

**State of Michigan
Department of Agriculture
Commission of Agriculture**

The Pavilion for Agriculture and Livestock Education

**Room C, 4301 Farm Lane, East Lansing, Michigan
Meeting Minutes
July 7-8, 1998**

PRESENT:

Douglas E. Darling, Chairperson, Commission of Agriculture

Jordan B. Tatter, Secretary, Commission of Agriculture

James E. Maitland, Commission of Agriculture

Shirley A. Skogman, Commission of Agriculture

Dan Wyant, Director, Michigan Department of Agriculture

ABSENT:

Deanna Stamp, Commission of Agriculture

OTHERS PRESENT:

Ron Zellar, Assistant Attorney General

Michigan Department of Agriculture Staff

Ron Nelson, Michigan Farm Bureau

July 7, 1998

Dr. Fred Poston, Michigan State University, Agriculture and Natural Resources

Brad Deacon, Governor Engler's Office

Scott Everett, Michigan Farm Bureau

Tom Frazier, Senator Spencer Abraham's Office

Clifford Tulgestke, Hawks, Michigan

John and Joe Spero

July 8, 1998

Albert Almy, Michigan Farm Bureau

Charles Arensmeier, Michigan State University

Amy Frankmann, Michigan Nursery and Landscape Association

Jennie Macia, Michigan Farm Bureau, MACMA

Clifford Jump, Michigan State University, Agriculture Technology Institute

Juan Martinez, Michigan State University Extension Office

Manny Gonzalez, Family Independence Agency, Office of Migrant Services

Phil Forner, Allendale, Michigan

CALL TO ORDER AND ROLL CALL

Chairman Darling called the meeting to order at 4:00 p.m., July 7, 1998. Secretary Tatter called the roll with Director Wyant and all Commissioners, except Commissioner Stamp, present.

Chairman Darling acknowledged Dr. Fred Poston, Dean of the College of Agriculture and Natural Resources of Michigan State University. He expressed the Commission's appreciation for the opportunity to hold today's meeting in The Pavilion for Agriculture and Livestock Education at Michigan State University.

Dr. Poston expressed his appreciation to the Commissioners and Director Wyant for their support of Project GREEN.

Director Wyant commented that Dr. Poston is always welcome to attend the monthly Commission meetings as Dr. Poston's background and leadership would add to the Commission discussions. The Commission values the existing partnership between MDA and MSU.

APPROVAL OF AGENDA

MOTION: Commissioner Skogman moved to approve the July 7-8, 1998, agenda as presented. Seconded. Motion carried unanimously.

APPROVAL OF MINUTES

MOTION: Commissioner Maitland moved to approve the June 10-11, 1998, minutes as presented with a correction to page 3, paragraph 6, to read "Ned Birkey" instead of "Ed Berkee." Seconded. Motion carried unanimously.

NEXT MEETING

The next Commission of Agriculture meeting will be held August 20-21, 1998, in Escanaba, Michigan. The meeting will be held in conjunction with the Upper Peninsula State Fair in the Conquistador Room of the Best Western Pioneer Inn, 2635 Ludington Street, Escanaba, Michigan.

RESOLUTION HONORING STEVE J. PSCODNA, JR.

MOTION: Commissioner Skogman moved that the Commission of Agriculture Resolution honoring Steve J. Pscodna, Jr., be adopted as presented. Seconded. Motion carried unanimously.

COMMISSIONER'S COMMENTS

Commissioner James Maitland reported that northern Michigan has started harvesting the cherry crop. There

appears to be a large crop this year and diversion will be used to control the over supply. Most likely, the harvesting will be completed in July.

Commissioner Maitland thanked Chairman Darling for arranging the June Commission meeting in Monroe and for hosting a picnic at his home.

Director Wyant asked how the cherry crop looks this year in northwest Michigan.

Commissioner Maitland replied that the crop is much larger than last year, estimated at about 155 million pounds. Before the recent rains sizing was thought to be a problem, but that does not seem to be the case now. However, Commissioner Maitland thinks that the harvest period will be a challenge this year and the quality may not be as good as last year.

Commissioner Shirley Skogman referred to two news articles that appeared recently in her area newspapers. One article discussed the effects that the dry summer has had on farmers and their hay crops. There is a problem with grasshoppers eating the crop. In the Ontonagon area, some farmers have sold animals because of hay shortage. In other areas, however, farmers enjoyed a beautiful crop because they received the rains needed.

Commissioner Skogman stated that the other article reported on a proposed potato processing plant at K.I. Sawyer Air Force Base. The article reported that the Bahrman brothers of Rumley, Michigan plan to lease and renovate a building at K.I. Sawyer. It is hoped that at least 40 new jobs will be created and that the plant would be completed by the year 2000. The plan is to package and sell potato salad and fresh mashed potatoes. It appears that the Michigan Potato Commission has given \$10,000 in support of this project, but additional funding is needed. It has been reported that the renovation project would cost an estimated \$2 million in the first 12 to 18 months. Commissioner Skogman added that apparently this processing plant would use all the potatoes grown in the Upper Peninsula, which would be of great benefit to the Upper Peninsula potato growers.

She said that the potato crops are looking good again this year and there will be an over abundant supply.

Commissioner Skogman discussed a meeting she had recently with Barb Hensinger, Michigan State Fair Liaison, to discuss forward planning. The meeting was held at the U.P. State Fairgrounds and although she felt it was a very productive meeting, she was not impressed with the Fairgrounds office space. Another concern is the lack of adequate signage outside of the office. It would be difficult for the public to find the office location. Commissioner Skogman is hopeful that MDA could do something better for the fairgrounds office.

She also reported that the rodeo held recently at the fairgrounds was very well attended. Everyone had a good time and reports are they are looking forward to it in another year.

Commissioner Skogman voiced her concern over a letter she received from the Michigan Department of Natural Resources area game biologist in Crystal Falls. The letter states that in order to receive block permits this year, a survey of the crop deer damage would need to occur in August. Commissioner Skogman is concerned about this survey because damage is not always evident until the last week of August or in the first part of September. She is hopeful that by working with the biologist, she will be able to get the block permits her farm needs. The block permits are one of the best tools they have to control the deer herd.

Director Wyant asked if Commissioner Skogman has had trouble in the past in obtaining block permits.

Commissioner Skogman replied that she has not because usually those farmers who have experienced crop damage in previous years usually received the permits, with no prior inspection required.

Director Wyant asked if Commissioner Skogman would send him a copy of the letter she received from the Michigan Department of Natural Resources.

Commissioner Maitland stated that it does not make sense that a farmer would need to show damage to receive a permit because once damage occurs to the crop, it is too late. It seems logical that reoccurring damage would allow a farmer to receive the permits necessary to protect his/her crop.

Chairman Darling recognized former Commissioner of Agriculture, John Spero. Mr. Spero was the first appointment made by Governor John Engler in January of 1991.

Commissioner Jordan Tatter reported that May's cool weather became June's hot weather. Sweet and tart cherries are fully harvested in Southwest Michigan and this is the earliest harvest completion in his memory. The soil moisture is still on the short side, but not as short as other parts of the state and the row crops look good. Crops are 10 to 14 days advanced in maturity from normal.

He attended and participated in a MDA Region V Administrative Team meeting at the department's St. Joe office. Commissioner Tatter felt that the Director and administrative staff had an excellent session with the regional staff.

Commissioner Tatter took part in a Michigan Department of Natural Resources roundup of Canadian Geese on Paw Paw Lake in Berrien County. This is an annual counting and banding project and proves that for certain waterfowl species habitat is improving, based on population studies.

He also attended an open house dedication event for model farm labor housing held at a Southwest Michigan Research and Extension Center farm located in Berrien County. The funding came from Michigan State University. Commissioner Tatter participated in the Agriculture and Natural Resources Products Council meeting held at the Michigan State University Club. He also attended a dinner in Dearborn, Michigan, where Federal Reserve Board Chairman Alan Greenspan was the guest speaker. Mr. Greenspan answered questions for over an hour about worldwide economics and the federal management of monetary policy.

Commissioner Tatter was asked to emcee the 43rd Michigan Frozen Food Packers Association Fruit Guesstimate held in Kalamazoo. More than 200 processors, brokers, buyers and industry associates were in attendance. David Kleweno of the Michigan Agriculture Statistics Service made a presentation on tart and sweet cherries. He also reported that as a member of Congressman Fred Upton's Administrative Advisory Council, Commissioner Tatter attended an Upton Breakfast Club meeting in Kalamazoo, as well as the Berrien County Republican Picnic, the MSU Ag Expo VIP Breakfast, and Michigan Farm Bureau's event endorsing Governor Engler held this morning.

Commissioner Douglas Darling extended his appreciation to the Commission for attending the picnic held at his farm during the Commission's June meeting in Monroe. He received many positive comments from those who attended.

He reported that the Monroe County area is still behind in moisture, even though it has received rain. There are many areas in the county that are still very dry because the rain has been so sporadic. Commissioner Darling said that the wheat harvest is well underway and the yields are fair. There is some frustration with the pricing and concern about the potential closure of Thornapple Valley, Inc.

Commissioner Darling serves on a committee of the Michigan Farm Bureau and on June 29 he had an opportunity to meet with Detroit Mayor Dennis Archer. The committee discussed the relationship of farmland preservation to the City of Detroit. Commissioner Darling stated that it was refreshing to hear Mayor Archer talk about farmland preservation and food production. The Mayor had some very interesting ideas. A discussion was also held about the City of Detroit's receipt of federal monies from the empowerment and renaissance zones and value-added processing. The Mayor will be visiting Taiwan this fall to attract business to Detroit and he will be looking at how agriculture could be a part of that visit.

Commissioner Darling informed the Commission that on August 19, 1998, a group of people called MOSES from about 100 churches, will be meeting to discuss the topic of brownfields, protecting farmland and redeveloping the city's older suburbs.

He also reported that this November in Washtenaw County there will be a millage proposal on the ballot for purchase of development rights.

Commissioner Darling said that the bovine tuberculosis issue in Michigan has generated a great deal of press in the Detroit area that has brought to the forefront the issue of food safety.

He expressed his appreciation to Director Wyant for his contribution to Project GREEN.

Director Wyant asked Commissioner Darling how the meeting with Mayor Archer came about.

Commissioner Darling responded that the Michigan Farm Bureau arranged the meeting. It is hoped that this same group will be able to meet with other large city mayors. There were 13 people in attendance, along with Scott Everett of the Michigan Farm Bureau and Dr. David Skjaerlund of the Rural Development Council of Michigan.

Commissioner Tatter referenced comments made by Commissioner Skogman about the potato processing plant using all of the potato production in the Upper Peninsula. He suggested that the department work with the Bahrman brothers to ensure that they have a good marketing plan. They will be dealing with a very perishable product that needs to be shipped a long distance to its market.

Bob Craig of the Office of Agriculture Development responded that this potential project is dependent on a good marketing feasibility study. It also is possible that through Michigan State University, Project GREEN, and the Michigan Potato Industry Commission, assistance may be available in the funding of a feasibility study.

