

**MICHIGAN COMMISSION OF AGRICULTURE
Uncle John's Cider Mill
8614 North US-127
St. Johns, Michigan 48858**

**MEETING MINUTES
JULY 17, 2008**

PRESENT:

James Byrum, Chairperson
Ann Jousma-Miller, Vice Chairperson
Dale Norton, Secretary
Don Coe, Commission of Agriculture
Todd Regis, Commission of Agriculture
Don Koivisto, Director, Michigan Department of Agriculture

CALL TO ORDER AND ROLL CALL

Chairperson Byrum called the meeting of the Commission of Agriculture to order at 9:02 a.m. on July 17, 2008. Commissioner Dale Norton called the roll with Commissioners Byrum, Coe, Jousma-Miller, Norton, Regis, and Director Koivisto present.

APPROVAL OF AGENDA

MOTION: COMMISSIONER COE MOVED TO APPROVE THE MEETING AGENDA FOR JULY 17, 2008. SECONDED BY COMMISSIONER NORTON. MOTION CARRIED.

APPROVAL OF APRIL 16, 2008, AND JUNE 9, 2008, MEETING MINUTES

Chairperson Byrum reported a fundamental change was made to the motion on the bottom of page 28 in the June 9, 2008, minutes. Revised copies were provided to the Commissioners today. The change clarifies that the motion was to reconsider the vote relative to the April 12, 2007, resolution.

MOTION: COMMISSIONER COE MOVED TO APPROVE THE APRIL 16, 2008, AND THE JUNE 9, 2008, MEETING MINUTES. SECONDED BY COMMISSIONER REGIS. MOTION CARRIED.

NEXT SCHEDULED MEETING

The next scheduled meeting will be held on August 20, 2008, in Carson City. Following the meeting, Commissioners will have the opportunity to visit a traditional retail fertilizer operation, tour Double Eagle Dairy (which has a 72-cow carousel milking operation), and tour one of the more traditional grain operations in the state.

TODAY'S MEETING HOST: Mike Beck, President, Uncle John's Cider Mill

Chairperson Byrum recognized Mike Beck of Uncle John's Cider Mill and expressed the Commission's appreciation for his hosting today's meeting.

COMMISSIONERS' TRAVEL

Commissioners Coe, Norton, and Jousma-Miller traveled to attend today's meeting. There was no other travel submitted for approval and no motion was required.

COMMISSION COMMENTS:

Commissioner Norton reported he recently spent two weeks in France and Northern Ireland. He had the opportunity to view the dairy industry in Ireland, noting they also have critical issues with which to contend, including Bovine TB and the badger population. An extremely large farmers market in France was also visited, which was very impressive given its volume of quality and quantity of products available.

In the Branch County area, farms are becoming dry and irrigation has begun; however, crops appear exceptional at this point. After having harvested seed corn last year, one producer then planted wheat, is now harvesting that wheat, and plans to plant green beans – this is a very quick rotation that has not been seen in that area before and it will be interesting to observe its rate of success.

Commissioner Coe reported the cherry harvest is beginning in the Traverse area, but anyone who is in the fruit business realizes they are having difficulty, depending upon the particular type of fruit and its specific location. Processing will be down this year for various reasons.

Tourism in Northwest Lower Michigan has been very good this year. The high gas prices apparently have not impacted that sector. The recent Cherry Festival was the most successful for that event in a number of years.

He mentioned the current potential law suit against the department by groups opposed to animal identification (ID) tagging and noted it is important the Commissioners receive a brief fact sheet from which they can speak when receiving inquiries on this issue. Director Koivisto advised preparation of briefing information is in process and would be distributed to the Commission as soon as possible. Chairperson Byrum noted Michigan was the leader in mandatory animal identification which ultimately benefits the livestock industry in the state.

Commissioner Regis reported he participated in various department events, including a press conference with the Weights and Measures Program staff that provided a good opportunity to showcase how the inspectors ensure consumers

of the quality and quantity of product they receive at the pump. He also joined the Director on a recent grocery store food inspection, noting it is good to know we are not only protected as consumers, but that the growers and processors are also protected. He attended Ag EXPO at Michigan State University (MSU) this week, including the breakfast during which the Director spoke.

He recently had the opportunity to participate in a VIP tour of Black Star Farms, noting it is an amazing operation. He thanked Commissioner Coe and complimented him on his outstanding process and facility.

Commissioner Regis commented on his last visit to Uncle John's Cider Mill, highlighting the various events that he and his children enjoyed. This is an annual event for his family and is another great Michigan agriculture tourism destination.

With agriculture being Michigan's number two industry, he emphasized it is important to continue exploring all aspects of the industry.

Commissioner Jousma-Miller mentioned that with the record number of food product recalls across the nation, she has seen a growing interest in buying food produced closer to home.

Preparations are underway for the Upper Peninsula (U.P.) State Fair for the week of August 10; the Governor will be attending on Friday of that week. Travel numbers in the U.P. are sustaining at approximately the same rate as previous years, varying dependant upon the specific territory.

