

**MICHIGAN COMMISSION OF AGRICULTURE
Monroe County 4-H Center
Monroe County Fairgrounds
Monroe, MI 48161**

**MEETING MINUTES
SEPTEMBER 22, 2005**

PRESENT:

James Byrum, Chair, Commission of Agriculture
James Maitland, Vice-Chair, Commission of Agriculture
Ann Jousma-Miller, Secretary, Commission of Agriculture
Douglas Darling, Commission of Agriculture
Dale Norton, Commission of Agriculture
Mitch Irwin, Director, Michigan Department of Agriculture

OTHERS PRESENT: (all or part of the meeting)

Ned Birkey, Monroe County MSUE
E.J. Brown, Michigan Association of Fairs & Exhibitions
Keith Creagh, MDA
Brad Deacon, MDA
Ben Kudwa, Michigan Potato Industry Commission
Deb Merrill, MDA
Tonia Ritter, Michigan Farm Bureau
Dave Smith, Michigan Vegetable Council

CALL TO ORDER AND ROLL CALL

Chair Byrum called the meeting of the Commission of Agriculture to order at 9:03 a.m. on Thursday, September 22, 2005. Commission Jousma-Miller called the roll with Commissioners Byrum, Darling, Norton, Jousma-Miller, Maitland and Director Irwin present.

APPROVAL OF AGENDA

MOTION: COMMISSIONER MAITLAND MOVED APPROVAL OF THE SEPTEMBER 22, 2005 AGENDA. SECONDED BY COMMISSIONER NORTON. MOTION CARRIED UNANIMOUSLY.

APPROVAL OF JULY 19, 2005 MEETING MINUTES

MOTION: COMMISSIONER DARLING MOVED APPROVAL OF THE JULY 19, 2005 MEETING MINUTES. SECONDED BY COMMISSIONER MAITLAND. MOTION CARRIED UNANIMOUSLY.

NEXT MEETING

The next meeting of the Commission of Agriculture is scheduled for November 9, 2005, in East Lansing.

COMMISSIONERS' TRAVEL

- August 18-19, 2005 Upper Peninsula State Fair – Commissioners Darling, Maitland, Byrum and Norton.
- August 24, 2005, EAB tour with Governor Taft from Ohio – Commissioner Darling
- September 1, 2005, Michigan Farm Bureau District Discussion Meet, Judge – Commissioner Darling
- Senate water hearing – Commissioner Darling
- September 19, 2005, Speak at Representative Kahn's agriculture breakfast – Commissioner Darling
- September 19, 2005, Meeting with Director Chester, Michigan Department of Environmental Quality (MDEQ) – Commissioner Norton

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

COMMISSION COMMENTS:

Commissioner Norton attended a meeting with Director Chester and a number of Concentrated Animal Feeding Operation (CAFO) owners to discuss the implications of the new permit regulations. He also attended a golf outing with the Michigan Corn Growers. It was a good opportunity to show support to the corn growers.

Soybean harvest is beginning in the area. Corn harvest appears to be as good as last year. Tomato yield is good, quality not quite as good. First crop of green beans was good, the second crop acreage was hampered by rain in July and that harvest was decent, but not as good as last year.

Commissioner Maitland commented how well the Upper Peninsula State Fair was run again this year. It is always clean and appeared to have good crowds.

Early apples are starting in the northwest with very good quality. The cherry crop was of excellent quality this year.

Commissioner Jousma-Miller thanked all the Commissioners for attending the Upper Peninsula State Fair. The community was very excited to have the entire Commission at the fair.

It is very dry in the Upper Peninsula (UP). Many farmers are concerned about a potential drought situation. Contact has been made with the local Farm Service Agency (FSA) offices that will monitor the situation.

Potatoes that were irrigated are recognizing great quality. Those that were not irrigated are very small. Beans are fair and beef prices are up.

There is a little concern about potential fire hazards with the dry conditions. Many of the UP fire fighters have gone south to help with hurricane clean up. Many loggers have also left to help which is a concern to the mills as they need to get winter supply in.

Economic development remains a concern in the UP. There are several MDEQ issues in each community. Both mills in the UP are concerned about Annex 2001 and water usage.