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PRESENTATION "What Should We Do With America's Land?" BY THE MICHIGAN CASSOPOLIS FFA CHAPTER – Tom Hartsell, Barb Hartsell and Dennis Peterson

Director Wyant introduced Barb Hartsell, Dennis Peterson and Barb's father, Tom Hartsell. He welcomed them to today's meeting and expressed his appreciation on behalf of the Commission for their presentation today on land loss and farmland preservation.

Mr. Hartsell explained that Barb Hartsell and Dennis Peterson are recent graduates from Cassopolis High School. A year ago in March, Ms. Hartsell and Mr. Peterson were part of an Ag Forum Leadership Contest, a Michigan FFA event. They won three state championships, as well as the Ag Forum championship. They have represented Michigan twice at the national competition in Kansas City, Missouri.

Ms. Hartsell and Mr. Peterson gave a 15-minute presentation on the issues of land loss and farmland preservation.

Commissioner Darling expressed his appreciation to Barb Hartsell, Dennis Peterson and Tom Hartsell for today's presentation and for carrying the message on farmland preservation to the public.

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UPDATE ON THE "Ultimate Farmland Preservation Tour," Dr. David Skjaerlund, Rural Development Council of Michigan (RDCM) and Scott Everett, Michigan Farm Bureau

Dr. David Skjaerlund, Executive Director of the Rural Development Council of Michigan, and Scott Everett of the Michigan Farm Bureau showed a slide presentation on the "Ultimate Farmland Preservation Tour." During the five-day tour in March of 1998, 91 participants traveled by bus and visited eight counties in Maryland and Pennsylvania. These states have active farmland preservation programs. Representative Howard Wetters, Representative Bill Bobier, the Vice Mayor of Kalamazoo, church leaders from Detroit, realtors, county commissioners, township officials, and ag industry representatives participated in the tour. The purpose of the tour was to learn more about how to combat urban sprawl and preserve farmland. Pat Driscoll of the Michigan Farm Radio Network did live broadcasts from the bus during the week.

Dr. Skjaerlund and Mr. Everett explained that while visiting the counties in Maryland and Pennsylvania, the group listened to community leaders, local farmers and farm preservation experts. The first stop was Montgomery County in Maryland. This county has four agricultural preservation programs in place. In Harford County landowners can choose to establish agricultural land preservation program districts, with a minimum five-year commitment not to develop the land. If a landowner qualifies for the program, the property receives a 50 percent tax credit for seven years. The tax credit is good for seven years. If the landowner decides to sell

the development rights, the landowner receives a 100 percent reduction in property taxes. The Purchase of Development Rights (PDR) program in Harford County has preserved about 22,500 acres since 1993.

Lancaster County in Pennsylvania is the number-one non-irrigated agricultural county in the country. It is about a 45-minute drive from downtown Philadelphia. This county represents \$1 billion in ag sales annually and produces \$700 million per year in farm products. Through the PDR program, Lancaster County preserves over 2,000 acres annually, preserving a total of 27,000 acres so far. The group visited Mr. Dwight Hess, a farmer in Lancaster County, to talk about how he has gained from enrolling in the program. He owns a 350-acre, family farm and enrolled in the program in 1993 because of his concern of preserving his farm for future generations.

There are 21 cities, villages and townships in Lancaster County that have established a voluntary growth boundary since 1993. There is enough land in the boundary area to address development over the next 25 years, plus a 15 percent land cushion. The development rights are not purchased on farmland within the urban growth boundary and development is not situated outside the growth boundary.

Dr. Skjaerlund said that the Michigan RDCM currently has 307 applications covering 47,000 acres for the state program that ended June 30, 1998. A packet of information has been received from 36 farmers in Lapeer County who put together 4,500-acre blocks within a two to three mile radius. There is also a farmer in Lenawee County that is considering donating his development rights to about 5,000 acres of land. He sold 1,400 acres to a neighboring dairy farmer and may donate the 5,000 remaining acre development rights to offset his capital gains tax.

Commissioner Tatter asked how that data compares to last year.

Dr. Skjaerlund replied that last year we had 768 applications for 86,000 acres. The reason for that difference is the limited funding available. However, since the tour, participants have been making presentations to their county commissioners and township officials.

Mr. Everett commented that this trip was one of the best things he has ever done for the Michigan Farm Bureau. It was a tremendous learning experience.

Director Wyant asked Dr. Skjaerlund about Senator Schuette's recently introduced legislation on Agricultural Security Areas and its incentives.

Dr. Skjaerlund responded that one incentive is the public money from the state level used for any public projects. If the money is targeted for an ag security area, there is a review process to see if there is an alternative. There is protection in the legislation for farms that follow Generally Accepted Agricultural Management Practices. There are also some financial incentives in terms of use value assessment. The idea is that if a person cannot exercise their development rights, then they should not be assessed for these rights while in an agricultural security area. There is a property tax credit of 5 percent of a person's household income if they sign up for a 25-year ag security area.

Director Wyant asked if the local units of government could exercise their veto power.

Dr. Skjaerlund replied that this must be approved by the local units of government. The only role of the state is to help with paperwork and administration.

Mr. Everett explained that the difference between PA 116 and agricultural security areas legislation is that PA 116 is a two-way contract between the State and the farmer. The agricultural security area program is a three-way contract between the State, the local units of government and the farmer.

Director Wyant referred to the legislation on the development of a Farmland Preservation Trust Fund and what funding sources are being considered.

Mr. Everett said that Michigan Farm Bureau is looking at the long-term funding source. The immediate concern is the seed money for that Trust to be able to continue with the 307 applications received this year. Even to continue a program next year, there needs to be seed money and the long-term funding source is a key consideration.

Director Wyant stated that MDA has been asked to consider where a Farmland Preservation Trust Fund would be housed.

Mr. Everett said that PA 116 has been housed in the Department of Natural Resources. However, with the current issues of purchase of development rights, transfer of development rights and the Michigan Farmland Preservation Trust, all of these new tools need to be considered.

Commissioner Maitland asked about the timetable involved in making this decision.

Commissioner Darling responded that House Bills 5894 and 5895 were introduced by Representatives Bobier and Wetters. They are both term-limited and would like to see this issue resolved by the time they leave in the fall.

Commissioner Darling suggested that time be allowed on the agenda at the August Commission meeting to discuss this issue and to formulate a strategy.

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UPDATE ON BOVINE TUBERCULOSIS IN MICHIGAN – Dr. H. Michael Chaddock, State Veterinarian and Director of the Animal Industry Division

Dr. Michael Chaddock distributed maps dated 6/18/98 and current information about the bovine tuberculosis situation in Michigan. Dr. Chaddock stated that the maps are slightly outdated and the numbers are changing.

Dr. Chaddock reported that on June 16, 1998, a report was received from the National Veterinary Services Laboratory (NVSL) on the first cow being culture positive for bovine tuberculosis. The animal was part of a herd of 22 beef animals located in southern Alpena County. All of those beef animals have been destroyed at the MSU diagnostic lab. Tissues were taken from all of the remaining animals in the herd and sent to the NVSL. The MSU pathologist did state that he did not see any gross lesions.

He also reported that Michigan is expecting notification from the USDA on the suspension of the state's bovine tuberculosis free status. This means that Michigan will need to do the necessary tracing of that herd. Once those tracings have been completed, and if bovine tuberculosis is not found in additional cattle, then Michigan would be in a position to ask the USDA to change its suspended status to a fully accredited TB free state. The question asked by many is how long that will take? In 1994, it took nine months to complete all the tracings, which involved over 8,000 animals, from one herd. It is difficult to say how long it will take, but testing is continuing in the five-county area.

Dr. Chaddock stated that currently there are 10 teams in the area conducting tests and to date over 8,100 head of livestock on 222 farms in the five-county area have been tested. There are a number of suspect animal tissues that have been taken. Dr. Chaddock stated that this is to be expected. He said there should be anywhere from three to five percent suspect animals on a caudal fold test, and a percentage of those animals would then be suspect on the comparative cervical test.

He said that the TB Regionalization Plan is moving ahead. This is a document of about 65-70 pages and will be ready to submit to the USDA, once the state's status has been changed. Dr. Chaddock is currently traveling to ask other states that are putting requirements on testing our livestock to consider regionalizing. Each state has the right to initiate an interstate testing requirement. Dr. Chaddock commented that all of the states he visited expressed appreciation for the visit and have an understanding of the situation. The states said they are happy with the way Michigan is handling this situation. However, they are asking how Michigan will know that it is completely tuberculosis free and what the state is going to do to contain the disease as it is eradicated. Dr. Chaddock explained the industry proposals concerning an intrastate testing requirement to move cattle in and out of that zone. The states have expressed interest in those proposed plans, but are concerned about compliance and border checking.

Director Wyant stated that an industry meeting was held recently to discuss the regionalization plan. The Director complimented Dr. Chaddock on his efforts and for his dedication to this issue. Director Wyant also

informed the Commission that he will be going to the Midwest Association of the State Departments of Agriculture meeting and will make a presentation at that meeting about Michigan's TB situation. The Director also said that Governor Engler is very committed to eradicating bovine tuberculosis in Michigan.

Director Wyant asked Dr. Chaddock to give an update on the four states that have indicated implementing restrictions.

Dr. Chaddock responded that he has heard from California and they will be requiring testing from the five counties, but not the buffer zone. They also are requiring that a tuberculosis test be performed within 30 days prior to arrival in California. Those animals also will be subject to a retest 60 to 120 days after arrival. New York will be requiring testing from the buffer zone and the five counties. Virginia and Wisconsin will require testing from all Michigan counties.

Dr. Chaddock informed Commissioner Tatter that the DNA analysis result has been received on the raccoon, the coyotes, the captive deer, and the Wisconsin cow and it is all the same strain of bovine tuberculosis as found in the wild free-ranging white-tailed deer.

Commissioner Maitland asked what percentage of the total livestock in this area has been tested to date.

Dr. Chaddock replied that about 8,200 out of 20,000 have been tested.

Commissioner Tatter inquired as to when Dr. Chaddock expects to get through the testing.

Dr. Chaddock said the goal given by the Director is to be completed by April 1999 for all medium and high risk animals. He stated that by October all of the dairies will have been tested and that all beef breeding farms will be on some type of a testing schedule.

PUBLIC COMMENT

Clifford Tulgestke a dairy farmer in Hawks, Michigan, discussed the following concerns and issues relating to Deer Management Unit 452:

- His dairy herd has not been tested to date.
- The Commission of Agriculture and the Department of Natural Resources (DNR) need to work together to publish real numbers and goals.
- He belongs to a group called "Responsible Wildlife of Northeast Michigan." This is a group of farmers formed in the mid 1980s to work with the DNR. They are concerned because if the goal is to eliminate tuberculosis, then they need to work with some hard, fast numbers. The only statement made by the DNR is that they want to "reduce the deer herd."
- The MDA needs to put pressure on the DNR to get some hard numbers and to find out what their goals are. If they want to accomplish the reduction, then give us the numbers. The more deer there are, the greater the risk. The greater the risk, the more the cost.
- Mr. Tulgestke feels that the DNR is more concerned about making money on selling licenses than on the TB issue.

Mr. Tulgestke also commented about the Cassopolis FFA Chapter presentation. He suggested that this presentation be put on videotape and given to all the Commissioners.

