. Commissioner Darling reported on the meeting he had attended regarding water issues, the EAB Legislative tour and information shared regarding the on-going efforts to curb the Emerald Ash Borer; and the Youth Livestock Auction at the Michigan State Fair.

Some farmers have not yet received their refund checks for PA 116. There is no incentive for the farmers to sign up again for the program when they are not receiving their checks in the spring as they are accustomed to.

Director Wyant explained that MDA administers the PA 116 program but the tax credit goes through the Department of Treasury. Director Wyant will follow-up with the Department of Treasury.

Commissioner Darling also shared a booklet from the Natural Resources Conservation Service and USDA from the Conservation Security Program dedication in Waldron.

**Commissioner Maitland** attended the Michigan State Fair and commented on the clean grounds and friendly staff. He also attended the 25th Anniversary Celebration of the Northwestern Michigan Horticulture Research Station. The celebration was well attended by farmers, researchers and MDA staff. He noted the important research done over the years for the fruit industry.

Harvest is just getting started for apples and no problems have been reported.

**Commissioner Byrum** commented that there are still concerns about rail transportation. Corn harvest has started with concern about maturity. Lines will be long at the elevators and drying will be expensive. Soybean harvest has started in the southern part of the state. Those soybeans planted early will have a good yield and quality. Dry bean yields and quality have been exceptional. There has been frost in North Dakota and Manitoba so prices on dry bean yields are up which could be good for Michigan growers.

Commissioner Byrum reported that he would be concentrating on international trade for the next couple of months.

**Commission Pridgeon** commented that harvest has started in his area for dry beans and they have experienced large yields. Some farmers are having problems staying ahead of the hot weather and drying winds for silage. Those that did not get planting done early are now susceptible to frost, and have had no rain in a month.

## **DIRECTOR'S REPORT**

Director Wyant announced the selection of Dr. Steve Halstead as State Veterinarian. The decision was difficult with two internal, very qualified final candidates. Director Wyant thanked Dr. Nancy Frank for her hard work and noted her value to the department.

Brad Deacon will be assuming the position of Emergency Management Coordinator for the Department of Agriculture beginning October 1, 2004. He will also act as the department's hearing officer and continue to be a liaison with the Commission. Brad takes over for Bob Tarrant who was asked to head the state inter-operability project to link, through

communications, state emergency management to all local emergency management.

Scott Staelgraeve was selected as the UP State Fair Manager.

Director Wyant updated the Commission on budget issues.

The Farmland Preservation Board passed a scoring system. This fall MDA will evaluate the PA 116 program and the new scoring system to determine if there is adequate funding to run the program. The program is now run by the board and Director Wyant is a member of that board.

Commissioner Maitland added that Antrim, Leelanau and Grand Traverse County, has a multi-jurisdictional Purchase of Development Rights (PDR) agreement. Several townships are going out for a mileage to support that program.

Michigan Sugar has an agreement by the growers to purchase Monitor Sugar. They are working on the financial packet to be completed by September 30, 2004.

Annex 2001 - MDA hosted a meeting of the agriculture industry and a cross section of the major water users. The Office of the Great Lakes reviewed the proposal of the multi-state province agreement. It was suggested that a presentation be made to the Agriculture Commission.

The date change for the Michigan State Fair seems to have been a good move with very good attendance this year. Average daily attendance was up, but overall attendance was the same (last year's fair was 18 days). New records were set at the Junior Livestock Auction. The agriculture building has had a significant change with Dumars Field House renovation. The Department participated with an EAB display, food safety display and specialty food companies.

Commissioner Maitland commented that the EAB, food safety display and specialty food display were excellent and well attended. Staff should be commended. Also, Farmer Jack has a very good hands-on display near the Miracle of Life tent with a "food from farm to store" theme.

The UP State Fair figures were unavailable. Initial reports indicate that attendance was good, with small crowds at the entertainment. The agriculture in the classroom display was well done. The Governor spent the day on the fairgrounds.

County fair successes around the state continued to be mixed. Results are varied with approximately a third doing well, a third breaking even and a third experiencing loss.

A meeting was held with Conservation Reserve Enhancement Program (CREP) partners to discuss ways to leverage federal dollars to continue the program. Conservation practices being implemented on farms through this program improve both water quality and wildlife habitat.

The Confined Animal Feeding Operations (CAFO) program with DEQ continues to evolve. Director Chester has made outreach to the agriculture community a priority.