The biodiesel plant will be producing biodiesel by the end of October. Their grand opening will be in Spring 2006 once the operation is up and running.

Commissioner Jousma-Miller commended the UP producers for getting electronic identification tags in place. As of September 15, 2005, 284 producers had utilized 49,021 tags. That is close to full utilization.

Commissioner Norton commented that Director Irwin and Michigan Farm Bureau President Wayne Wood attended Branch County's Farm Bureau Annual Meeting. He appreciated their participation.

Commissioner Norton shared that the tomato processing company that he works with, put a program together to donate to the relief effort in the south. 500 tons of tomatoes, the canning and spices (totaling \$55,000) were contributed.

Commissioner Darling extended special thanks to the Hornings in Manchester, and the Calders and Ruhligns in Carleton for their time and hospitality in showing the Commission their operations on Wednesday, September 21, 2005. He thanked those who were responsible for arranging the tours. He introduced Ned Birkey, Monroe County Extension Agent and thanked him for hosting the Ag Commission meeting at the Monroe County 4-H Center.

Harvest is underway. The area was approximately four inches below normal for rain and approximately 500 heat degree units above normal

this year. Moisture has been between 19 and 24 percent in corn. With drying costs and energy costs, it is not worth very much at the terminal.

He commented former Director Wyant's retirement party was a wonderful event with many attending.

Commissioner Darling attended the Senate water hearing. He stated that there are many different ideas coming from the public and agriculture needs to be involved. We need to watch very closely as the final version is drafted. It will have a huge impact on the agriculture industry because of the amount of water used.

He also commented about conversations he has had regarding CAFO permit guidelines with MDEQ. There are huge concerns in the industry. He thanked Commissioners Byrum and Norton for their involvement. He noted that manure manifest log that has been proposed is more intrusive and more demanding than the restricted use pesticide records are. He is concerned about the impact the new regulations will have on the livestock industry in Michigan.

Commissioner Byrum thanked Mr. Birkey for his hospitality and help with the Commission meeting.

He appreciated the tours and commented that they highlighted the diversity of industry in the state and issues regarding regulations.

Harvest is underway with everything happening at once. Dry beans will probably be an average crop. The sugar beet plant opened this week in the Saginaw Valley.

Proactive nuisance legislation is moving to Senate Ag Committee that apply to those that process agriculture crops and grain handlers.

He commented about work with Director Irwin and FSA on disaster designation, in particular for the UP. FSA is waiting until the end of the month before completing full damage assessments.

Mr. Birkey noted Monroe County has been included in a disaster declaration from Ohio as a contiguous county.

He noted that there are many issues with MDEQ, agriculture and a variety of other state agencies on how we go forward as an industry. There have been attempts to share background, knowledge and appreciation for some things that do and do not occur in the industry. Director Chester has been

very willing to meet and discuss the challenges and how to move forward. He and Director Irwin have been working hard to be strong advocates for the industry, especially in this economically depressed time.

For those involved in the new ethanol plants, an issue that has been discussed is the use of distillers' dried grains (DDG). This is a major concern regarding the success of the ethanol plants and other renewable fuel plants that may be built in the state.

A brief discussion ensued regarding the development of policies and procedures at MDEQ. In a neighboring state, this type of issue is handled by their department of agriculture.

Director Irwin expressed his appreciation to those Commissioners who are able to join staff in these high level discussions. It is important to educate those in important positions about the needs and concerns of the agriculture industry to try and get a more balanced approach. There is an interest on the part of MDEQ to do more outreach with MDA. There is a statutory requirement now for MDEQ to conduct an agriculture-environmental roundtable in a formal input soliciting process. It is MDA's obligation to be advocates for the food and agriculture industry.

We have begun some advocacy workgroup discussions including CAFOs and water legislation.

Commissioner Darling noted that there should be some flexibility in the requirement for a six-month storage capacity for manure. Depending on the operation and neighboring farms, it may keep smaller operations from growing or force large operations to grow even more to manage costs. Some current regulations are not workable.