They are also preparing for the Michigan State University (MSU) Upper Peninsula Experiment Station Field Day on July 26 in Chatham. Director Koivisto plans to attend that event.

Bio-energy was highlighted recently with the announcement that Mascoma Corporation may build an ethanol plant in Chippewa County that would convert wood chips into fuel. Feasibility studies are continuing with NewPage Corporation's paper mill in Escanaba for the potential of a partnership with Chemrec AB from Sweden in hopes of bringing a new bio fuels plant to the Escanaba area.

Commissioner Byrum reported wheat harvest is well underway in most areas of the state; yields and quality are better than anticipated. Fertilizer prices continue to rise and anticipated to be roughly four times what they were two years ago.

The extraordinary extreme weather in some parts of the state does create some concern. It is an ironic situation; however, Michigan at this point appears to be the “garden spot” across the nation.

DIRECTOR’S REPORT

Director Koivisto introduced Gene DeRossett, State Director of the U.S. Department of Agriculture (USDA) Rural Development, with whom MDA has worked closely on a variety of issues. This has proven to be a beneficial partnership and the department hopes to maintain a good relationship with that organization.

Relative to the electronic cattle identification issue, staff is already working to prepare information for the Commissioners. The department will be moving forward in a proactive stance on this issue.

The Director thanked Mike Beck for hosting the event today, noting it is a wonderful facility and a great venue in which to frame the meeting’s focus on agriculture tourism, farm markets, and agri-business entrepreneurship in Michigan.

To provide information on how we can make a great program even better, an in-house evaluation will be conducted of the Michigan Department of Agriculture (MDA) Select Michigan Program. A report detailing what the department can do to maximize the program’s potential should be available by late fall.

Ag EXPO was a great event again this year. The department presented some impressive exhibits and the breakfast was well attended.

Many positive comments have been received relative to the Commission having called the special meeting in June to address the various issues surrounding pseudorabies in Michigan. It proved to be very productive.

The Director requested the Commission establish a policy whereby any memorandum of understanding (MOU) being considered for approval be reviewed by the department’s Finance and Administrative Services Division, even if no financial implications are evident, and that each MOU be signed by Finance as an additional party to those agreements. Chairperson Byrum suggested the Commission Policy Subcommittee consider this for an addition to the Commission Policy Manual.

The Director asked Nancy Nyquist to give a brief legislative update. Ms. Nyquist reported the Legislature is officially in recess; they will be in one day a week at random over the remainder of the summer. Not much policy activity is expected until after Labor Day. The Legislative Service Bureau is completing work on the

feral swine issue and several educational meetings on that topic have been conducted to bring Legislators up to date. The Governor signed the 12-bill water legislation package recently, which provides the Great Lakes with historic new protections and makes Michigan a world leader in the scientific management of water. The grey wolf legislation is moving through Legislature. In response to question by Commissioner Coe, Ms. Nyquist offered to keep Commissioners informed of Committee hearings relative to specific legislation. Chairperson Byrum also noted that much of that information is available on the Michigan.gov web site.

Next, Director Koivisto asked Amy Epkey to touch on a few budget highlights. Ms. Epkey reported MDA's 2009 Budget (House Bill 5807) was presented to the Governor on July 7. The Governor is expected to sign the bill in the upcoming weeks. The department's proposed budget includes \$107.8 million gross authorization. The budget includes \$32.4 million general fund/general purpose (gf/gp), which is a \$1.3 million gf/gp increase from fiscal year 2008. A major concern regarding the budget passed by the legislature is the nearly \$1.5 million reduction of equine funds supporting Bovine TB as compared to the Governor's proposed budget. MDA has been in discussion with the Michigan Department of Environmental Quality (MDEQ) related to concerns surrounding funding for the Michigan Agriculture Environmental Assurance Program (MAEAP) in 2009 and beyond. There is no additional funding for pseudorabies included in the budget passed by the legislature. However, Senate Bill 1111 has been introduced and could provide additional 2008 funding for pseudorabies.

Following the Governor's announcement to employees earlier this week, the department is working on the flexible work week schedule policy and a notice will be sent to employees this week. This policy is not new to MDA, as a majority of the department's employees already work alternative hours. The department will continue to be open five days a week and all services will continue as normal; all inspections and emergency response will continue as previously conducted.

The Food Policy Council was reconvened, with the first meeting being held recently. Director Koivisto reported he chairs that Council and Gordon Wenk will be coordinating much of that effort as it moves forward.

MDA has been actively engaged in coordinating efforts related to the recent food recalls and has been working very closely with USDA, producers, processors, and retailers to help identify the source of the outbreaks.

He joined a recent crop damage and assessment tour in Allegan and Ottawa Counties, two of the most dominant counties in the state for overall agriculture production. The tour was very successful and well attended my media.

The department continues to be proactive with MDEQ in encouraging the development of an improved regulatory system for the cranberry industry.

The MDA "A-Team" program has proven very successful in managing economic development requests and concerns. The Agriculture Development Division provides personalized service to callers the same day their request is received.

The Director thanked Cheri Ayers, Mike DiBernardo, and Linda Jones for their efforts in coordinating a successful meeting today.