Commissioner Tatter asked what Mr. Tulgestke means by "hard fast numbers."

Mr. Tulgestke responded that the DNR has no idea of how many deer there are in that area. They just say there are "too many."

Commissioner Tatter gave Mr. Tulgestke a copy of a map of the 452 area and the information distributed at today's meeting by Dr. Chaddock.

Mr. Tulgestke stated that if we want to reduce the herd by half as has been stated by Mr. Tom Carlson of the Atlanta DNR office, then we have to know what is half of what. Mr. Carlson has said it would be 50 percent, but that is not an answer.

Commissioner Tatter said that the goal is to eradicate tuberculosis, not to live with it or manage it, but to eliminate tuberculosis. He asked Mr. Tulgestke if he would agree that was the state's goal.

Mr. Tulgestke responded that he doubted that it is DNR's goal.

Director Wyant agreed with Mr. Tulgestke that if an identifiable target could be named, it would seem to make it easier to accomplish the goal. He feels that the DNR does have a goal and a number in mind, but this is such a sensitive issue that publishing that number may create a greater firestorm. The Director stated that the goal is to bring the deer numbers down.

Mr. Tulgestke said the problem is that the public is so confused.

Commissioner Darling stated that he respects and understands Mr. Tulgestke's point. The community needs to feel that progress is being made in the eradication process.

Mr. Tulgestke also said that another concern is that there is no way of knowing how many deer are being taken during certain times. In other states, and in bear hunting in Michigan, hunters shoot a bear and have to report it within so many hours. This same requirement could be made with deer. The DNR should say that "X" number of deer need to be taken out of DMU 452, the season would be open until "X" number of deer are removed, all deer eliminated must be reported within a certain time limit, and when that goal is reached, that is when the season ends.

Commissioner Darling asked what has been Mr. Tulgestke's experience in obtaining block permits.

Mr. Tulgestke replied that block permits were only issued to kill deer during the season on privately owned land. Farmers were issued summer crop damage tags and he currently has those. In the past he has been denied crop damage tags and he agrees with Commissioner Skogman's comment earlier about "significant damage." Significant is a relative term.

Commissioner Maitland asked if he had problems this year in getting permits.

Mr. Tulgestke said that because he has cattle, he has the disease control permits.

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APPROVAL TO REFER RIGHT TO FARM COMPLAINT – Wayne Whitman, Environmental Stewardship Division

Mr. Wayne Whitman distributed a chronology of events pertaining to a complaint received against Douglas and Irene Ritchie in July of 1996. Mr. Whitman reviewed the chronology and recommended that the Commission approve the referral of this complaint to the Michigan Department of Environmental Quality.

MOTION: Commissioner Tatter moved that the Michigan Department of Agriculture refer this matter to the Michigan Department of Environmental Quality. Seconded. Motion carried unanimously.

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COMMISSIONER'S COMMENTS:

Commissioner Maitland is concerned that the Commission has not received a lot of feedback from the DNR on the status of deer permits. He would like to receive an update from DNR on the upcoming hunting season and its plans for permitting at the September Commission meeting.

Director Wyant agreed that he would like to invite the DNR to the September meeting. He also said that he

understands that the DNR is undertaking a very aggressive, proactive informational campaign. The DNR recognizes the need for a broader understanding of what tuberculosis is and why it is an issue. Director Wyant would also like to hear about the DNR's communication efforts.

Commissioner Tatter commented to Mr. Tulgestke that he had served over two years on the Natural Resources Commission, through two full hunting season cycles. Commissioner Tatter stated that during that time there was never a discussion of how a hunting or fishing law would affect license sales.

Mr. Tulgestke stated that he still believes the DNR is handling this issue in order to sell more licenses.

RECESS

The meeting recessed at 6:20 p.m.

RECONVENE

The meeting reconvened on July 8, 1998, at 8:30 a.m.

DIRECTOR'S REPORT

Director Wyant highlighted the following activities and issues:

Region V Administrative Tour: This was one of the best meetings held to date, with a very candid and quality discussion. The discussion offered an opportunity to discuss ag labor, food safety and unprocessed foods. A question was raised about what the Commission is doing on food safety and unprocessed foods issues. Director Wyant agreed with Commissioner Tatter's response that staff needs to make recommendations to the Director or the Commission on what they feel is the proper response. The Director and Commission encouraged staff to bring matters of concern before the Commission.

Bovine Tuberculosis: As Dr. Chaddock reported, there are four states that have imposed testing restrictions on Michigan. Dr. Chaddock is traveling and visiting states to present a plan on a draft regionalization program. A meeting was held with 50 to 60 livestock leaders recently to discuss the regionalization plan. Dr. Lonnie King, Dean of the Veterinary Medicine, MSU, was present at the meeting. He is uniquely qualified and an asset to the group because he was formerly the head of APHIS at USDA which was responsible for designing a regionalization strategy. Dr. King discussed the key elements of a regionalization plan at that meeting .

On July 16 there will be two meetings with farmers held in the five-county area . There are a lot of questions. The purpose and goal of the meeting is to present information on the indemnification plan, the appraisal process, the testing procedures, and to listen to local concerns.

Senator McManus will pursue legislation to change the indemnification process by raising the cap and changing the percentage. The cap is currently at \$1,250 per animal, based on 75 percent of value. The law as written does not satisfy current needs.

MDA does not know definitively how these cattle are being infected, but the DNA testing is consistent with what is being found in deer. MDA is also part of an information campaign to ensure that the information being disseminated centers around the importance of bringing the deer numbers down and the sportsmen's role in solving this problem. DNR has asked for the assistance of Kirk Gibson and Ted Nugent. They will be involved in a campaign geared at sportsmen and the need for them to be involved in solving this problem. DNR Director K. Cool believes that this is still the best and most efficient means of bringing the TB situation under control.

Michigan State Fair: John Hertel has put together an exciting program, with a great entertainment lineup. There also will be the unveiling of the big stove and the Detroit News will be publishing a major feature story on the fair. On Friday, August 28, 1998, there is a wine reception, the Governor's luncheon, and the livestock auction. There also is a grand opening on Tuesday of that week. Director Wyant will get a schedule of events to the Commission.

Elk and Captive Cervidae Industry: George Burgoyne of the Department of Natural Resources and Dr. Mike VanderKlok of MDA recently visited several elk and cervidae operations in the Davison area. The Michigan Elk Breeders and the Michigan Deer Breeders Association hosted a tour to demonstrate what they feel, is an emerging, dynamic and vital industry. Director Wyant would like to have the industry make a presentation to the Commission at an upcoming meeting.

Confined Animal Feeding Operations (CAFO): The Environmental Protection Agency is in Michigan to begin the analysis of CAFOs in the state. During meetings of EPA Region 5 directors of agriculture and directors of environmental quality it was suggested that, before the EPA sends a representative to the states, they should coordinate with that state. Director Wyant was not aware of EPA's visit and a call will be made to the EPA asking why Michigan was not notified. Director Wyant and Michigan Department of Environmental Quality Director Russ Harding have sent a letter to EPA outlining their concerns about the direction EPA is heading with the CAFO strategy.

Thornapple Valley: Thornapple Valley, Inc., the largest and primary pork processing facility in Michigan, has decided to close its slaughter operations in Detroit. The company will continue to keep its brand name and will market pork under its brand. The company will, however, contract out its product. In the short term, Michigan hogs will most likely be shipped to two plants in northern Indiana. It is unclear whether or not producers will be losing premiums at this point. The assumption is that there will be a one to two dollar premium loss. Tom Reed of MLE Marketing (formerly the Michigan Livestock Exchange) has said that the majority of the hogs are in southwest Michigan and that is actually closer in distance to the two plants in Indiana than to Detroit. However, it will be an issue for those who are located in the Thumb area and in the central lower area of Michigan. MDA will continue to follow this situation.

Horse Racing: There is still a challenge and a struggle to find a home for thoroughbred racing in Michigan. We are still looking at Mt. Pleasant and Hazel Park. After November of 1998, however, thoroughbred racing will not have a home and so time is growing short. There is a group within thoroughbred racing that would like to see a track built at the Michigan State Fairgrounds. However, there is no infrastructure for racing at this time at the fairgrounds. There is a grandstand and a base of a track but it would need rebuilding. There also is the question of whether or not it could be built in time. The State Fair Council is somewhat reluctant about this proposal.

Commissioner Darling asked if there is an opportunity at Hazel Park and Mt. Pleasant to incorporate the thoroughbred racing season into their existing schedules, which would make better use of their facilities.

Director Wyant responded that Hazel Park does have the opportunity to run two programs, both harness and thoroughbred. The challenge would be that Hazel Park does not have a facility for training thoroughbreds. In order to make it work, there would need to be a sharing of the facility and the program. It also would require that part of the harness program move to Northville Downs to free up training time and space for thoroughbreds. The challenge is the degree of cooperation necessary to make it work between two entities that have been fiercely competitive over the years. There is an opportunity to gain from this situation; however, it is a negotiated process and at this point people are putting proposals on the table that maximize their own benefits.

Commissioner Tatter referred to the Director's comments about the livestock indemnification situation. He feels that MDA should work with the MSU Ag Economics in developing a formula.

Director Wyant said that he has asked Bob Craig of the Office of Agriculture Development to look at the situation, determine the range of values of the livestock and obtain current market numbers to develop the formula.

Commissioner Tatter added that there are other costs involved that the current legislation does not address, such as feed costs once the herd cannot be marketed, etc. It also is important to keep in mind that not only do we represent the industry we represent the taxpayer as well.

Commissioner Tatter referred to the Director's Report and a Food Safety Day at the Michigan State Fair to be held on September 2, 1998, with a mock kitchen. He feels that we need to get good media (print, radio and

television) coverage at this event and also invite food editors who could write feature articles about safe food handling procedures.

Commissioner Tatter asked about the status of the emergency management disaster requests.

David Charney reported that in response to the Governor's request, the Federal Emergency Management Agency (FEMA) recommended that the President declare 13 of the 15 counties requested as a major Presidential disaster. Those counties are now "declared" counties and FEMA is currently in the Grand Rapids disaster field office. The declaration provides for public assistance only; i.e., assistance to local units of government that incurred costs in responding to that disaster, police and fire overtime, damage to public buildings, debris removal, etc. The President also directed the Small Business Administration to investigate whether a small business administration disaster is warranted and the SBA did declare three of the Governor's 15 (now the President's 13 counties) as qualifying for an SBA disaster designation. In those three counties, Kent, Ottawa and Montcalm, and the counties contiguous thereto, all homeowners and business operators can qualify for SBA, low-interest loans at about 3-1/4 percent. There is no requirement for a bank denial of a loan in the SBA system and assistance applies only to uninsured damage.

The USDA has declared 28 counties as a disaster area for physical losses, making low-interest loans available to cover damages not covered by insurance. The only other program that will be available is a crop loss disaster declaration from USDA. Discussions have been held as recently as last week and the USDA will be declaring the same 13 counties that the President declared as eligible for low-interest loans for crop losses.

Commissioner Tatter asked about the Gypsy Moth Suppression Program and what would be considered an "insignificant" incident.

Keith Creagh replied that an insignificant incident would include plugged nozzles, missing spray blocks, poor patterns, an emergency landing with no mishap.