RESOLUTIONS HONORING THOMAS CROOK, PAULINE CONARTON AND ARTHUR LISTER

Director Irwin presented resolutions for retirement of Thomas Crook and Pauline Conarton from the Department of Agriculture after 30 years and 19 years, respectively. Additionally, he offered a resolution in remembrance of Arthur Lister.

MOTION: COMMISSIONER MAITLAND MOVED TO APPROVE THE COMMISSION RESOLUTION FOR THOMAS CROOK AND PAULINE CONARTON ON THEIR RETIREMENT FROM STATE SERVICE AND THE COMMISSION RESOLUTION IN REMEMBRANCE OF ARTHUR LISTER. SECONDED BY

**COMMISSIONER NORTON. MOTION CARRIED
UNANIMOUSLY.**

Commissioner Byrum asked to be involved in the presentation of Mr. Lister's resolution to his family.

DIRECTOR'S REPORT

Director Irwin thanked the Commission, staff and Director Wyant for the welcome and assistance he has received in the transition the MDA.

He has spent the first six weeks meeting with individuals and organizations to learn and understand the industry. He plans to continue the partnerships already established.

He has assured all he has met with that MDA will continue to pursue consumer protection through the food supply chain and promotion of the food and agriculture industry, the preservation of farmland and good environmental stewardship. Those priorities are and continue to be part of MDA's strategic action plan.

There are been a new program established, whereby MDEQ Director Chester, Michigan Department of Natural Resources (MDNR) Director Rebecca Humphries and Director Irwin will meet periodically to review issues of joint concern and try to improve the coordination and cooperation between the departments.

Meetings with the Michigan Economic Development Corporation (MEDC) have begun to determine how agriculture can benefit from programs and incentive packages that MEDC operates by statute, i.e. ethanol. Discussions have covered topics such as agriculture renaissance zones and additional requests from the legislature with improved criteria for value added, food processing and alternative energy.

A small informal advisory group has been formed to share agriculture's needs as we move forward.

Director Irwin has met with former MDA directors Gordon Guyer and the Honorable Bill Schuette.

He commented that he was last in the Monroe Area to attend Congressman John Dingell's farm tour. Congressman Dingell and Commissioner Darling led a group to look at the Emerald Ash Borer problems in the area. There was also a town hall meeting that was very positive. He thanked Commissioner Darling for his leadership on that tour.

He thanked Commissioner Jousma-Miller for her leadership in the UP and the continued improvements at the UP State Fair. He also thanked Michigan Farm Bureau for their contributions at the UP State Fair.

He thanked Commissioner Byrum for the opportunity to attend the Michigan Agri-Business Association meeting and meet a number of leaders in the agriculture community.

Director Irwin commented briefly about the Food Policy Council and the partnership with the Kellogg Foundation. There will be a presentation to the Commission at a later date.

Director Irwin participated in the Congressional Farm Tour with the offices of Senator Stabenow and Congressman Schwarz.

Members of the British Parliament have visited to learn about how MDA has dealt with issues such as Bovine TB and their interest in imports. They have expressed an interest to host a "Taste of Michigan" at the British House of Commons.

MSU President Lou Anna Simon has begun monthly meetings with Dean Jeff Armstrong, MSU Ag & Natural Resources; MDA Director Irwin; Michigan Economic Development Corporation (MEDC) President, Jim Epolito and Michigan Department of Labor and Economic Growth (DLEG) Director David Hollister. Discussions will center on issues that affect all of Michigan's economic future and how agriculture can play a more central role.

Director Irwin briefly commented about the current budget situation. Everyone is being stretched in state government. Budget targeting has been completed. MDA experienced a shortfall in the Food & Dairy Division budget in terms of inspection programs. MDA realized additional money for captive cervid testing and will be working with MDNR on the protocol.

MDA was in the middle range of cuts as compared to other departments. MDA will realize a "flat budget". Needs are greater and MDA will need to strategize where to make the cuts and how to go after more money through supplemental appropriations. We cannot compromise the safety of the milk supply, food safety inspections, etc. MDA will continue to seek federal support to offset costs. In addition, the Emergency Services Program will be actively pursuing grants to be ready for rapid response.

There may also be additional funding available in the area of alternative energy that has great potential to help Michigan agriculture grow.