DIRECTOR'S TRAVEL

Director Koivisto requested travel to Bismarck, North Dakota September 19-24, 2008, to attend the National Association of State Departments of Agriculture meeting.

MOTION: COMMISSIONER NORTON MOVED APPROVAL OF THE DIRECTOR'S TRAVEL. SECONDED BY COMMISSIONER COE. MOTION CARRIED.

GRACELAND FRUIT, INC: Donald Nugent, President and CEO

Mr. Nugent noted Graceland Fruit, as well as Nugent Farms, produces various types of cherries and fruits. Graceland Fruit runs 365 days a year, 24 hours a day which results in a very consistent waste stream. Graceland Fruit recently built a \$5,000,000 waste treatment facility to handle their constant flow of waste water. During cherry harvest, they can receive up to 7,000,000 gallons of water in a 3-week period, which is an increase their waste treatment plant cannot handle. They are currently being told they can dispose 20 pounds of biological oxygen demand (BOD) product per acre on their existing irrigation field, or 50 pounds on new fields. This amount is relatively insignificant, as they have just over 18 acres actually under irrigation. To suggest they actually need over 100 acres to handle the water coming from the farms presents a huge challenge. Cherry production had to be diverted elsewhere for processing. The industry needs to work together with the department and Michigan State University to continue research which clearly defines at what level waste water imposes no impairment to ground water. He commended the Director, the Commission, and MDA staff for their work and efforts in supporting the fruit and agriculture industry in Michigan.

Chairperson Byrum noted more research on the BOD situation needs to be completed before it is resolved. It is a primary issue for every specialty crop industry in the state. Since a regulatory enforcement climate based upon imperfect science exists, Commissioner Coe encouraged the department to communicate and create a sense of urgency with USDA and to pursue resources that might be available through the Farm Bill. Director Koivisto confirmed the

department will be finalizing their efforts in this regard and MSU will also be looking at that issue. MDA is also working with MDEQ to develop an improved system for the management of processing.

Chairperson Byrum mentioned the Commission will be considering a resolution later in the meeting to support the Agriculture Research Station at MSU, which may be a source for some of the BOD work. Also, during the April 2008 meeting, the Commissioners requested the department organize a small work group to address food processing issues and suggested the department continue with that effort.

PUBLIC COMMENT (AGENDA ITEMS ONLY)

There was no public comment relative to agenda items.

BOVINE TUBERCULOSIS (TB) PROGRAM UPDATE: Dr. John Tilden, Bovine TB Program Director

Dr. Tilden reported no additional Bovine TB positive herds have been identified. However, California confirmed the detection of Bovine TB in two additional herds, which downgrades them from "Accredited Free" to "Modified Accredited Advanced" status. This highlights the urgency of establishing a new direction for the Bovine TB efforts in Michigan which are being challenged by the budget environment nation-wide. We need to identify what the government can do and to clarify the role of the individual producer.

The Wildlife Risk *A*Syst process for the Bovine TB Project was reviewed. This multidisciplinary approach is attempting to build consensus on what producers should and can do to separate their cattle from the deer. Initial applications are in process.

Next week, the Bovine TB program is sponsoring a conference to work with partners from around the world in identifying what is known, what is unknown, and how to bridge those gaps – to refocus their research team to develop practical solutions.

Dr. Tilden provided an update relative to targeted surveillance, which has resulted in reducing the number of herds requiring testing in the Modified Accredited Advanced Zone. He also reported circle testing of the areas around the previously identified positive deer is nearly complete and no positives have been identified.

One large Michigan dairy that received animals from the California infected herd is currently under quarantine, which placed a considerable economic burden on that operation. In just eight hours this week, USDA and MDA tested that dairy's

4,000 animals, which was only possible through use of the advanced technologies the department has developed.

Commissioner Coe suggested that if we could move to an incentive-based business, we could make additional progress, as well as provide for management-based compensation of depopulated herds.

Dr. Tilden reported that through USDA, they are pursuing the potential of Environmental Quality Incentives Program (EQIP) funding which could be available for the disease control project as it relates to environmental degradation.

Chairperson Byrum noted the technology and techniques developed by MDA are now being used in other states and is hopeful that USDA is well aware Michigan has invested considerable effort and dollars toward those efforts.

PSEUDORABIES UPDATE: Dr. Steven Halstead, State Veterinarian

Dr. Halstead updated the Commission relative to activities surrounding the pseudorabies virus (PRV). PRV has not been detected at any additional facilities across the state. The four previously identified facilities have now been depopulated, with the exception of a few stray pigs that are being pursued. Facilities will remain under quarantine until final confirmation of depopulation is received early this winter. Trace-back efforts continue to identify the potential sources of the infected animals. Testing also continues on the other game ranch facilities. The requirement of testing pigs or conducting a terminal show for all fairs in the state also remains in effect. At this point, costs for the eradication efforts stands at \$380,500, with an anticipated total of \$415,000 when work is completed.

The Legislative Service Bureau is finalizing draft legislation that would allow hunters to kill feral swine in the wild at anytime; and another draft that would ban the keeping and raising of swine for shooting in the state.