Commissioner Maitland asked if staff attended the hearing held in the Alpena area recently to discuss the bovine tuberculosis situation.

Director Wyant replied that Robert Bender represented the administration at the hearing. Mr. Bender indicated that the hearing was a rehash of the issues and predominantly attended by those who believe the State is moving too fast in bringing deer numbers down.

Commissioner Darling asked about the germination testing done on a large lot of black bean seed. The Director's Report stated that 62 percent germination was contrary to the labeled germination claim of 90 percent. Commissioner Darling asked if those farmers who planted those seeds would receive compensation.

Commissioner Darling also asked about Canadian Roundup crossing into Michigan and not being federally registered for use in the U.S. Commissioner Darling asked if the Canadian formula is basically the same as that labeled by the EPA in Michigan.

LEGISLATIVE REPORT - Vicki Pontz-Teachout

Vicki Pontz-Teachout distributed copies of the July 1998 Bill Status report and updated the Commission on the status of the following bills:

HB 4337 (Drain Code) was reported out of the Agriculture Committee and is on the House floor.

HB 5057 (Animal Forfeiture/Cruelty) was passed and given immediate effect.

HB 5071 (Food Labeling) is now PA 128.

HB 5400 (Racetrack Tax) has been referred to a second reading.

Director Wyant added that outstate tracks (Jackson, Mt. Pleasant, Saginaw) feel they are in economic difficulty and have asked that the simulcast racing tax be lowered to 2-1/2 percent. Currently 3 percent of the handle on simulcast racing is returned to the State. Outstate tracks have requested that this be lowered to 2-1/2 percent so there is a differentiation, depending on the size of the track. The larger tracks (Northville and Hazel Park) have larger handles and would remain at 3 percent, but this legislation (HB 5400) would allow state taxes depending on size to be lowered to 2 1/2 percent. This would be a two-tiered tax system.

MDA believes that this system is inconsistent and, therefore, does not support the bill. The legislation as written would diminish the Equine Development Fund. The revenue is used by county fairs and horse race programs.

Ms. Pontz-Teachout also said that, in addition, there is the \$1.8 million in uncashed tickets or unclaimed winnings that are generally deposited into the Treasury Escheats Fund. The intent of this legislation would be that this money would instead go to the Equine Development Fund.

HB 5622 (Clean Michigan Initiative) has been ordered enrolled. Potentially, agriculture could be involved in the \$50 million provided for non-point source cleanup, \$20 million in pollution prevention, and \$90 million in clean water projects.

HB 5752 (Gypsy Moth) has passed the House.

HB 5792 (Soil Conservation District) and **HB 5793** (Conservation Districts) have passed the House.

HB 5866 (Fertilizer Preemption) has been ordered enrolled.

HB 5894 and HB 5895 (Farmland Trust Fund) are currently in the Senate. There is tentative agreement between the Senate, the House and the Administration to take up these bills in the fall. This set of bills creates a trust fund that can receive money for purchase of development rights on farmland. Initially those dollars that are currently available from the PA 116 lien fund would be transferred into this trust fund. It would be housed in the Department of Treasury, but the actual administration of the program would be housed within the DNR where the purchase of development rights program under PA 116 currently lies.

Director Wyant stated that this will be a key issue this fall.

Ms. Pontz-Teachout explained that there are three different ways that those trust fund dollars could be spent. One would be for the State to purchase development rights on farms, similar to the existing program. Two, the State could provide grants to local units of government who are matching those dollars and have their own purchase of development rights programs. And, three, it would allow the permanent purchase of easements along waterways as filter strips as long as they are kept in wildlife habitat or filter runoff. Any dollars that are put into filter strips could be used as a State match to a federal program called the Conservation Reserve Enhancement Program (CREP). CREP allows for the implementation of a number of conservation practices. If the supplemental budget bill passes and at the end of the year there is money left, a contingency supplemental for \$10 million would be placed in the fund for the purpose of matching potential CREP dollars.

The CREP program is administered by the Farm Service Agency and has several million dollars available that can be used on a 20/80 match basis (state 20%/federal 80%). The money would be used for critical watershed areas, specific pollution prevention goals and, if the state can demonstrate the 20 percent match in an approved proposal, then the federal government would provide 80 percent. MDA would work with the DNR and the DEQ to put together the proposal, signed by the Governor, and then present the proposal to the USDA Farm Service Agency to access those dollars.

SB 116 (Single Business Tax) has been signed by the Governor.

SB 1093 (Livestock Composting) has been ordered enrolled. MDA was pleased to have this bill pass the House and the Senate. MDA must now promulgate rules so livestock composting can begin. Some farmers are concerned about the ability to access EQIP dollars from the federal government in September. By having this done now, there are still some who will be able to set up livestock composting facilities on their farms and potentially obtain some cost share dollars. This bill is currently on the Governor's desk.

SB 1173 (Grain Dealers License) has been referred to the House Agriculture Committee.

HR 281 (Plant Protection Center, Niles, Michigan) was adopted.

MDA Budget: Ms. Pontz-Teachout distributed a memo to the Commission regarding the Fiscal Year 1998-99 Department of Agriculture Budget. After establishing final targets, MDA's general fund total was established at \$39 million. Overall, MDA ended up with \$730,000 in additional funds to the total budget, \$285,000 of which will come directly to the department.

Commissioner Tatter stated that MDA's General Fund budget of \$39 million GF/GP allotment represents approximately 0.4% of the total \$8.8 billion GF/GP pot, even though agriculture provides 16 to 18 percent of the total work force in the state of Michigan.

APPROVAL TO BEGIN RULEMAKING PROCESS ON REGULATIONS FOR COMPOSTING BODIES OF DEAD ANIMALS – Vicki Pontz-Teachout

Vicki Pontz-Teachout distributed copies of regulations for Act 239, P.A. 1982, as amended "Bodies of Dead Animals," allowing for the composting of livestock. These regulations would be the specific requirements a producer would follow in order to perform composting of daily mortality on their farms. Ms. Pontz-Teachout recommended that the Commission give approval to move forward in the rulemaking process.

MOTION: Commissioner Skogman moved to approve the promulgation of rules process for composting bodies of dead animals. Seconded.

Director Wyant informed the Commission that the Commission will have an opportunity to review these rules before final approval.

Commissioner Tatter inquired if the industry had been included in this process up to this point.

Ms. Pontz-Teachout responded that MDA has worked with MSU, the Composting Council, Michigan Farm Bureau, individual producers that have been doing the research on their farms for Michigan State, and with the MDEQ and DNR.

Motion carried unanimously.

DISCUSSION OF MICHIGAN'S AGRICULTURE LABOR WORK FORCE ISSUES – Marvin Johansen, Manager of the Field Operations Section, Environmental Stewardship Division, and et.al.

Dan Wyant, Director, Michigan Department of Agriculture thanked the scheduled presenters for attending today's meeting to give testimony on the farm labor situation in Michigan. Today's discussion is in response to the concerns expressed by and to the Michigan Commission of Agriculture on the availability of agriculture labor to growers and processors in the state of Michigan.

Marvin Johansen, Manager, Field Operations Section, Environmental Stewardship Division of the Michigan Department of Agriculture presented the following information on the history of the Migrant Labor Housing Inspection and Construction Grant Programs available in the state of Michigan:

Migrant farm workers normally are only in Michigan for a few months each year. During those months, these workers and their families require adequate housing, but, unfortunately, there is not always rental housing available to accommodate them. The inspection and licensing program began in the Department of Public Health in 1966 and at that time 2,610 sites were licensed. In the beginning, housing was extremely basic; however, since that time, rules have been amended requiring improved housing and facilities. 1997 was the first year that a sink with cold running water was required for all licensed migrant housing. An increase in living space requirement will go into effect in the year 2000. (*Editor's Note:* There are now 860 licensed camps.)

There was a decline in sites from 1966 to 1983 for various reasons, but primarily due to the invention of mechanical harvesters. However, during the mid 1980s, there was an increase in the number of camps for a number of reasons. One reason was the desire and demand of the general population for fresh fruits and vegetables. To meet that desire and demand, many farmers returned to hand harvesting crops. There also has been a significant increase in the number of acres of apples planted throughout the state in the last five to 10 years.

Through the end of June 1998, 17 more license applications were received as compared to the same period in 1997. Fifty more camps have been licensed during that same time period.

The Construction Grant Program was established in 1970 primarily to offset the cost of providing showers with hot and cold running water. At that time, the cost of a shower building was as much as \$10,000, and this program helped to fund 50 percent of the cost of a project. The Construction Grant Program received funding from 1970 to 1975, but, as a result of budget cuts, funding was eliminated. However, in 1985 the program again received funding and has been funded since that time.

In 1988 a New Construction Grant Program was established designed to dovetail with the Farmers Home Administration (FHA) low-interest loan program for building new housing. The grant programs have been funded at various levels since that time. In 1988 it was \$600,000 for the two programs, for several years, it was only \$75,000. During the last three years and this year, programs are funded at \$300,000.

There are approximately 650 grant applications on file for the 50/50 matching grant program and about 200 applications on file for the new construction grant program.

There is a lot of interest in improving and building migrant housing. In the matching grant program, farmers are required to spend at least \$10,000, but, historically, that program has shown at least a \$15,000 expenditure. In the New Construction Grant Program, each living unit costs at least \$15,000 for a unit that will house four people. The grant is \$2,000 per unit for that program.

The reason that this program ties into the availability of farm labor workers is that migrant housing is a key recruitment tool. In a 1947 brochure printed by Michigan State College, a Berrien County grower is quoted as saying, "providing housing has solved most of my farm labor problems...", "good help makes farming easier and more profitable...", and "one of the best ways to attract and keep good help is to provide comfortable housing." These statements are still true today. The farmers who provide good, quality housing usually receive the best and first help available.

The Migrant Labor Housing Inspection Program helps to improve housing by working with the growers in providing good and attractive housing. Tips are given to the grower on the construction of economical and quality housing. The Construction Grant Program provides a major incentive for farmers to build new housing and to improve existing housing.

* * *

Director Wyant asked how much of the \$300,000 budgeted for the construction grant program is available annually per grant recipient.

Mr. Johansen replied that \$200,000 is used for the 50/50 matching grant program and \$100,000 for the new construction grant program. The Michigan Department of Agriculture (MDA) administers \$100,000 of the 50/50 matching grant program and a nonprofit organization in Sparta, Michigan, administers the remaining \$100,000. This organization receives \$7,000 for administrative purposes. The remaining monies are made available to farmers through the New Construction Grant Program.

Commissioner Tatter asked about the current backlog and waiting period for grants.

Mr. Johansen replied that there are approximately 650 grant applications for the 50/50 matching grant program with a waiting list of at least 10 years, and 200 for the new construction grant program with a waiting list of at least three years.

Commissioner Tatter commented that while more apples are being planted the size control rootstocks are more efficient for harvesting by about 50 percent for the new trees that are much smaller in size. He doesn't look upon apples as being an historical increasing labor need.

Mr. Johansen said that he agreed, but a lot of new growers are removing cherries and planting apples.

Mr. Johansen stated that there are seven new camps this year and most are in the Traverse City area.