To summarize the budget, MDA must stabilize the budget and seek new partnerships with private, other public agencies and the United States Department of Agriculture (USDA), as well as working through the supplemental appropriations process.

Crisis teams were put together in response to Hurricane Katrina. Harvest issues and gas monitoring were reviewed. As a result, Governor Granholm announced that MDA would be doubling the number of gas inspectors in the state. An additional \$1 million was appropriated for that effort. MDA has also been asked by the Governor to look at the price of fuel versus the price of crude.

Director Irwin noted that MDA has a strong, dedicated, effective and highly regarded staff. Staff changes will evolve as changes must be made due to budget issues, normal attrition, new programs that provide opportunities to staff differently, and possible restructuring.

The senior staff and division directors met this week and participated in a serious review of the budget, how to improve programs and what that would mean in staff changes. There will be some layoffs required. Some staff movement and retraining will most likely occur.

Liesl Clark will now be working as MDA's Legislative Liaison.

Bridget Medina will be starting as the new Public Information Office on October 3, 2005. Ms. Medina comes from the Department of Management and Budget. Dominic Perrone will return to his duties at the Office of Racing Commissioner.

Jeanne Lipe, Communications Department, will be focusing on special projects, including working with the newly appointed Agriculture Tourism Commission, with assistance from Liana Bennett and Linda Jones.

Brad Deacon will now focus on his role as Emergency Management Coordinator, aggressively pursuing funding and continuing to develop MDA's emergency planning.

Deb Merrill will continue to assist the Commission.

Christine White has been appointed Racing Commissioner by Governor Granholm. The primary office of the Racing Commissioner will be moved back to Lansing from Livonia to realize some administrative savings.

Director Irwin stated that it has been an exciting few weeks and looks forward to continuing efforts. MDA must leverage the food and agriculture industry to help grow Michigan's economy. The manufacturing sector is in a state of evolutionary change and it is important for agriculture to be working at diversification. Agriculture is at the threshold of a new era in terms of the ability to play a role in value-added and bioscience, life science and alternative energy issues.

In response to a question from Commissioner Darling, Brad Deacon shared that the state's emergency plan is housed at the Michigan State Police Emergency Operations Center in a tornado shelter in East Lansing. MDA's portion of the plan is also at Constitution Hall and the Heffron Laboratory. He stated that work is being done with the Department of Information Technology to have interoperability and continuity of government. Because of budget issues, there are no backups outside of our buildings. Server upgrades are being done, using Federal Homeland Security funding. Currently, if Constitution Hall shut down, we would have trouble retrieving some of our data. That is a statewide issue.

Director Irwin commented that during the Hurricane Katrina crisis, the Governor initiated the State Emergency Operations Center (SEOC). Brad Deacon, Keith Creagh and Jeff Haarer were very involved with MDA's response. MDA's Animal Industry Division has been very involved with Katrina pet evacuees. It has been a learning experience.

Mr. Deacon shared that Michigan is one of three states that the National Association of State Departments of Agriculture (NASDA) has chosen and through the Department of Homeland Security to help develop the Food Emergency Plan annex to the National Response Plan.

POTATO COMMISSION REDISTRICTING: Ben Kudwa, Executive Director, Michigan Potato Industry Commission (MPIC)

Mr. Kudwa asked the Commission to approve the MPIC request to redistrict for the Commissioners that serve on the MPIC. The request is to downsize the MPIC from 15 members to nine, eliminate multiple districts and establish a single district. The membership would be comprised of two from the snack manufacturing industry, two representing the seed industry, two representing the fresh industry and one designated as a shipper representative, one representative designated as a shipper or retailer, and one from any of the above designations.

MOTION: COMMISSIONER DARLING MOVED THE COMMISSION APPROVE THE MICHIGAN POTATO INDUSTRY COMMISSION REQUEST TO REDISTRIBUTE AS DESCRIBED. SECONDED BY COMMISSIONER MAITLAND. MOTION CARRIED UNANIMOUSLY.