In response to question by Chairperson Byrum, Dr. Halstead advised that any depopulated facility wishing to continue business will be governed by a compliance agreement requiring all pigs entering the facility and those killed at the facility to be tested at the owner's expense.

In response to inquiry by Commissioner Coe, Dr. Halstead advised the testing rate standard that applies to the national PRV Eradication Program would apply to any game ranch facility in Michigan. He will forward the statistical sample size table for PRV testing to the Commissioners by the end of this week. At the next meeting, he will provide an update on the status of the game ranch situation.

At request of Chairperson Byrum, Dr. Halstead will also provide at the next meeting a report on issues related to Bovine TB, PRV, and any other potential animal health livestock issues which may exist and to advise if legislation should be considered or other actions implemented to ensure Michigan is ahead of those various issues.

Also at request of the Commission, the Department will pursue the potential of establishing surge capacity to effectively handle emerging livestock and plant pest disease issues in terms of funding and staff.

AG TOURISM AND TRAVEL MICHIGAN: George Zimmermann, Vice President, Travel Michigan, Michigan Economic Development Corporation

Mr. Zimmermann reported the tourist industry is recovering following the downturn experienced following the 911 event. He reviewed the “Pure Michigan” branding program initiated by Travel Michigan to help promote agriculture tourism in the state – creating Michigan as a unique, special family destination. Examples of the program’s creative implementations were shared, including television, radio, print, billboards, bus wraps, and the Michigan.org web site; he also mentioned various advertising partnerships being utilized to extend both reach and advertising dollars.

The Commission complimented Mr. Zimmermann on the effectiveness of the “Michigan” magazine and the other advertising tools developed by the Travel Michigan program.

MICHIGAN’S TOURISM ORIENTED DIRECTIONAL SIGN PROGRAM: Linda Jones, Grape and Wine Program Manager, Agriculture Development Division:

Ms. Jones provided an overview of the Tourism Oriented Directional Sign (TODS) program. She summarized the recent controversy encountered by Two Lads Winery. Noted were the monthly communications with the Michigan Department of Transportation (MDOT), the Cabinet Tourism Council Wayfinding Committee, and the ag tourism industry. Examples of the resulting solutions and recommendations evidence MDA’s continued support for the effective management of the TODS program.

Ms. Jones advised, through her contacts with the Cabinet Tourism Council and MDOT, she would be available to assist anyone encountering problems in obtaining TODS signage to gain a resolution.

Commissioner Coe mentioned the recognized signage icons at the state level help to create a uniform standard and reduce visual pollution. He also encouraged MDA’s working group to recommend county signage programs to create a link from the state system.

Mr. Mike Kapp, from MDOT, confirmed if a business is eligible for a TODS sign, they will certainly receive a TODS sign. In the case discussed, there simply was a misinterpretation of the established procedure that caused an unfortunate delay. He also offered assistance if anyone should encounter problems obtaining signage.

JULIAN STILLE GRANT PROGRAM UPDATE: Mike DiBernardo, Economic Development Specialist, Agriculture Development Division

Mr. DiBernardo reviewed the current status of the MDA Agricultural Innovation Grant Program, also known as the Julian-Stille Value-Added Program. As of July 7, 2008, 21 of the 40 grantees have completed their projects and have been reimbursed. To date, the program has generated \$19,000,000 of private investment with \$2,700,000 of public funds – we have leveraged public funds at a 7 to 1 ratio, including 72 new jobs directly attributed to the program.

This project has enabled recipients to invest in new technologies, new processes, new value-added products, and new approaches to environmental issues. MDA has created a web site link to report on the grantee success stories at <http://www.michigan.gov/mda/0,1607,7-125--172563--,00.html>. By September 30, 2008, the current round of grants should be complete. The program is a tremendous success and the department is very proud of the program's accomplishments.

Mr. DiBernardo then introduced each of the Julian Stille grant recipients presenting today.

JULIAN STILLE GRANT RECIPIENTS

Julie Cowie, Lakeshore Harvest Country

Ms. Cowie explained that Lakeshore Harvest Country is a new marketing collaborative comprised of a dozen agricultural producers in the Southwest corner of Allegan County. They are spending their \$50,000 innovation grant to organize farmers from two townships to sell the agriculture experience and agriculture products directly to tourists, second home owners, and others in the area. She noted they truly would not have proceeded with this project without the grant – it was the grease that moved a diverse group of farmers past the competition paradigm to a collaborative one. The grant enabled an LLC to be formed, allowing farmers to sell more of their delicious farm produce at a higher profit by bringing people to their farms. Lakeshore Harvest Country was established as a destination, showing folks how to navigate country roads to enjoy the true Michigan farm experience. Brochures are complete and their web site is live at www.LakeshoreHarvestCountry.org.

She remarked how grateful they are for the grant which allowed them to be innovative and expressed hope that MDA would continue to support grant projects that help entrepreneurs better meet the needs of people interested in farm fresh food.