Director Wyant heard a presentation about a proposed ethanol plant in Lake Odessa. It does not appear to be as far along as the proposal in southeast Michigan.

A visit was made to the Flint Farmers' Market and Director Wyant was impressed with the redevelopment of that market. Detroit is also exploring the potential to revitalize their downtown market.

An Opinion and Order in the Continental Dairy case has been issued dismissing the case.

Keith Creagh and Chris White will be attending the National Association of State Departments of Agriculture (NASDA) Conference in Minnesota. Several national policy issues will be discussed.

Harvest Gathering is scheduled to begin again in November with a reception on November 10 in Constitution Hall.

Commissioner Maitland requested an updated regional staff list. Director Wyant invited the Commissioners to attend any regional meetings.

**MICHIGAN BIODIESEL ALLIANCE: Gail Frahm, Executive Director, Soybean Promotion Committee and Michigan Biodiesel Alliance; Robert Craig, Director, Agriculture Development Division**

Mr. Craig spoke briefly of the unique partnership with MDA, Michigan Soybean Promotion Committee and Michigan Biodiesel Association and the recent bus tour.

Mr. Craig introduced Gail Frahm who shared her background with the Commission and provided a PowerPoint presentation regarding the

background and history of the Michigan Biodiesel Association, current and future projects.

**CERTIFICATE OF ADOPTION FOR REGULATION 811, PREMIUM ALLOCATIONS; UP STATE FAIR UPDATE; INTRODUCTION OF SCOTT STAELGRAEVE, UP STATE FAIR MANAGER: Barbara Hensinger, Director, Fairs, Exhibitions and Racing Division**

Ms. Hensinger distributed materials highlighting the activities during the UP State Fair and year around activities at the fairgrounds. She discussed successes and challenges from this year's fair.

She introduced Scott Staelgraeve, new State Fair Manager at the UP State Fair, whose first day of employment was the first day of the fair. Mr. Staelgraeve shared his background and experience with the Commission. He discussed ideas and plans for continuing and improving activities at the fairgrounds.

Commissioner Darling commented that he was impressed with the year around use of the fairgrounds.

Director Wyant commended Ms. Hensinger and staff with organizing and running the fair without a full time manager. He also thanked Jeff Haarer who works with the Livestock Auction Fair at both fairs. Mr. Haarer stated that \$203,000.00 was spent at the auction and broke all records. \$81,000 was raised for the scholarship fund. MDA employees raised \$6,000 to purchased animals at both fairs and \$2,000 to the food banks.

Ms. Hensinger then presented Regulation 811 for final Commission approval. Reg. 811 governs premiums to county and state fairs.

**MOTION: COMMISSIONER BYRUM MOVED TO APPROVE THE ADOPTION OF REGULATION 811. SECONDED BY COMMISSIONER MAITLAND. MOTION CARRIED UNANIMOUSLY.**

**LEGISLATIVE UPDATE: Brad Deacon, Legislative Liaison**

Mr. Deacon reviewed legislative activities. Many department budgets are completed, however, Agriculture's budget is still pending.

The supplemental budget bill passed with additional EAB funding in addition to authorization on a number of other program lines to make sure federal money could be utilized.

Sen. Brown has introduced two bills that provide tax credits for methane digesters. They have passed the Senate and are out of House Agriculture Committee and may be taken up in the House next week.

The state fair bills are still on the Senate floor. Currently the state fair budget is still in the Department of Agriculture.

Sen. McManus' bill to extend the sunset on the DNR Commission's ability to impact the feeding of wild deer and elk will come up in the fall in House committee.

Rep. Walker's bill that creates a new version of PA 116 is in the Senate Agriculture Committee. Talks with Treasury and the Governor's office are ongoing.

Rep. Nitz has been working to get more support for biodiesel; however, the petroleum industry has some concerns about any mandate on biodiesel.

No further news to report on the video lottery terminal bill.

The remainder of the permit licensing bills have been signed by the Governor, as were the two bills to streamline the permitting processes on aquatic nuisances and lake treatments.

**GAS INSPECTION UPDATE: Celeste Bennett, Motor Fuels Quality Manager, E.C. Heffron Metrology Laboratory**

Celeste Bennett shared information with the Commission regarding the May Day to Labor Day Project. Inspections were increased by 30%. Through the evaluation process, they will be looking at risk areas. The FY '05 focus will be getting information out to retailers on how to do their own risk assessment.