ETHANOL UPDATE: Robert Craig, Agriculture Development Division; Jeff Ehlert, Great Lakes Ethanol

Jeff Ehlert updated the Commission on the progress on the Great Lakes Ethanol project. Financing for the project was secured four months ago with a group from Iowa. MGP is a 1,300 member co-op that operates an ethanol plant. The plant is a separate LLC of the co-op, and is the sole owner of the co-op plant. They now own a portion of the Michigan plant and Great Lakes Ethanol owns a part of the Iowa plant (20% of the combined plants). The plant management is one of the top in production in the United States. They are getting 2.91 gallons of ethanol per bushel, while the standard is 2.8. MGP will handle marketing, distribution, and DDGs for the Michigan plant.

The Great Lakes Ethanol plant is scheduled to come on-line in December 2006, producing 57 million gallons. The construction crew is scheduled to move on-site September 26, 2005. Work inside the building will continue throughout the winter months. A zoning issue delayed the plant for a period of time, but the issue has been resolved. An official groundbreaking was held in August.

Great Lakes Ethanol met with the Michigan Strategic Fund recently and received Renaissance Zone approval. Currently they are working on the water discharge permit and obtaining a water source.

Mr. Ehlert discussed projected production. He stated that all plants are similar in design, but each plant is unique. This will be the first zero discharge plant.

Increased fuel prices and corn prices were discussed.

Robert Craig discussed two groundbreaking ceremonies for US Bioenergy/Superior Corn near Lake Odessa and the Anderson plant near Albion. There is a third plant in Marysville that will wait to have their celebration after they are up and running. He stated that it was exciting to have these plants underway.

Two E-85 pumps will be dedicated in Southfield. E-85 is a mixture of 85% ethanol and 15% alcohol. General Motors (GM), through the National Ethanol Coalition, will begin to better identify flexible fuel vehicles to consumers. GM is also considering a large marketing strategy to promote E-85 and flexible fuel vehicles.

Prices of ethanol was briefly discussed.

Mr. Ehlert stated that he was very supportive of the agriculture industry becoming more involved with helping to define criteria for new renaissance zones.

HARVEST ISSUES: Jeff Haarer, Producer Security Services Section

Mr. Haarer discussed pre-harvest projections that included grain from last year and this fall's harvest, storage concerns and transportation. An MDA team has been reviewing these issues, primarily transportation. Communication efforts are being developed with Michigan Farm Bureau and MABA, looking at temporary grain storage.

Transportation continues to be a problem. Options are limited. The rail industry is reported to be at 80% of where they were prior to Hurricane Katrina. A meeting has been set up at Michigan Farm Bureau on October 25, 2005 to meet with Class 1 and short line management railroads, including their marketing experts, to review rail options in Michigan. Agriculture industry leaders will be invited to attend.

Storage capacity will be an issue this fall. Mr. Haarer has sent information to the grain elevators reminding them of the temporary storage requirements under the state law. Efforts have also been made to reach farmers about how best to deal with their temporary storage needs. Michigan State University is launching a special URL address that will contain information how to handle both the harvest and storage issues.

Those with federal licenses have different requirements to meet.

MDA's website also has important information for farmers.

Another issue is a proposed Canadian corn tariff. On September 16, 2005, the Canadian Border Service Agency launched an investigation for preliminary injury inquiry. There are two boards that will conduct an inquiry investigation over the next 60-90 days. If they find that the dumping and subsidization violations are met, they could apply a tariff of between \$1.00-\$2.00 per bushel of corn. There is potential of making the tariff retroactive to September 16, 2005.

Approximately 75,000 million bushels are imported into Ontario, the majority from Michigan. Mr. Haarer briefly reviewed previous court cases that may affect the outcome of this issue.

Commissioner Byrum commented that there has been great opposition in Canada from the ethanol producers and livestock feeders. The action was brought by corn producers in Canada. He discussed issues occurring between the Canadian corn producers, ethanol producers and livestock feeders.

Once the preliminary decision is reached in November or December, they then have 90 days before a final decision is required. There is an opportunity for a special interest hearing after that time.

Transportation costs were briefly discussed. Chairperson Byrum explained the different types of available rail service for grain.

RECESS:

The meeting was recessed at 10:53 a.m.

RECONVENE:

The meeting was reconvened at 11:10 a.m.