Rick Moersch, Round Barn Winery

Mr. Moersch reported their \$82,000 grant allowed them to purchase and install a rectification column to increase processing capacity of “micro-distilled” vodka and brandy using existing fruit capacity in Southwest Michigan. Sales growth of their brandy (Divine Brandy) has exceeded that of any other of their products introduced in the past 15 years. He noted that without these funds, they may have not gone down this road to grow their business in the state. It has helped Round Barn Winery garner national attention for its products. They are in a unique position to bring focus to what they consider to be one of the greatest growing areas in the nation and the ability to showcase that has been a wonderful experience. With the new Distillers Legislation, it will definitely accelerate. Mr. Moersch expressed his appreciation to the Commission, the department, and Mike DiBernardo in particular.

Mary Safie, Safie Specialty Foods

Ms. Safie reported their grant gave Safie Specialty Foods Company the opportunity to grow, to use local produce, to add value, and to begin to market on a national and international level. Grant funds gave them the opportunity to automate their processing, increasing productivity five fold. They were able to expand their marketing from local grocery stores to larger chains, including COSCO stores – taking Michigan products nationwide. She expressed her appreciation for the opportunities this grant provided for Safie Specialty Foods.

Joe Colyn and Marty Gerencer, Fremont Cooperative Produce Company

Mr. Colyn, from Originz Consulting, and Marty Gerencer, from Morse Marketing Connections, explained Fremont Cooperative is a supply cooperative whose partners identified an opportunity to research the interest in the market for fresh produce and then to pilot test moving more fresh produce through food service channels with commercial partners. The grant gave focus to the project – helping interested partners to make the connections they needed. The resultant value is the network created through the project, from the growers to large commercial distributors, to chefs – and the supply chain linkages continue to expand. More consumers are requesting fresh, locally grown produce. Michigan product is moving, jobs are growing, and income is coming to the state – growth in the marketplace made possible by this grant.

Pat Anderson, Cooperative Elevator Company

Ms. Anderson explained the \$250,000 grant project was designed to add a specialty packaging line to process smaller packages of premium quality black and navy beans to accommodate the Central American retail market. Cooperative Elevator Company has received additional requests for these retail packages from domestic retailers as well, including the Meijer Stores. The grant facilitated improvements in their packaging plant, allowing for 50-60 bags per minute – allowing the farmers in the cooperative to increase their marketing potential. She expressed her appreciation for the grant and the expanded marketing potential it made possible.

Chairperson Byrum noted we heard from five grant recipients today who are doing exactly what the program was intended to do, which is create jobs and generate growth and investment in Michigan. These companies are examples of how incentives can serve as a catalyst to either jump start a new business, help create a new one, or assist with an expansion. The Agriculture Innovation Grants are part of an aggressive effort to spur growth in several economic sectors and are a key component of the 21st Century Jobs Fund initiative.

In response to inquiry from Commissioner Jousma-Miller, Mr. DiBernardo reported MDA is working closely with the Legislature to facilitate the next round of grants.

'MARKETMAKER' AND FARM MARKET GAAMPS: Tom Kalchik, Associate Director, MSU Product Center

Mr. Kalchik explained "MarketMaker" is an interactive web site designed to connect food producers, distributors, buyers, and sellers to specific consumer markets. The on-line information is provided via maps so that market concentrations can be visually located – providing an important link between producers and consumers. Fact sheets, customized demographic profiles, and supporting research are additional features of this site, with consumption information soon to be included. Currently, 1,530 processors, 1,377 wholesalers, 9,338 food retailers, 21,580 eating and drinking establishments, 122 farmers markets, and 57 wineries within the state are listed on the site. "MarketMaker" is currently being pursued by Wal-Mart, which could have a significant impact on the supply chain.

Next, he gave an update on the Michigan Farm Market Task Force which was established at the request of the Commission to address potential challenges with regard to public sector management of farm markets. Members of the Task Force are volunteers who represent a broad spectrum of agriculture, academia, and State and local governments. A major issue for the Task Force is understanding the relationship between farm markets, the Right to Farm Act, and

agricultural tourism. He reviewed a Venn Diagram developed to help the Task Force recognize that certain aspects of the Right to Farm Act and agri-tourism overlap, and that farm markets exist in both domains, but largely in the domain of agri-tourism.

The Task Force developed a definition of a farm market as follows: a farm market is a retail facility as defined by the Michigan Right to Farm Act and is part of the farm operation. At least 50% of the products marketed through the farm market must be produced by the affiliated farm (measured over a five-year time frame to limit exposure of the farm market to crop failure). Activities include packing, processing, and otherwise converting farm products into a saleable form. It can operate seasonally or year around and includes farm-related activities to attract consumers to facilitate transactions with the farm market operator.

The Task Force is strongly considering a recommendation to the Commission that MDA write a Generally Accepted Agricultural and Management Practices (GAAMP) for farm markets to address those practices that fall in the RTF area. He discussed the various concerns relative to a GAAMP for farm markets, including that GAAMPs are generally based on scientifically measurable inputs and outputs; farm market practices could conflict with local ordinances; and if the GAAMP is too overreaching, it could compromise the value of all GAAMPs in the system.