Commissioner Maitland commented that there is a lot of new acreage planted in Leelanau County, specifically. He agrees that it is more efficient (easier and faster) to pick on smaller trees.

Commissioner Tatter said that on new acreage, when you are going from cherries to apples, that is a different story in that the grower will need more harvest labor. However, people who have been in apples and go from tall trees to size control trees are actually using slightly less help.

Commissioner Maitland asked if there is follow-up being done on the number of people who are actually using the camps on a yearly basis.

Mr. Johansen replied that for the most part the camps are full. A number of growers may have a few workers come in early to get ready for harvest of the crop, but during the normal harvest of the crop the camps are full.

Craig Anderson, Regulatory Compliance Assistance Program, Michigan Farm Bureau provided the following information about the Regulatory Compliance Assistance Program:

The Regulatory Compliance Assistance Program deals with labor regulatory issues and what a farmer needs to know to be in compliance. A lot of time is spent in the field and many changes have occurred over the years.

The question to be asked is, "is there really a shortage or is it just hype?" The current situation is serious, but not a crisis at this point in time. Most shortages in farm labor occur in the specialty crops area; however, over the past few months, the concern about the lack of labor has been from dairy operators, Michigan's second largest agricultural industry.

Another problem is the definition of "*agriculture*" within the various Acts and regulations that regulate the industry. A review of the current situation shows that there is actual crop loss occurring. Asparagus fields have been mowed down, simply because of the lack of labor. In the bedding plant industry, the orders and trucks were available, but there were not sufficient workers available to move the plants out of the greenhouses. It may not be a significant percentage of the industry at this time, but the fact that it is occurring is of concern. Traditionally, what has been seen is the reduction in product quality and that the harvest delay seriously jeopardizes the quality and value of the product.

A number of people have reported to the Michigan Farm Bureau that they have not received contract renewals from buyers. Many calls have been received from Ohio, Wisconsin and Michigan packers and processors of specialty crops concerned that there are not enough workers available to pack the product. This may be the beginning of a decline in the critical mass of the industry. Each one of these processors and packers has the need for a given amount of product and are not single commodity producers. As each of those commodities begins to reduce in quality or volume and the packers do not pack that product, then Michigan may not be able to provide product to the buyers. Michigan must be able to supply them with the critical mass. Many small packers have ceased packing because they cannot supply large enough quantities. This is the issue at hand.

In response to the question, "do we really have a shortage or is it just hype," according to a U.S. General Accounting Office (GAO) report, there is not a nationwide shortage. However, the problem is that the GAO estimates that 40 percent of the workers currently working in agriculture may not have the proper work authorization. The U.S. Social Security Administration (SSA) is currently matching social security numbers (SSN) with work records. Employers are then notified that the two do not match and given an opportunity to solve the discrepancy. However, if the employers are unable to do so, they are penalized for not properly reporting taxes. This penalty is even applied when the SSA already has received and cashed the employer's check. The SSA also requires the larger employers to verify the SSN using the EVS system. The Michigan Farm Bureau is currently tracking seven employers whom either voluntarily or were required to use the EVS

system for the workers who arrived at their operations this year. The lowest percentage was 60 percent accuracy where SSA indicated there was a mismatch problem with the social security numbers.

The problem in the mismatch of numbers does not always mean workers are not work authorized. In many cases within the Hispanic community, there are multiple people within the same family that have the same name. This is wherein the problem lies. Also, these workers do not normally have a permanent address; therefore, the SSA's ability to track a given individual by name and social security number is difficult or impossible.

Another problem is that the new hire reporting requirements that all employers are required to submit are suspiciously causing growers to have audits. As soon as they begin to submit reports, they find that they are subject to audits. The SSA and the Internal Revenue Service has said that the reporting information is only shared with the Friend of the Court, but the Immigration Service and Border Patrol field agents have indicated they also have access to this information.

In the Detroit area, construction contractors are going to the farm labor camps and recruiting workers. Workers are encouraged by the contractors to stay in the camp for free, but work for the contractor.

There is also the problem with the shift in employment agency recruitment assistance. An Internet-based system is available and there is funding for the Migrant Services staff who work with migrant and seasonal agricultural workers. The problem is that some employers are not computer-literate and many workers are not English or Spanish literate. There is a tremendous learning curve that needs to take place between now and the fulfillment of this computer-based recruitment system.

There is concern about the Interstate Job Clearance Order. For all practical purposes, this system has not been available and it must be if we are to proceed down the path of the H-2A Agricultural Guest Worker Program.

A number of growers have made strong efforts to recruit workers. These growers make videotapes of their operations and labor camps and travel to Texas and other states. Unfortunately, not all the growers can make such an effort. What seems to be occurring is that the traditional workers' desire for more education causes delays in returning to Michigan until school is out in the spring. However, a number of recent reports have indicated that there is an increase in the available supply of workers coming to Michigan. The Michigan Farm Bureau is cautiously optimistic that Michigan will have enough workers through this season. There may be, however, individual growers who are in a crisis scenario. To them, it does not matter what national or regional issues indicate. If a grower's crop is in the field and labor is not available, then it is a crisis situation to that grower.

The Michigan Farm Bureau is hopeful that the Commission of Agriculture will provide information and direction to the industry on how farmers can recruit new workers.

Unfortunately, what this situation is fostering, along with a variety of other labor regulatory issues, is a tremendous return to the use of crew leaders who are unregistered farm labor contractors. This is a violation of the law and employers subject themselves to severe violations. The crew leader and the employer both say that he is not a farm labor contractor, but by definition he is and there is an increasing number of complaints being lodged. By virtue of the circumstances, this allows for the same problems that had surfaced in the 1950s, such as unscrupulous crew leaders, recruitment and payment practices. A number of operations are returning to the independent contracting structure, which can cause havoc for other farm employers when they don't understand the legal concepts. These are issues that are already in the courts.

Currently, there is heightened interest in effective recruitment practices. The last time the industry dealt with this issue was in the 1960s and early 1970s. There has not been an aggressive program since then to discuss these issues. The colleges and schools do not teach recruitment practices or employment management processes. There is an increase in the use of non-traditional sources for ag workers. There also is an increase in contacting retirement facilities. This may not produce the fastest production workers but it is a source. With "Operation Salad Bowl," many farm operations have stayed away from workers under 16 years of age.

There is the idea of a "shared labor strategy." This may be something where the Commission of Agriculture can provide some assistance. A number of California organizations have put together a "shared labor strategy,"

similar to a temporary service structure. Employment agencies and/or associations are being developed whereby if an employee works for any member of that agency or association, the benefit structure goes with them from employer to employer. This strategy is an issue our industry needs to consider.

The H-2A Agricultural Guest Worker Program has not been an option, nor have the employers in Michigan chosen or wanted to go that route. By and large, Michigan employers employ entire families. This is a tremendous asset and provides reliable, good workers. It does not seem feasible for the industry to alter the housing structure to a single type of bunkhouse structure. The Michigan Farm Bureau strongly recommends to employers that they seek active recruitment before considering an H-2A program. Employers would be looking at an initial \$30,000 up front to get into the program and that does not guarantee workers.

* * *

Commissioner Maitland asked about the use of the Internet and if it is beneficial.

Mr. Anderson responded that approximately 1,000 agricultural workers are currently registered on the Internet. Unfortunately, he is working with a number of employers and the only employees that have been found are those who were pre-recruited locally. The reason is, if they go through the Migrant Services staff, they also have to register on the Internet.

Joe LeDuc, Farmer from Paw Paw, Michigan provided the following information about his experience in the past 24 years of using ag labor.

Many years ago it was much easier to recruit ag labor because it was all local. High school students were available and willing to work because they had longer summer vacations and there wasn't the emphasis on sports and band camps as there is today. There also were many single parent families, with mothers who would come to work with her children. At the present time there are many dual income families, who just drop off the kids. This has caused a dramatic drop in production. Employment agencies were contacted, but those workers were not familiar with agriculture. Another problem would be that many of those workers were on state assistance programs and if their additional income affected receiving food stamps the workers quit.

Later, Mr. LeDuc began hiring Hispanics, who could "out pick 80 locals." There also was an amazing difference in the Hispanic work ethic. The use of this labor force worked well for the smaller blueberry and strawberry crops. These workers could be used for the smaller crops, as well as by the apple growers. However, as the blueberry industry grew, the demand for labor increased.

A year ago his farm constructed three new housing units, and will be adding another new unit in August. To date, \$94,000 has been spent and each unit will accommodate eight workers. They have 200 acres of blueberries and 12 acres of strawberries. His farm employs about 35 workers during the strawberry season. Approximately 120 workers are needed for the blueberry season, but at this time he only has 60. Workers are not available.

Mr. LeDuc is a member of the Michigan Blueberry Growers Board of Directors. He and other growers are now using harvesting machines. The growers are already in trouble this year with fruit rot. Most growers do not want to use machines for first picking because then they become a process crop. This is not good for Michigan agriculture. At least half of the crop needs to be shipped fresh. If the value is not there, then the tax base is not there.

The question "is it a crisis situation?" It may not be for the state, but it is for the blueberry growers. Farmers should be shipping approximately 24,000 to 30,000 flats to fresh markets a day, but they are only shipping 15,000. This is critical when we are trying to compete with other states such as New Jersey, Washington or Oregon. These states have their own type of programs. There are other areas, such as some of the Provinces in Canada that help their farmers by exempting ag labor from taxes. Michigan has a regulatory problem that needs to be addressed. There is no way that a farmer can comply with all of the regulatory requirements.

* * *

Commissioner Tatter said that there is a pool of high unemployment in the Benton Harbor, Benton Township

area. The city and the county government are very concerned. Is there any way that by working in partnership with these governments, workers could be found? Could a bus be driven to Benton Harbor to pick up 30 or 40 people to take back to the farms to work?

Mr. LeDuc responded that the only way he sees that working is if there is good incentive for them to work. If these people would lose their benefits by working, then they will not work. This is the problem he ran into when he was going to Kalamazoo and picking up potential workers from the inter-city. If people come to the farm, but don't want to work or don't want to be there, then that is the worst kind of help. However, if there is some type of incentive for them, they may want the work. Hispanics are the best corps of people. They understand agriculture and have a good work ethic.

Dave Smith, Executive Secretary, Michigan Vegetable Council updated the Commission on the farm labor situation as it relates to Michigan's vegetable growers:

Mr. Smith is a farmer from Monroe County and was recently appointed as Executive Secretary of the Michigan Vegetable Council. He has never used seasonal migrant labor on his farm, but does use local high school workers, as well as mechanical harvesters.

Mr. Smith contacted many vegetable growers and Extension agents prior to today's meeting. He wanted to get an accurate reading of the situation in Michigan from their perspectives. He learned that early in the season many felt there was going to be serious shortage this year in farm labor. There was some economic loss for some asparagus growers who were unable to get their crops harvested. The situation is different for every grower. At present, however, most of the growers are a little more comfortable with their individual situations. The labor is there or they have assurances that the labor will be there when they get into the busy harvest time. It appears that most of the problem this spring was the timing of when the workers arrived as opposed to a shortage of workers. However, there are a few growers who are uneasy because they don't have all of their workers in place.