ANIMAL INDUSTRY DIVISION UPDATE: Dr. Steven Halstead, Division Director, Animal Industry Division

Dr. Halstead shared a copy of the Memorandum of Understanding (MOU) between MDA, MDNR and USDA on TB management in Michigan, incorporating cattle, deer and our federal partner. The remaining requirement was the report from the international TB meeting from 2003 and has been submitted to USDA. USDA has released the request for publication of the MOU and the free status designation in the Federal Register. It will be published as an interim rule, not a proposed rule, so it will have immediate effect. There will be a comment period. Dr. Halstead briefly discussed the struggle of getting this published as an interim rule. He stated that science needs to be established as the basis for these decisions.

Dr. Halstead stated that there is still a requirement for some testing. The random selection testing will continue for 2006, the second year of the two-year cycle. There is a provision for targeted surveillance, and we move toward that, the random surveillance will stop. There are provisions for MDNR to monitor TB in the free ranging deer population.

USDA is asking that we provide 100% monitoring at the Mackinac Bridge and movement permitting. Commissioner Jousma-Miller asked if all livestock trucks are stopped at the Mackinac Bridge. Dr. Halstead noted that the Bridge Authority is tracking truck movement when MDA is not present, for follow-up by the compliance officer. In July, 840 animals moved across the Bridge. MDA staff was present for 741 of the animals. The Bridge Authority collected the information on the truck and driver of the other 99 animals and staff followed up.

With the publication of the MOU, the UP is now classified Stage 5 in the federal program (TB free status). After the new year, MDA will submit an application movement of the two lower peninsula zones up one stage each. MDA continues to discuss free status with the state veterinarian of Wisconsin and Wisconsin Commissioner Cindy Brown.

Dr. Halstead briefly discussed the benefits of livestock electronic identification. The main benefit categories are security/traceability that benefits regulation and producers benefit through carcass quality assessment, monitoring through theft prevention and protection, and being able to respond to disasters on the farm. Important issues from a regulatory standpoint include safeguarding animal and public health; disease prevention and control. Michigan has a robust electronic program structure in place to integrate into the national animal ID program. There are six packing plants throughout the Midwest that have readers in place to monitor the movement of Michigan cattle. Eleven smaller plants are removing the tags at slaughter and returning them to MDA for tracking.

Dr. Halstead reviewed the timeline and goal that by December 31, 2006, all cattle will be required to bear a nationally recognized electronic ID device. He detailed other deadlines with a final review to the Commission at the January 2006 meeting. The Animal Industry Act (PA 466) will require changes.

Director Irwin expressed his appreciation to Dr. Halstead for the work his team has done and the partnership with industry this represents. It is a proactive effort. He commented that Michigan should take the lead as we will be required to do it by 2009; confidence in the product is a key factor in marketing and opening new market; and the more we do with the partnership effort to work together, we are noticing our intention to move forward and the opportunity to continue working with stakeholders. The industry is very supportive of this activity.

Dr. Halstead reported briefly about seven free ranging wild deer that had been observed in Kent County acting disoriented and had poor body

conditions. Of those tested, they were determined to be suffering from Eastern Equine Encephalitis (EEE). It is not a new identification in Kent County of EEE this year as there were horses reported with EEE, but it is unusual to be found in deer. EEE is transmitted by mosquitoes.

COMMISSIONER ISSUES:

Chairperson Byrum shared an invitation with the Commission from the Natural Resources Commission (NRC) to join the NRC on October 6, 2005 at 3:00 p.m. for their Committee of the Whole Meeting where they will be discussing captive cervids.

PUBLIC COMMENT:

Dave Smith, Michigan Vegetable Council, welcomed the Commission to Monroe County. The Michigan Vegetable Council is a co-sponsor of the Great Lakes Fruit, Vegetable and Farm Market Expo, scheduled for December 6-8, 2005. He thanked the Commission for scheduling their December meeting during the show in Grand Rapids. On December 6, there will be an Industry Outlook Luncheon. All commodity groups will be invited, including Director Irwin and the Agriculture Commission. This will be an opportunity to discuss issues that are important to all of agriculture and how agriculture can be part of the economic revitalization in the state. It will also be a good opportunity for networking between the commodity groups to help identify common issue.