The Task Force will meet again on July 28 and plans to determine the format of their recommendation. Any comments the Commission may have on this topic can be forwarded to Jim Johnson in the Environmental Stewardship Division, or to Cheri Ayers, Commission Assistant.

DISTILLERS LEGISLATION: Representative Barb Byrum

Director Koivisto and the Commission recognized Representative Byrum and thanked her for all of her efforts on House Bill 5925, the Distillers Legislation. The bill was signed into law Wednesday by Governor Jennifer Granholm. It allows small liquor distilleries to operate tasting and sampling operations similar to wineries; and, pending approval of the Michigan Liquor Control Commission, to sell their products directly from their facility.

Representative Byrum noted the new law will be a great economic boost to our state. Michigan Economic Development Corporation estimates this law will create an additional \$414,000,000 of economic activity and create 1,400 new jobs in the state. She thanked the Department, the Commission, and MSU's Dr. Kris Berglund for all of their assistance in making this new law possible.

MICHIGAN FARM MARKETING AND AGRI-TOURISM ASSOCIATION: Steve Tennes, President

Mr. Tennes noted the development of the Michigan Farm Marketing and Agri-Tourism Association (MI-FMAT) was initiated in November 2005 by MSU's Project GREEN (Generating Research & Extension to meet Economic & Environmental Needs). Industry member feedback and guidance were integral to forming this new organization. It was created by members of the industry to work together toward the advancement of Michigan agriculture by promoting the collective interests of its members involved in the farm marketing and agri-tourism initiative. In its second year, the association has grown to 234 members.

The all-volunteer organization focuses on three major areas: governmental affairs, promotion, and education of members. MI-FMAT has the unique distinction of being the only non-profit organization in the nation comprised of members dedicated to agricultural tourism.

He shared copies of the 2008 "Michigan Farm Market & Agricultural Tourism" directory. Publication this year was made possible through a partnership with MDA, Michigan Farm Bureau, and MI-FMAT. Saving distribution costs, the directories are available through all local Farm Bureau Insurance Agency offices and all Welcome Centers across the state. The directory is also available in a searchable form at www.michiganfarmfun.com.

Mr. Tennes noted that in contrast to the Farmers Market Association, MI-FMAT is involved with on-farm activities and on-farm sales, which creates a unique set of issues.

Commissioner Coe encouraged MI-FMAT to continue pursuing connections with MEDC's Travel Michigan program, participating in the Farm Market Task Force, and providing input relative to TODS issues.

MICHIGAN FARMERS MARKET ASSOCIATION (MIFMA): Jan Lawson, MIFMA Board Member and Battle Creek Farmers Market Manager

Mr. Lawson noted the Michigan Farmers Market Association (MIFMA) was established in 2006 by Michigan Food and Farming Systems (MIFFS) and key partners at MSU, and was funded by a grant from MIFFS. MIFMA is a statewide association promoting local food consumption in Michigan by connecting more farmers to consumers through farmers markets. Today, there are more than 175 farmers markets in Michigan. They vary from small farmers markets in villages, comprised of only local farmers, to the large year-around city markets. While each is unique, they all bring farmers and vendors together at a specific location on a regular basis to sell their food and farm products to the public. These markets put a face on local food and connect consumers with the farmers who grow their food, offering access to fresh, local produce for everyone. Farmers

markets create a very positive economic impact – for every dollar spent at a farmers market, two dollars are spent in local businesses.

The association is also involved in a number of activities, including rapid market assessments, training market managers, and training of recipients of project FRESH (coupons to low income households specifically for purchasing fresh local produce). The association also plans to become involved in policy making in the near future.

They are transitioning from being a grant-supported association to one supported by fees and do face operational expense challenges. To help support the mission of MIFMA, he encouraged everyone to become a member; individuals may join for only \$30 a year. Their web site, www.farmersmarkets.msu.edu contains a full list of farmers markets and contact information.

Commissioner Regis encouraged the department to communicate with MEDC the technological capability of the various organizations represented here today and encourage them to create links and contacts between those organizations and Travel Michigan.

EXPORTER OF THE YEAR AWARD AND COMMISSION RESOLUTION: Jamie Zmitko-Somers, International Marketing Manager, Agriculture Development Division

Chairperson Byrum requested the Commissioners consider the resolution before them that recognizes the 2007 Michigan Agriculture Exporter of the Year.

MOTION: COMMISSIONER JOUSMA-MILLER MOVED THE RESOLUTION RECOGNIZING THE 2007 MICHIGAN AGRICULTURE EXPORTER OF THE YEAR BE ADOPTED. COMMISSIONER REGIS SECONDED. MOTION CARRIED.

Ms. Jamie Zmitko-Somers reported the Exporter of the Year Award has been given in previous years to Graceland Fruit, Cherry Central, the Michigan Apple Committee, and a number of shippers; and, the Cooperative Elevator was last year's recipient.

Today, they will be recognizing the 2007 award recipient. She noted it is very important that we highlight these companies for all of the work they do; it is not always easy, but it can be very beneficial to Michigan companies and Michigan's economy. Michigan's agricultural exports in 2007 grew to \$1,200,000,000 and supported 13,800 jobs.