Michigan's strong economy is a factor both in labor availability and labor cost. Each person he talked to either had a personal experience or knew of someone who lost people to non-farm employers. This problem is greatest to those who farm close to metropolitan areas, especially in Macomb County, where there is a lot of development construction. One grower stated that he had enough labor to get the crop harvested, but the people he lost were some of his more skilled workers. Many times farmers lose the more skilled, more ambitious workers. Some growers indicated that they even increased their wage scale to be more competitive with non-farm employers.

Michigan's labor situation has affected some of the present and future planning decisions that were made this year. One good thing about vegetable growing compared to fruit growing is that growers start over every year. Decisions can be made each year on what crops to grow.

One grower indicated that he may discontinue growing zucchini due to the labor shortage. This year, he went to a hard squash crop because it requires less labor and the time element is not as crucial. He also started growing snap beans because they can be mechanically harvested. Growers are looking for crops that they can mechanically harvest. This means that some are going into processing, but for those who want the fresh market they need to find crops like snap beans. Another grower indicated that he had to convert to a tomato harvester to harvest jalapeno peppers and cherry tomatoes because these are two crops that the labor did not like to pick. Growers are looking for ways they can mechanically harvest more of their crops. They are also cutting back on acreage and, in some cases, switching to soybeans or some other field crop.

The concern is, and something we need to keep in mind, there are not farmers standing in line to grow these fresh market crops. This is a net loss to our farm economy and a loss in jobs. Some growers have scaled down dramatically or even left the business completely. The labor problem is not the only reason, but it is a factor.

Growers are making a bigger commitment to recruiting labor than they have in the past. In many cases, growers travel to Texas, Florida or California and personally recruit. The growers contact workers who have worked for them in the past and ask for help in contacting other workers in those areas. Unfortunately, many growers do not have the time or the financial resources to do this type of recruiting. They do realize, however,

that they must make an effort in this area. This may be an area where state agencies or an employer's association could help with the recruiting. Overall, most people are not very positive about the situation.

Mr. Smith did talk with one grower who was more positive about the situation. This grower does not have a labor shortage. He feels the reason he doesn't is because he works hard to create a good work and living environment for his labor. He makes sure that the workers are aware of and receive all the benefits they are entitled to such as health care and day care benefits. He also actively recruits workers by traveling to other states. And, as bothersome as it is, he makes an honest effort to comply with all of the regulations. If he does experience problems with compliance, he works with the appropriate agency. This grower is a model for all growers. It is the way growers will have to do business. Those who are unwilling, will most likely not be part of the industry.

Mr. Smith agrees with one grower who stated that the future of this industry is dependent on this issue being resolved successfully. Mr. Smith hopes that the discussion today will contribute to that success.

Thomas K. Thornburg, Managing Attorney, Farm Worker Legal Services discussed the role of Farm Worker Legal Services. He also distributed a brochure that explains the services of the Farm Worker Legal Services office.

Farm Worker Legal Services (FLS) is a non-profit organization. The organization provides free legal services to eligible farm workers who are either migrating to or seasonally employed in agriculture in the state of Michigan. The typical kinds of problems that FLS addresses are employment, benefits, civil rights, housing rights, education issues, health and safety, consumer complaints and the immigration law.

FLS has seen a slight increase this year in the number of people it has served. This may be due to its expanded outreach. They now have three offices, one in Berrien Springs, one in Northwest Kent County and one in Ann Arbor.

Mr. Thornburg distributed a U.S. General Accounting Office (GAO) Report to Congressional Committees, December 1997. The Executive Summary of the report concludes that there was not a national agricultural labor shortage in 1997. However, it did admit that for specific crops in certain geographic areas there were some problems.

FLS has had conversations with other states, including the state monitor advocate for Texas. He stated that four Texas counties account for at least 20 percent of the migrant workers registered in the employment services system in the country. There is high, double-digit unemployment in those four counties in Texas, where traditionally the farm workers come from. The National Monitor Advocate for the U.S. Department of Labor said there were approximately 400,000 farm workers in the Rio Grande Valley in Texas and the local office managers reported 35 to 40 percent unemployment.

In the service provision arena, FLS does find out about other organizations' and agencies' policies and the effects of those policies on our clients. It does seem that there have been significant public policy changes in the last few years, causing a lack of incentive for people in Texas to come to Michigan. The changes occurred in unemployment insurance for seasonal workers, in the availability of food stamps, and in child care and medical care. Some states, including Michigan, have not instituted state supplements for those types of programs.

In a meeting with the Interagency Migrant Services Council, a discussion was held about the new "Mi-Child" program. This is a health program for people who are just above the income limits for medical assistance. This is an area where the agricultural labor issue has not been addressed. In fact, what has happened is, unlike medical assistance, "Mi-Child" in Michigan has been mandated to be served by managed care providers or health maintenance organizations (HMO). The problem is HMO's are regional and sometimes only countywide. Therefore, when we begin to talk about a "shared labor strategy," with more than one employer sharing workers and the benefits being cooperatively provided, we need to address the managed care program. Families who are signed up with one provider or HMO in one county would not be permitted to move to another county and still receive health care. These families care about their children and that is why they stay in Texas until school is out.

These are key issues and these are policies that are being made statewide. There needs to be significant input from the ag community to enhance the motivation for people to come to Michigan.

Gary Gershon, Director of the Michigan Migrant Legal Assistance Project distributed a copy of a booklet entitled, *"Under the Burning Sun,"* and a paper prepared by the Michigan Migrant Legal Assistance Project, Inc. entitled, *"There is No National Agricultural Labor Shortage. There Are Real Distribution, Recruitment and Information Problems."* Mr. Gershon spoke to a number of points brought forth by previous speakers:

It is encouraging to note that what we have heard today is thoughtful and responsive to the apparent reality of Michigan, saying there may be reason to be concerned, but there is not a crisis and that is an important point.

The problem of social security numbers and the inability of three or more federal agencies to interact with one another in any kind of consistent or thoughtful manner is a real concern. The SSA, the IRS, the Immigration Services, and the U.S. Border Patrol all have a different focus, different need and different criteria. Therefore, they do not interact very well. It is correct that most employers, particularly ag employers, can be put into a no-win situation. It is an issue that needs to be noted. It is an issue that needs to be visible. It is an issue that more activity should be undertaken to get these agencies to work together to smooth out these wrinkles.

One of the worst possible alternatives would be to return to the large-scale use of farm contractors or crew leaders. This was a system that was subject to tremendous abuse throughout the country. The movement away from that system has been a healthy one for farm workers and growers.

Independent contracting also is a system that should not be widely used again. The case law is clear that it is almost always unlawful in farming. It is a bad situation for the farmer because the litigation that would follow is too expensive and not appropriate in many cases.

The initiative to develop a shared labor strategy or a benefit structure would be a major step forward. This type of situation where economies of scale would allow for provision of benefits to farm workers is a truly proactive and progressive approach. This is a very daunting, but important, undertaking for the future of labor throughout the country, particularly in Michigan.

Mr. Gershon discussed the following problems :

- Data: There is very little hard evidence available dealing with the agriculture work force. Too often we rely on anecdotal data, which is colorful and interesting but not helpful. One thing that should be undertaken is a large-scale, well-funded activity toward obtaining better data. Data is needed on who the farm workers are, what their needs are, who the growers are and what their needs are. We need to find ways to mesh the two together.
- Labor Shortage: No one can demonstrate that there is any national or statewide shortage of workers. There may be spot shortages, localized, geographical, crop-specific shortages. There is an inefficient and ineffective system in place of connecting workers to the work.
- Current Systems: What system or systems would work the best in getting the labor needed? There was a system that worked quite well through the employment security commission. This was a system that the grower community and worker had gotten used to and knew how to access. It did need a great deal of refinement and improvement and was underfunded, understaffed, and lacked the technology needed to be useful. There is skepticism that the privatized, Internet-based computer system that the employment security agency has gone to is going to be helpful at all to the ag community. There is no reason to believe that this system works well. There are those who have a vested interest in demonstrating its success and Mr. Gershon awaits the result. However, for this season, there is no reason to be hopeful. As we look to the future, that system may present some opportunities, but better staffing and funding of this system and improved use of interstate technology by employers is a major response to any problem.
- Interstate Clearance System: This is a system that has been underutilized for a couple of reasons. One reason is the traditional view on the part of the farmers that they dislike paperwork. There is not an individual person assigned to process the orders and that would be a simple fix. By assigning one person to be a consultant to the farmer and to help to get farm labor from the

south or Texas where there are huge numbers of people who desperately need work would be helpful.

- Training: Mr. Gershon continues to be chagrined that Michigan State University does not require a class in ag labor regulation law or personnel management to receive a degree in agriculture. This has been tremendously under-supported by the University and is an area the Commission of Agriculture should address.
- Housing: There is a need for higher quality, readily accessible, affordable or rent-free housing. There are a number of programs available, such as the Construction Grant Program, which is tremendously under-funded. There are grants available through the Rural Housing Service. An alternative is to move away from the traditional model in Michigan that has been exclusively on-farm housing. There are monies available for cooperative housing, for housing built by municipalities, not-for-profit agencies that could be larger, more like apartment complexes. These are widely used in California and Florida very successfully. This is a time that we should look at that as an alternative. This would be in addition to creating more quality on-farm housing.
- Zoning: The grower community is continually faced with the utilization of zoning to deny new housing. This goes on throughout the state and has caused some real concerns. Unfortunately, some of it is racially based, but part of the problem is simply that the urbanite wants the large acreage and does not want others to move in.
- Education and Child Care: The availability of the "Mi-Child" program is significant. Unfortunately, it is not going to be readily available to farm workers at this point. Farm workers would be pleased to have that health insurance in place for their children. This is a very child-based culture and very focused on the betterment of the child's life.
- Food Stamps: There is good news on the restoration of food stamps for lawful, permanent residents. There was a compromise signed in the agricultural research bill that provides for a restoration of benefits to about a quarter of a million people. Some have estimated that approximately 800,000 people were affected.
- Model Farming: Mr. Gershon pointed to the model farmer mentioned earlier by Mr. Smith. This is the key to solving any problems we have with ag labor in Michigan and the kind of thing that MSU could teach. Providing good work and living environment, assisting workers in receiving the benefits that are available, allowing workers to feel that they are part of the process by helping in the recruitment of workers are all ways that most problems, particularly any perceived shortage of labor, could be addressed. We need to use these progressive personnel management techniques.

Linda Woods, Acting Director, Bureau of Employment Services, Michigan Jobs Commission distributed copies of two weekly reports that summarizes activities; identifies the crop, labor shortages and needs, and housing. She also distributed a copy of the "Michigan Jobs Commission/Employment Service Agency Offices With Migrant and Seasonal Farmworker Program Specialists." Also available is a pamphlet entitled, *"How Michigan Employers Can Find Agricultural Workers...It's as Easy as 1,2,3."* Ms. Woods made the following comments and observations:

The Michigan Jobs Commission (MJC) has found that there are adequate workers today to meet the current needs of the growers. The biggest problem the MJC encounters is that employers do not have housing available for their workers. Most of those employers depend on "drive-out" workers. This can be a problem in keeping workers because of the seasonal and short-term nature of the work. Many "drive-out" workers find other opportunities in the community with higher wages, longer work periods and fringe benefits.