There is an increase in consumer quality complaints. The gasoline market is tight and the prices jump every time there is a fluctuation in the market or threat of supply problems, such as with the recent hurricanes in Florida. There is stress at the retail level due to supply issues.

"Stop sales" are currently being issued for water, sediment or octane issues. Ms. Bennett shared how the "stop sales" process works.

Ms. Bennett thanked all staff that helped increase the inspections over the summer and for the support from the Department.

## **PUBLIC COMMENT**

No one wished to speak at this time.

## **RECESS:**

The meeting was recessed at 11:50 a.m.

## **RECONVENE:**

The meeting was reconvened at 1:10 p.m.

## **Director Comments (continued)**

Director Wyant asked Jeff Haarer to update the Commission on the **Continental Dairy** case. Mr. Haarer reported that the federal court judge in Grand Rapids dismissed the lawsuit filed by Continental Dairy. There was a motion hearing in June. At that time, the judge decided to hear the merits of the case, as well as the motions. He felt that jurisdiction should be outside the federal court and handled first in state court. It is up to Continental Dairy to decide whether to appeal at the federal level, move it to the state court system, or not move forward.

The next step is to work with Continental Dairy on collections of their past due assessments.

Mr. Haarer then updated the Commission on the **Farm Produce Insurance Authority**. The third board meeting was held and assessments begin January 1, 2005. Michigan Farm Bureau is helping with the promotional information about this program change.

The **Office of Racing Commissioner**, Robert Geake, will be holding a hearing to hear those parties who have applied for horse race track licenses in the Metro-Detroit area.

Director Wyant discussed **proposed meeting dates for next year**. The Commission discussed partnering with other organizations for meeting dates. A final proposed list will be forwarded to the Commission for consideration and will make a determination at the November 9, 2004 meeting.

Director Wyant noted that in the **Agriculture Statistics Report**, the average farm real estate value hit a new high of \$2,900 an acre in Michigan. Also, the rotational fruit survey shows an increase in fruit acres, primarily wine grapes, and an increase in blueberry production.



**CERVID AUDIT UPDATE: Alan Marble, Chief, Law Enforcement Division,  
Department of Natural Resources (DNR)**

Chief Marble updated the Commission on the captive cervid audit. The goal was to conduct an audit of ranches and full-service facilities to determine risk for chronic wasting disease. Training was held June 7-9, 2004 and appointments with owners and facility managers began immediately. Sixty conservation officers and 40 field biologist worked in teams. This was a good opportunity to rebuild working relationships between these two groups.

As of September 16, 2004, 531 privately owned facilities had been audited, representing 92% of the ranch and full-service facilities and 72% of the total number of facilities. Current plans are to audit all ranch and full-service facilities plus a representative sample of hobby and exhibition facilities. Audits should be completed by the end of September and will end the field portion of the audit.

188 of 530 facilities (36%) had been found to be non-compliant by inspection teams. Three hundred fifteen (59%) were considered in compliance with 27% of the compliance status not yet recorded. They are either under construction or no longer being used for privately owned cervids.

The eastern Upper Peninsula management unit has completed 100% of their facilities and the western Upper Peninsula has completed 80%. The northeast Michigan management unit has completed 96%; northwest northern Michigan has completed 88%; Saginaw Bay district has completed 83%; south central in southern Michigan has completed 86%; southeast Michigan 88% and southwestern lower Michigan has completed 78% of the audits.

Compliance remains an issue with approximately 2/3 of facilities in compliance and 1/3 not in compliance. The majority of non-compliance issues continue to be inadequate fencing or incomplete record keeping. At the completion of each audit, a checklist of necessary repairs and a timeframe for completion is given to the facility owner and manager. Follow up visits are made to many locations to make sure the compliance issues have been addressed.

Approximately 160 facilities in the hobby and exhibition categories remain to be inspected to obtain 100% audit completion of all cervid facilities. A timeframe for these inspections has not been determined.

To date there has been one refusal to complete an audit interview and DNR is working with the Michigan Deer & Elk Association to complete the interview.

Approximately 80 facilities are due or over due for renewal of registration before October 31 of this year. Facilities have been notified to send in renewal applications. DNR has met with MDA to make sure that any animal health concerns will be addressed during the renewal process.

DNR is developing an outline for the final report that will summarize the audit findings.

Overall, DNR and had excellent cooperation with the facility owners and managers.

**ANIMAL HEALTH UPDATE: Dr. Steve Halstead, Director, Animal Industry Division**

Dr. Halstead shared his background and thanked Director Wyant for his confidence. He is looking forward to the challenges ahead that include budget and rebuilding the structure of the division.