Director Koivisto presented the 2007 Michigan Agriculture Exporter of the Year award to Honee Bear Canning, noting the Governor will also be recognizing and

presenting to Honee Bear later today. Honee Bear is a family-owned fifth generation fruit and vegetable processor in Southwest Michigan that employs 90 people, represents over 100 Michigan asparagus growers and over 60 cherry producers. Honee Bear sells products to virtually all the major retail and food service customers in Michigan and is actively exporting to the Pacific Rim countries as well as Canada, Iceland, Europe, Mediterranean countries, South Africa, Australia, and New Zealand. The department is very proud of Honee Bear Canning; they are a great example of how a food processing company can prosper in Michigan and using exports as one of its business tools.

Steve Packer, President of Honee Bear Canning, accepted the award and explained their process in greater detail. He thanked the department, the Commission, and the Michigan Farm Bureau for this recognition.

Director Koivisto complimented Ms. Zmitko-Somers, noting she is renowned in the industry and all have recognized her outstanding efforts.

UNCLE JOHN'S CIDER MILL: Mike Beck, President

Mr. Beck mentioned he is a fifth generation farmer whose father began the "Uncle Johns" part of the business 35 years ago, taking them from a wholesale farm into a strictly retail operation. The business has grown to the point he must purchase additional fruit and products from other sources. On a Sunday afternoon in the fall, they can expect as many as 10,000 visitors. The family-owned and operated business also employs several local individuals and farms several acres of apples, blueberries, cherries, asparagus, and pumpkins. Given good weather, they predict 300,000 visitors each year during the nine months they are open.

Mr. Beck is also the President of a group called Wine Michigan that organized around the direct shipping issues in Michigan. The biggest champion of that effort was Don Coe, who has now retired from the Wine Michigan Board. Mr. Beck presented Commissioner Coe with a certificate of recognition and appreciation for all of his efforts in maintaining the rights of wineries to ship from Michigan.

Following the meeting, Mr. Beck announced wagon rides and tours of the winery will be available, as well as baked goods, fresh produce, and lunches in the bakery building.

The Commission thanked Mr. Beck for being such a wonderful host today, noting it provided a great opportunity to highlight the diversity of agriculture in Michigan.

COMMISSIONER ISSUES

Chairperson Byrum reviewed a resolution before the Commission directed to the U.S. Department of Agriculture (USDA) regarding the Agricultural Research Service (ARS) and the potential loss of the station at Michigan State University, which particularly affects dry beans, sugar beets, the poultry industry, and food processing.

Chairperson Byrum noted this is a critical issue; we can not afford to lose that station. It is the only site for poultry disease research in the country funded by USDA. And from the dry bean and sugar beet perspective, it is also critical. More importantly, the food processing industry benefits considerably from the work performed by that station.

MOTION: COMMISSIONER NORTON MOVED THE RESOLUTION THAT THE MICHIGAN COMMISSION OF AGRICULTURE STRONGLY OPPOSES THE ELIMINATION OF THE USDA-ARS PROGRAM AT MICHIGAN STATE UNIVERSITY BE ADOPTED. COMMISSIONER COE SECONDED. MOTION CARRIED.

Chairperson Byrum mentioned three other issues. The Commission currently has a subcommittee reviewing Commission Policies; Commissioners Norton and Regis are working toward finalization of those policies. Current status of the additional livestock issues discussed today is to be communicated to the Commission. The workgroup on food processing issues, even internal to the department, will be perhaps involving the private sector concept to consider some of those issues.

PUBLIC COMMENT

E.J. Brown, from the Michigan Association of Fairs and Exhibitions

Mr. Brown encouraged everyone to visit their local fair sometime during the season. He noted the fairs that are currently underway, including the Ionia Free Fair which begins today. The U.P. State Fair is coming in August, the 12th through the 17th and the Michigan State Fair begins Friday, August 22 and continues through Labor Day. He shared copies of the "Michigan Fairs & Events 2008 Directory."

Many of the issues presented today affect your local county fairs and the state fairs directly – PRV, Bovine TB, electronic animal ID, and the tomato issues -- and the association is working with all parties concerned in an effort to keep their members well informed.

Alex Draper, from the Michigan Deer and Elk Farmers Association

Mr. Draper, representing the Michigan Deer and Elk Farmers Association, himself, and other breeders, advised he was here to address the issue of

opening the borders of Michigan for importing of cervids, whitetail deer in particular. In April of 2002, MDA closed the borders to interstate transportation of all cervids, which was supported by the organization and producers at the time due to Chronic Wasting Disease (CWD). In the meantime, approximately 60 producers have worked with the department to develop a CWD Accreditation program and they feel they have done everything possible to ensure their herds are safe. He urged the Commission to review the status of the border closure and give direction to the department to open the border to limited animals, limited to breeding stock under the import protocol as reviewed by MDA and the Department of Natural Resources. The limited imports will allow Michigan to compete with neighboring states and allow Michigan prices to be higher on a national market based on Michigan's unique whitetail genetics.