There has been a lot of discussion about a change in the service delivery system. As of July 6, 1998, the Internet showed about 1,000 general farm workers registered in that system. In addition there are about 1,000 farm workers registered who had already arranged for work prior to traveling to Michigan. MJC's migrant service workers (state employees) are required to do outreach and contact as many migrants as they can. This includes those who have already located work, have housing and are situated. It is the responsibility of the MJC to advise them of services available while they are here in Michigan. The MJC collects registration data on these workers, but it is not required to be entered into the Internet. In addition to the 1,000 registered on the

Internet, there are approximately another 1,000 registered workers out there.

Because the ag season in the south ran later this year, migrants have been slower coming into the area. Michigan's season started earlier than expected and many migrants who would have been here for the asparagus and strawberry crops did not arrive. The worker shortages seen now seem to be occurring at some of the packing houses. Blueberries are a problem and there are some shortages with cherries. Those orders that are received from employers where housing is available generally have received workers to meet their needs. The problem is in the areas where housing is not available. The MJC has been networking with various community-based organizations that work with migrants to find workers. There have been a lot of successes with the community-based organizations in the Kalamazoo area and in Berrien County.

One problem is that workers are found in other areas and are within commuting distance. They are within a relatively short distance to get to the grower in time to perform the work, but are getting lost along the way. Some organizations and employers are making arrangements to meet the workers at their location to transport them to the farms or they are setting up a caravan.

In addition to the 1,000 workers on the Internet site, there are about 69 job orders for general farm workers. Thirty-nine of those orders mentioned housing and 23 of the 39 were "drive out" only. That is 60 percent of those job orders.

The MJC and MDA have encouraged employers who have complimentary crops to share workers and housing as much as possible. The work needs of one employer don't always compete with the needs of another. However, in those areas where there could be overlap, there is a reluctance to share workers. There is the fear that the workers will not come back. This morning was the first time that Ms. Woods had heard about non-ag employers recruiting. This is new and she will follow up on this information.

In addition to networking with community-based organizations to locate workers, the MJC is also working with the Michigan Farm Bureau and the MDA to identify strategies to address worker recruitment needs. These agencies have been helpful in getting out the information to the ag employers in Michigan. There have been at least two mailings to the ag employers from MDA and the Farm Bureau has done one. Craig Anderson has been helpful in getting information printed in some of his newsletters advising employers on how the Michigan Jobs Commission may provide assistance. The MJC has tried to get the information out to the employers on where the MJC Migrant Service Workers offices are located. The MJC also has reopened locations in both Hartford and Sparta, where there are high migrant worker concentrations and ag activity.

The brochure distributed earlier on how Michigan employers can find agricultural workers tells ag employers about the Interstate Clearance System and the forms that are needed. One suggestion is to sponsor workshops and seminars to give employers information on how to complete the forms and what the requirements are in recruitment.

The MJC has discussed with the Michigan Farm Bureau Agriculture Labor Advisory Committee the possibility of recruitment in those states that have a number of ag workers such as Texas and California. This could be done in early winter on two different types of visits. One visit would promote Michigan as a nice place to live and work and with a long agricultural labor need season. There is generally work available in Michigan from March to November. The second follow-up visit could involve more specific worker recruitment activities based on the specific needs of the employers. However, in order for the MJC to make this type of effort, it would need some type of guarantee or commitment from employers that the workers that are actively recruited will have work once they arrive in Michigan. She realizes that in some cases it is difficult for employers to make those commitments in March and April, not knowing when the last hard frost is going to be, etc. The MJC intends to continue to pursue that as a possibility to continue to promote the opportunity that is available here in Michigan for workers who are willing to make the trip.

* * *

Commissioner Maitland asked if the reports and summaries Ms. Woods distributed could be made available on the Internet.

Ms. Woods believes that Ohio is working on developing a Website where Michigan could post agricultural

information.

Roberto Carmona, Regional Monitor Advocate, Region 5, U.S. Department of Labor/ETA explained the role of the monitor advocate.

The monitor advocate system was actually created by a lawsuit that charged that migrant seasonal farm workers were not receiving equitable or quality service. Mr. Carmona works with state monitors in six states, Illinois, Indiana, Michigan, Minnesota, Ohio and Wisconsin. His role is to monitor local job service offices and state employment security agencies to ensure the inclusion of quality and equity for migrant and seasonal farm workers in the state and local work force delivery systems or one-stop employment services.

Federal policy traditionally emphasizes the function of regulations and state policy focuses on economic development trying to build a business infrastructure. The three major initiatives of the U.S. Department of Labor have been the school-to-work transition, the welfare-to-work system, and the one-stop work force development system.

In the development of all of these systems, work force, recruitment, development of labor in the agricultural sector has not been sufficiently included. On a regional and national level, the ag sector (which includes advocacy organizations, growers, farmers, and farm workers) interests are not at the top of the list, becoming an afterthought. The exclusions become problematic when looking at why there is not farm labor for certain areas. There has not been a systematic approach on how to include the ag sector in these developments.

Mr. Carmona's primary focus is the well being of the farm worker. The approach he is taking is different than his predecessor and other regional monitor advocates. He has found that it is better to use dialogue, recognizing that if there is no farm labor, there are no farm workers to advocate for. Another fact is when we look at farm workers, we are not just looking at production, capital, land or mechanization. We are dealing with human nature and human beings.

Mr. Carmona's focus and primary role is domestic labor and how to get people who are legally documented into the work system. He works with the states to make sure they are getting the labor needed.

Mr. Carmona highlighted the ag recruiting system and Interstate Clearance Order process. His approach is to have conference calls with the people who are involved in the process, such as Farm Bureau, Legal Services, Employment and Training providers, Telamon Corporation, Migrant Education, Migrant Health and Family Services. They discuss the best way to develop a system that would look at the farm worker from a recruitment aspect and that also builds an infrastructure that would meet the needs of health, education and social services to create a comprehensive plan. He has learned that if we don't have the farmers, farm workers and farm worker advocates working together to develop a system and a plan for the next 15 to 20 years, then someone else will do the planning for us. There needs to be an infrastructure in place so we do not have haphazard, Band-Aid approaches.

Mr. Carmona explained that when an employer through the employment service is looking for help in recruiting ag food processing workers, the service finds a local shortage of qualified, interested workers and develops an Interstate Clearance Order. The Order requires the employer to sign a form ETA 790. The form lists the work to be done, wages, benefits, bonuses, and housing and transportation assistance. The Order is then sent to the employment service in the state with qualified, interested workers and the employment service recruits by providing information from the Order to interested workers and then a match is made. The role of the state employment offices is basically to service the employers and the workers, provide assistance to employers in recruiting, job referral and year-round placement and provide a full range of employment services which is emphasized in the Judge Richey court order. The court order is what has created the regional state monitor advocate system and the outreach workers in the local offices.

The state central office responsibility includes the monitor advocate. Currently, Michigan has been operating without a state monitor advocate for a few years. They have had an acting person. It is his understanding that Michigan will be getting a state monitor advocate. This is a position that is useful in the partnerships that need to be built.

The role of the employment and training administration through the U.S. Department of Labor is to coordinate

clearance activities within and across regions. Mr. Carmona distributed a copy of the Tri-State Agricultural Farm Bulletin for Indiana, Michigan and Ohio. The bulletin looks at the three states having concerns about farm labor recruitment. The state monitor advocate of Indiana, the acting monitor advocate of Michigan, and the state monitor advocate of Ohio decided to consolidate the information about who are the key outreach workers and what types of information they are receiving from their growers in terms of labor need.

Mr. Carmona's role is to encourage group and individual meetings with those involved in the ag labor process. He assists in the preparation of the ETA 790 form package for the Interstate Clearance Order; introduces the ETA 790, related forms, and employer's role and area office responsibilities; and ensures that the worker understands the contract. The contract must be written clearly and reviewed with the worker. The state prepares the forms and attachments, ascertains the prevailing wage, creates the local job order, recruits locally, determines the shortage and begins the ETA 790 form processing. Mr. Carmona assists the state monitor when needed. The form must include the number of workers, transportation, wage, job specifications, equipment and tools, food and housing arrangements.

A regional meeting was held recently with the six state monitor advocates and the 402 employment training service providers. Some of the issues raised were how the states develop employment service priorities; how they provide services to the ag sector; how they are involved with the ag workers. States need to identify priorities, direction and needs of the labor market, as well as propose and prioritize where we need to go.

A key issue to address is the number of institutions and entities that count farm workers and what happens when these agencies come up with different numbers. States need to work together with the entities that provide the numbers to come up with actual numbers. There is a need for customer satisfaction surveys to look at those who are utilizing the job services, both the farmer and the farm worker.

The national monitor advocate will be doing a national review of the state of Michigan in late August or early September. It may be helpful for the national monitor advocate to address the Commission of Agriculture. The Commission could bring in key players to give an assessment of the farm labor situation.

The suggestion to coordinate coherent strategic trips to the traditional supply states is an important one. Farmers have made many efforts, but we need to provide job fairs and make sure the conditions are understood. There also needs to be meetings between the different agencies from different states. Michigan needs to talk with the supply states—Florida, Texas and California—and talk about the condition and the bottleneck for not being able to get laborers.

Mr. Carmona emphasized that farm workers are human beings. If a job or employment is not palatable, workers will not stay in the area. It is important to work with the Michigan Jobs Commission so agriculture understands the planning process.

There is an excellent 1989 report entitled, *Migrant and Seasonal Workers in Michigan's Agriculture—A Study of their Contributions, Characteristics, Needs and Services.* This is an excellent assessment on the population and services.

* * *

Commissioner Tatter asked Mr. Carmona to discuss the role of the National Monitor Advocate in farm labor housing.

Mr. Carmona replied that if the job order indicates farm labor housing is available, then he basically deals with that issue under the different programs by inspecting the housing.

Commissioner Tatter expressed his serious concern that duplicate inspections are inappropriate. He stated that as far as he was concerned that is unacceptable. We just went through this state to make sure we are not duplicating efforts. Commissioner Tatter asked what is the matter with Michigan's farm housing inspection system?

Marvin Johansen answered that the U.S. Department of Labor does use the MDA inspection reports to satisfy the housing inspection requirement of an Interstate Clearance Order. Commissioner Tatter stated that he was

then satisfied.

Manny Gonzales, Office of Migrant Services, Family Independence Agency asked to address the Commission on the farm labor situation. Following is a summary of his comments:

- Michigan is a destination state. There is some competition with Indiana right now in the corn detasseling. Usually workers come to Michigan, go to Indiana, then return. There also is migrant worker activity during the off season—nursery, horticulture, Christmas trees, ornamentals, early winter crops.