Director Irwin commented that it is becoming more important for commodity groups to identify ways to help with the economic revitalization in Michigan. He also discussed the importance of the PA 232 groups to work closely with MDA in their promotion of Michigan products.

NED BIRKEY: Monroe County Extension Service

Mr. Birkey welcomed the Commission to the Monroe County Fairgrounds. Monroe County has the largest traditional 4-H Program in the state. He stated that Emerald Ash Borer (EAB) continues to be an issue in the area and is concerned about loss of federal funding to combat EAB.

The national meeting for the professional agriculture agents will be held in Grand Rapids, Michigan, July 15-19, 2007. The National Association of County Agriculture Agents was last here in 1955. Fundraising has begun for the conference.

He noted that Monroe County has a Clean Sweep Program that is very successful. He also commented on the grain transportation challenges.

He shared that MDEQ Director Chester will be attending a meeting with farmers regarding local issues. This meeting was set up by Representative Angerer. CAFO issues are important in Lenawee County, water issues are important to the entire area as is on-farm fuel tank storage.

Chairperson Byrum thanked Mr. Birkey for his hospitality and help arranging the farm tours on Wednesday, September 21, 2005.

RECESS:

The meeting was recessed at 12:00 p.m.

RECONVENE:

The meeting was reconvened at 12:40 p.m.

ENVIRONMENTAL STEWARDSHIP: Steve Shine, Environmental Stewardship Division

Mr. Shine welcomed everyone to the River Raisin Watershed. He introduced Al Norwood, Natural Resource Conservation Service (NRCS), Monroe Conservation District Field Office; Tom VanWagner, NRCS, Lenawee Conservation District Field Office; Kathleen Kirwicki, District Administrator, Lenawee Conservation District; Marlene Rogers, District Administrator, Monroe Conservation District; and Bill Berman, Chairman of the Lenawee Conservation District Board.

Mr. Shine explained that MDA run grants through the Districts and work with USDA counterparts.

Mr. VanWagner talked about getting things done locally, dealing with local issues through local governments, using federal dollars, but working through conservation districts.

Through a Powerpoint presentation, he discussed the shrinking workforce and the importance of partnering with local entities and MDA. He reviewed a variety of state programs including the Conservation Reserve Enhancement Program (CREP), Michigan Agriculture Environmental Assessment Program (MAEAP), and the Groundwater Stewardship Program.

In Lenawee County, over 9,000 acres were included in the first round of CREP. In 2005 acreage has increased to over 13,000. Because of the partnerships, this program has remained strong. He reviewed the number of contracts and other details of the program.

Mr. Shine commented that this presentation was just an example of what does get done, but it is not the only district where people are working together. There are 80 conservation districts and they all work together well to get conservation on the land and encourage agriculture to address resource issues.

FOOD & DAIRY DIVISION, EMERGENCY ACTION PLAN: Jerry Wojtala, Deputy Director, Food & Dairy Division; Tom Crook, Food Service Sanitation Section Manager

Chairperson Byrum presented Mr. Crook with the Commission Resolution, thanked him for his years of dedicated service and wished him well.

Mr. Wojtala distributed a booklet entitled *Emergency Acton Plans for Retail Food Establishments*. The booklet was one piece of a number of things produced as a result of the blackout in southeast Michigan in 2003. After the blackout, MDA brought together a number of stakeholders, including local health departments, restaurant association, grocers association and reviewed what went well and what did not. The result was developing common protocols for everyone to follow.

This booklet can be distributed to help establishments prepare for a disaster. It offers some protection if establishments follow these procedures. If they can prove they can operate safely during an emergency situation, they will be allowed to stay open without being penalized.

Homeland Security funding was obtained and enabled MDA to print these booklets in southeast Michigan. A pilot project is being conducted to determine the emergency preparedness level of restaurants and grocery store owners and compare the information over time and next year measure if this has helped them develop their own individual plan for their restaurant or store.

The booklet has been added to the MDA website and has been translated into three additional languages: Chinese, Arabic and Spanish. This has become a national model. The National Conference for Food Protection liked this so well, they have formed a workgroup, which Tom Crook chaired. With few changes, the booklet is expected to be adopted as a national standard in April 2006 at their next conference. The Center for Disease Control asked for an advanced copy and it was used in Florida last year during the recovery after the hurricanes. Recently, copies were offered to Mississippi and Louisiana and the website address was provided.