In response to question by Commissioner Coe, Mr. Draper confirmed the association would be prepared to cover the cost of administering a regulatory program.

George Moroz, from the Henry Ford and TICOM

Mr. Moroz, serving as Special Assistant to the President and Senior Director of External Relations at The Henry Ford (THF), which is the newly branded name for Greenfield Village, Henry Ford Museum, and the rest of the complex there. He also serves as President of TICOM, which is the Tourism Industry Coalition of Michigan, and as Co-chair of one of the standing committees of the Michigan Travel Commission.

He reminded everyone to consider the different ways the agricultural industry in Michigan can collaborate, perhaps even with non-traditional partners. In particular, as an example, Michigan's cultural sector has very unique ways in which it can partner with Michigan's agricultural industry to achieve collective aims, shared goals, and mutual objectives to benefit all parties. At THF, which draws over 1,500,000 visitors (400,000 of those from out of state) each year, they have developed a programmatic agenda named "The Foodways Initiatives" whereby they purchase and promote locally grown/produced food in their catered events, employee dining room, school cafeteria, and outreach in urban Detroit. He reviewed the various events sponsored by THF and noted an overwhelming visitor response. THF is also a major player with Travel Michigan and the Michigan tourism industry and is attempting to use the Foodways program to help bring visitors to the state. They are an original member of the Michigan Farmers Market Association and reported THF has purchased the oldest surviving farmers market in history and plan to reconstruct the building in Greenfield Village to be used as an educational structure with a focus on agriculture.

Most importantly today, THF wanted to remind the Commission and the Department there are opportunities to collaborate with the cultural sector which is part of Michigan's resource inventory.

Dana Kirk, from Wilcox Engineering

Mr. Kirk, a consultant for many large livestock farms in Michigan, brought to the Commission's attention that on June 30, 2008, the Department of Environmental Quality (MDEQ) denied the first National Pollutant Discharge Elimination System (NPDES) permit for a livestock farm in Michigan. The Bustdorf Dairy was a 2,260 head facility proposed for St. Joseph County. Wilcox Engineering had completed the engineering design and the dairy had completed the site selection process administered by MDA, which was approved in October 2007 as a site that would have minimal impact on the community.

In their denial of the permit, MDEQ's ruling stated that a permitted Concentrated Animal Feeding Operation (CAFO) in Michigan can successfully be operated with minimal impact on the environment. The justification and reasoning for the denial of the Bustdorf Dairy permit was based solely on the antidegradation statement, which is a comparison of social and economic benefits of the facility versus the potential degradation of rural character, surface waters, jobs creation, road damage, etc. Mr. Kirk noted his concern with the antidegradation in this ruling is that it is based on his facts versus the facts of local community activist groups. There is a significant amount of data to support both arguments and there is no clear, defined answer – antidegradation is a very debatable topic.

This ruling poses a real threat and concern because the model in developing facilities appears to have shifted from one of a scientific data approach to one of social and economic justification. This will have a major impact on the development and growth of agriculture in Michigan.

ADJOURN

MOTION: COMMISSIONER JOUSMA-MILLER MOVED TO ADJOURN THE MEETING. COMMISSIONER COE SECONDED. MOTION CARRIED.

The meeting was adjourned at 1:17 p.m.

Attachments:

- A) *Agenda*
- B) *Agriculture Commission Meeting Minutes April 16, 2008, and June 9, 2008*
- C) *Director's Report:*

- *MDA 2009 Conference Committee Budget Overview*
- *Legislative Status – July 2008*
- D) *Wildlife Risk *A*Syst for Bovine TB Project*
- E) *Ag Tourism and Travel Michigan:*
 - *MEDC 2008 Pure Michigan Instate Market Partnership Program*
 - *“Michigan Travel Ideas” State Travel Guide*
 - *“Michigan Business Report – The Business of Tourism in Michigan”*
- F) *Michigan’s Tourism Oriented Directional Sign Program Update*
- G) *Julian Stille Grant Program Update*
- H) *Julian Stille Grant Recipients:*
 - *“Lakeshore Harvest Country” Brochure*
 - *“Round Barn Tasting Guide” Brochure*
 - *“Safie Specialty Foods” Brochure*
 - *“Co-Op Elevator” Brochure*
- I) *“Michigan MarketMaker” Brochure and MSU Product Center Update*
- J) *Michigan Farm Market Task Force Interim Report*
- K) *“Michigan Farm Marketing & Agri-Tourism Association” Brochure and “Michigan Farm Market & Agricultural Tourism” 2008 Directory*
- L) *Michigan Farmers Market Association Report and “Michigan Farmers Market Association” Brochure*
- M) *Resolution Recognizing Honee Bear Canning as the 2007 Michigan Agriculture Exporter of the Year*
- N) *Resolution Opposing the Elimination of the USDA-ARS Program at Michigan State University*
- O) *Public Comment:*
 - *Michigan Deer Elk Farmers Association Letter to the Michigan Commission of Agriculture*
 - *The Henry Ford “Foodways Program” Information*
 - *“Michigan Fairs & Events – 2008 Directory” and “The 2008 Michigan State Fair” Brochures*