Mr. Gonzales believes the following are the important issues that need to be addressed:

- Increase of Hourly Wages – There is a need to compensate the grower and the farm worker with higher earnings.
- RCAP Program (Regulatory Compliance Assistance Program) -- There is a need to find ways to make this program available to the entire industry and agencies. This is an excellent program that needs to be expanded on a statewide basis.
- Crew Leaders and Independent Contractors and Share Cropping — It is important that employers meet with the farm workers and don't leave it up to a crew leader. Unfortunately, crew leaders don't always pay the workers. Someone needs to take responsibility and ownership in the areas of social security, workers' compensation, child labor laws, etc. Share cropping needs to take ownership for rules and regulations.
- Training — Michigan State University needs to take a leadership role and identify someone to oversee and become the expert to help and work with the various extension agents at the local level.
- State Monitor Advocate — Michigan needs a state monitor advocate because it is lacking leadership in that area.
- Special Marketing Season Farm Workers Staff — Employers need to be have face to face contact with the workers so they can develop a rapport on a first name basis

Mr. Gonzales suggested the following:

- Job Fairs – Growers should travel to Texas and California and give presentations to sell their operation to the workers. This should happen during the off season.
- Billboard Advertising – There needs to be more advertising to promote Michigan's crops and extended season for work in the workers' home-based states.
- Lists of Registered Crew Leaders — Growers can obtain these lists from his office.
- Workshops on Interstate Clearance Order — There needs to be workshops to teach employers how to fill out the forms, etc.
- Use of the Internet — Michigan should have own its own Web Page that would include reports and bulletins.

Mr. Gonzales believes these two areas need to be addressed immediately:

- Benefits -- Unemployment Insurance, Food Stamps, Day Care, Medical Services for Farm Workers. All of these areas need to be looked at.
- Housing – The Michigan State Housing Development Authority needs to contribute to the funding.

Juan Marinez, Regional Director, Michigan State University Extension Office asked to address the Commission concerning the farm labor situation in Michigan. Mr. Marinez stated that Dr. Gonzales, Under Secretary of the U.S. Department of Agriculture, recently visited Michigan State University. This gave the university an opportunity to showcase its research activities relating to pesticide and pesticide research. Dr. Gonzales met with various research graduate students who are doing the research.

During one of the meetings with Dr. Gonzales, many issues were discussed, and one was the labor issue being discussed today. Mr. Marinez agreed that a good database is lacking. There is a lot of anecdotal information

and a misperception that a lot of statistical information exists. One positive move is that the National Agriculture Statistics Service Survey will soon be part of the USDA, instead of the U.S. Census Bureau. This will offer the ag community an opportunity to give input on the kinds of questions that would benefit the industry.

Mr. Marinez believes that a roundtable meeting needs to be held that would bring together all those involved in this issue. He has visited southwest Michigan and learned that what is happening in Michigan and is not happening in other parts of the Midwest is the increasing number of Mexicans immigrating from Mexico. There is an increasing number of Mexican-Americans who have become farm owner operators. The county of Van Buren has at least 30 and that number is growing.

An important issue to be addressed is how Michigan can get more money to increase the pay to its workers. Many of these people were the workers and now they manage their own farms, even though they continue to work on other farms. The immigrant story continues to evolve and unroll itself in the ag community. In the past, there were many European immigrants of German, French, Belgian, Irish and Polish ancestry. They came in, worked the land and now are in other sectors of the economy.

Mr. Marinez outlined some of the concerns that he has heard from the Mexican and Mexican-American owner/operators:

- Pesticide Labeling – Labeling is done in English, but it also needs to be in Spanish.
- Bilingual Educators – More bilingual educators are needed in MSU Extension and MDA.
- Availability of Information – There is a lack of knowledge of what is available to them.
- Misperception – They are always perceived as the farm worker, not as the owner/operators and get treated as such. They won't go to the meetings because of this perception. Mexican Americans have increased by 20 percent nationally in terms of farm owner/operators.

Summary -- Dan Wyant, Director

Director Wyant expressed his appreciation on behalf of the Commission to those who participated in today's discussion. These questions need to be answered as part of any discussion:

- How does Michigan improve its coordination of the infrastructure that is already in place?
- What can state government do to build upon and improve Michigan's migrant housing program? How does federal regulation impact our state?
- How can Michigan improve its recruiting efforts? How can Michigan coordinate its efforts to match the workers with the work by using the computer-based system, Interstate Jobs Clearance, job fairs, etc.
- What incentives (Mi-Child, unemployment insurance) can Michigan develop or build upon to bring workers to Michigan?
- Does Michigan have the appropriate data? If not, what is needed to obtain accurate and useful data?
- How can Michigan overcome zoning obstacles?
- What type of workshops and labor management training could be provided to disseminate the information needed to the employers?
- How does Michigan build upon and improve regional and interstate cooperation with the State Monitor Advocates?
- What steps need to be taken to insure that agriculture is adequately represented in the labor discussion and at the point where decisions are made that impact state labor policy?

* * *

Commissioner Tatter stated that he appreciated the excellent comments heard today. His concern is that after today's meeting, nothing would be done. Commissioner Tatter suggested that today's discussion be turned into a task force or committee to address this issue. He is very concerned about the duplication of efforts and feels this topic needs to be addressed in any task force or committee discussion.

Commissioner Darling agreed that additional dialogue is needed to work to improve the economy for the farmer and the farm worker that benefits all of Michigan. He also expressed his appreciation to everyone who participated in today's discussion.

Director Wyant stated that some of what was heard today are things that are currently being done. However, it is important that we document what is currently in place and what is currently being done. He suggested that MDA take the responsibility of documenting this information for the Commission. The department also could look at what needs to be done after today. The department could make this recommendation to the Commission in the form of a report. At that point, the Commission can decide the role of the department on this issue.

Commissioner Tatter suggested that some legislators need to be brought into the discussion.

Director Wyant agreed and stated that there are others who need to be part of the discussion as well.

Commissioner Maitland asked that a copy of the draft minutes be sent to everyone who made presentations today to make sure that we have accurate information on what was shared. He thanked everyone for today's discussion.

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APPROVAL TO MOVE FORWARD ON FINAL CERTIFICATION OF REGULATION 523, DRY EDIBLE BEANS – Kenneth Rauscher, Director of the Pesticide and Plant Pest Management Division

Kenneth Rauscher, Director of the Pesticide and Plant Pest Management Division, discussed the final certification of Regulation 523, Dry Edible Beans. He is recommending the Commission's approval to move the rule amendments into the formal rulemaking process. Mr. Rauscher distributed a copy of the Notice of Public Hearing that was held July 6, 1998, that outlines the amendments to the rules. At the hearing there were comments received by the Michigan Farm Bureau and the Michigan Bean Shippers Association in support of the rules. There were no comments received in opposition of the rules. The Commission will have the opportunity for formal approval of the rules before they are forwarded to the Secretary of State.

Commissioner Maitland asked for a copy of the minutes from yesterday's hearing.

MOTION: Commissioner Tatter moved that the promulgation process proceed on Regulation 523. Seconded. Motion carried unanimously.

Mr. Rauscher answered the questions Commissioner Darling had asked on July 7, 1998, concerning the Director's Report relating to Canadian Roundup. The reason that it is not sold in Michigan is that EPA does not register it for sale in the United States. It is not registered because the ingredients and the formulation is different than the U.S. formulation, particularly in the area of inert ingredients. The Canadian product does not have the farm worker protection standard labeling and is labeled with metric measures.

Mr. Rauscher also answered the question on whether farmers were compensated for the black beans that did not germinate as labeled. He reported that the State does not have a program for compensating farmers. However, in this case, the retailer has indicated he would recall the beans that had not been planted and provide reimbursement. MDA would provide the seed analysis if requested by a farmer.

Commissioner Maitland asked if MDA goes to the field to observe the lots that were planted.

Mr. Rauscher said that if there is a complaint received regarding a lot of seed, MDA will investigate and sample the seed if necessary.

PUBLIC COMMENT

Mr. Phil Forner of Allendale, Michigan, formally requested that the Commission move forward to institute

Generally Accepted Agricultural and Management Practices for Silage Storage. He showed a videotape of portions of his property located in Ottawa County, 11672 60th Avenue, Allendale, Michigan. Mr. Forner explained that the video shows the problem he experienced with silage runoff onto his property from a neighboring farm owned by Harley Sietsema. Mr. Forner filed a formal complaint in 1997 with the Michigan Department of Agriculture. He was concerned about groundwater contamination from runoff from corn silage piles located on the Sietsema/Forner lot line.

Mr. Forner distributed copies of the Michigan Department of Agriculture's *Special Report*, dated February 19, 1997, and a letter he received from Mr. Wayne W. Whitman, Program Manager, Michigan Department of Agriculture, dated February 20, 1997. He also distributed copies of a Michigan State University Extension Farm-A-Syst Fact Sheet entitled "*Reducing the Risk of Surface and Groundwater Contamination by Improving Silage Storage*," and a report from the Bio-Chem Environmental Analytical Laboratory showing the results from water samples taken from his property.

He stated that the corn silage piles have since been removed.

MOTION: Commissioner Maitland moved that the matter be referred to the Generally Accepted Agricultural and Management Practices Nutrient Utilization Task Force so that at its next regular meeting that committee can determine if silage storage issues should be included in the Generally Accepted Agricultural and Management Practices for Nutrient Management. Seconded. Motion carried unanimously.

ADJOURN

The meeting adjourned at 1:26 p.m. on July 8, 1998.

ATTACHMENTS:

(All attachments are on file in the Michigan Commission of Agriculture office and are available upon request.)

Attachment A Commission of Agriculture Minutes, June 10-11, 1998

Attachment B Resolution Honoring *Steve J. Pscodna, Jr.*

Attachment C Bovine Tuberculosis Wildlife Survey Summary as of June 18, 1998 and Livestock Tested for Bovine Tuberculosis

Attachment D MDA Environmental Stewardship Division, Chronology of Events –Douglas and Irene Ritchie

Attachment E Director's Report – July 1998

Attachment F Legislative Report – July 1998

Attachment G Regulations for Act 239, P.A. 1982, "*Bodies of Dead Animals*"

Attachment H Migrant Labor Housing Program Accumulative Totals, July 1, 1998 and a Map of Agricultural Labor Camps Licensed – 1997 Totals

Attachment I "*Farmworker Legal Services*" Brochure – July 1997

Attachment J U.S. General Accounting Office Report to Congressional Committees "*H-2A Agricultural Guestworker Program*" – December 1997

Attachment K Farmworker Legal Services Office Locations and Resource Guide

Attachment L "*Under the Burning Sun*," Michigan Migrant Legal Assistance Project, Inc. – Summer/Fall 1998

Attachment M *"There Is No National Agricultural Labor Shortage. There Are Real Distribution, Recruitment and Information Problems," Michigan Migrant Legal Assistance Project, Inc. – July 8, 1998*

Attachment N *"How Michigan Employers Can Find Agricultural Workers, It's As Easy As 1, 2, 3," Michigan Jobs Team*

Attachment O Michigan WORKS!, Michigan's Workforce Development System, Michigan Jobs Commission

Attachment P Michigan Jobs Commission/Employment Service Agency Office With Migrant and Seasonal Farmworker Program Specialists

Attachment Q Tri-State Agricultural Farm Bulletin for Indiana, Michigan and Ohio, Harvest Season Weekly Report Ending June 26, 1998

Attachment R Notice of Public Hearing on Proposed Amendments to Regulation No. 523, Dry Edible Beans – April 30, 1998

Attachment S Draft Regulation No. 523, Dry Edible Beans, Department of Agriculture, Pesticide and Plant Pest Management Division – April 28, 1998