Dr. Halstead committed to working with industry partners to resolve complex disease issues.

Staff is continuing to implement **Split State Status**. A full schedule of testing has been set up for the Modified Accredited Zone through October. There will be approximately 1,100 herds to test on an annual basis. Also, plans for offering the one time 60-day test are moving ahead.

Dr. Halstead discussed a **table-top exercise** on emergency preparedness and response. The situation dealt with horses and involved participation from the Office of Racing Commissioner (ORC) and industry partners, equine veterinarians, Michigan State Police, Community Health and local emergency responders. There were approximately 40 persons involved.

The scenario involved a fictitious disease that affected animal and human health. They worked through the steps and discussed chain of command, emergency responder preparations, mitigation efforts, etc. This was a new experience for some of the partners. It was an opportunity to see how to work together on an expanding health concern.

**FOOD & DAIRY DIVISION EMERGENCY MANAGEMENT TABLE-TOP EXERCISE UPDATE: Dr. John Tilden, Food Safety Epidemiologist, Food & Dairy Division**

Dr. Tilden described the emergency exercise scenario. It is useful to engage industry partners in the emergency exercise. By getting parties involved, there is more interest in solving the problem. A work group has been formed out of this exercise to work together to identify what we should and could be doing together.

Planning was done by individuals from MSU, Michigan Farm Bureau, dairy processing, industry and MDA staff. Evaluations were great. Key issues identified: communication during an emergency; education and training; and defined roles and responsibilities during an emergency.

**PLANT HEALTH UPDATE: Kenneth Rauscher, Director, Pesticide & Plant Pest Management Division**

Mr. Rauscher introduced Tom Benner as the new Regional Supervisor in Southfield. Mr. Benner has been the Pesticide Enforcement Manager for two years, and with the Department for 12 years. That is a critical regional office as there are a lot of enforcement and inspection activities.

Mr. Rauscher provided a PowerPoint presentation to the Commission updating the Commission on current EAB issues. Seven grinding yards in the core area have consumed 160,000 tons of dead and dying ash.

Additionally, staff and partners are working hard on value added opportunities to encourage industry to utilize as much of the materials coming into the grinding yards as possible.

Tree removal is a big issue in southeast Michigan. Grant dollars have been distributed to 48 cities to help cover that cost.

Restoration activities are continuing, coordinated by the Forest Service and DNR. The focus has been in restoring the canopy in urban areas and in areas where eradication activities have occurred.

Mr. Rauscher discussed activities in the outlier areas including the use of trap trees and reduced ash areas.

**PUBLIC COMMENT:**

Tonia Ritter, Michigan Farm Bureau (MFB), congratulated Dr. Halstead on his appointment as new state veterinarian and MFB looks forward to working with him on animal health issues.

MFB is concerned about the budget situation and understands there are tough decisions to be made. Food safety in the Food & Dairy Division is a concern because of short staffing; animal health funding is important as well as funding for environmental stewardship and ecological concerns.

Ms. Ritter also commented that energy has been an area of increasing concern for their membership. The Public Service Commission (PSC) is looking at a renewable energy portfolio. She believes that there is an opportunity for agriculture to gain from this for example in the area of nutrient management, biomass issues, net metering. Ms. Ritter stated that she would like to see representatives from Agriculture participate more in PSC activities as it related to this issue.

Current water issues are important and are involved with Annex 2001.

MFB is in the middle of the policy development process.

Director Wyant indicated that MDA has had a number of internal discussions about energy; methane digestion, wind energy, methane generation with respect to waste management in the environment. The Environmental Stewardship Division, Agriculture Development Division and the Executive Office have all been involved.

Ron Nelson (MFB) informed the Commission that the Michigan Farm Bureau Board of Directors opposes Proposal 1. Mr. Nelson addressed several issues in the proposal that relate to or could possibly affect the agriculture industry.

**ADJOURNMENT:**

**MOTION: COMMISSIONER DARLING MOVED TO ADJOURN THE MEETING. COMMISSION JOUSMA-MILLER SECONDED. MOTION CARRIED UNANIMOUSLY.**

**Meeting was adjourned at 3:05 p.m.**

***ATTACHMENTS***

A - Minutes July 20, 2004

B - Michigan Biodiesel Alliance

C - Legislative Report

D - Regulations, Certificate of Adoption

- Reg. 811 Premium Allocations to Fairs and Expositions

E - Plant Health Update