There are additional documents that go with it; for example, how regulators should react in a recovery situation.

Mr. Crook explained an alert warning system that has been developed. Michigan Department of Community Health (MDCH) was putting together a volunteer alert system for health professionals so that in the event of an emergency, they could send messages via voice mail, pagers, e-mail to alert them and recruit specific individuals in the event of an emergency. MDA asked to use the system to sign up food operators to directly communicate with them during emergencies. One of the biggest challenges during the blackout was that MDA could not reach the operators.

MDA is currently signing up operators in a pilot area, then hopefully the rest of the state. They will receive specific information directly about the emergency. In the case of an electrical outage, that takes some features away, but would still be useful when the power returns. This is expected to be an effective component to communicate directly with the operators.

MDA staff in continuing to work on a number of other emergency issues and Brad Deacon has been a great help in obtaining emergency funding from Homeland Security.

LEGISLATIVE REPORT/EMERGENCY MANAGEMENT UPDATE: Liesl Clark, Legislative Liaison

Director Irwin welcomed Liesl Clark as the new Legislative Liaison. Ms. Clark thanked Brad Deacon for his assistance during this transition period and hopes to continue the great relationship developed with the legislature.

Ms. Clark reviewed recent legislative activity. Right to process bills moved out of committee this week and are expected on the Senate floor next month.

The methane digester bills are moving through the House.

In the next few weeks, Director Irwin will appear before both the House and Senate Agriculture Committees.

In response to a questions about the single business tax (SBT) being applied to family farms, Ms. Tonia Ritter (Michigan Farm Bureau) stated that the SBT bills that dealt with the corporate farm tax has passed the House and are favorable to agriculture in not changing any tax status for

incorporated farms. She stated that the agriculture industry needs to be vigilant as the bills go through the Senate.

Director Irwin stated that the two biggest issues appear to be water issues and energy issues. Ms. Clark will be watching both carefully and participating in issue discussions.

Commissioners' Issues

Chairperson Byrum distributed drafts of proposed actions. The following resolution was read into the record regarding a proposed tariff on corn:

“The Michigan Commission of Agriculture expresses grave concern about the proposed tariff on United States (US) corn exported to Canada, and urges the US Government to address this issue aggressively and with the highest priority. A Canadian tariff on US corn exports would have a dramatic impact on US and Michigan corn values, markets and future development opportunities.”

MOTION: COMMISSIONER MAITLAND MOVED TO SUPPORT THE RESOLUTION. COMMISSIONER NORTON SECONDED. MOTION CARRIED UNANIMOUSLY.

The Commission reviewed and discussed the second resolution and the following language was agreed upon regarding Concentrated Animal Feeding Operation (CAFO) regulations:

“The Michigan Commission of Agriculture, while respecting the regulatory authority of the Michigan Department of Environmental Quality (MDEQ), is deeply concerned about new and expanded permit requirements for livestock, dairy and poultry production that is more aggressive than some other states and federal regulations and far more aggressive than regulations enforced before this time. We are specifically concerned about proposed regulations that require existing facilities to upgrade their manure storage to 2003 NRCS Standards, the release of CNMPs for public review and comment, and expanded manure storage and application plans.

We are also very supportive of the Michigan Agriculture Environmental Assurance Program (MAEAP) and appreciate MDEQ's support. We encourage MDEQ to continue to support the program and the status of this voluntary program as it pertains to current and future and Environmental Protection Agency regulations.”

MOTION: COMMISSIONER NORTON MOVED TO SUPPORT THE RESOLUTION. COMMISSIONER DARLING SECONDED. MOTION CARRIED UNANIMOUSLY.

Copies of the resolutions are to be sent to Director Chester at MDEQ, Governor Granholm, the Legislature, the Michigan Strategic Fund, MEDC, and commodity groups.

The Commissioner reviewed and discussed the third resolution and the following language was agreed upon regarding fuel pricing and availability:

“Whereas, Agriculture in Michigan contributes \$55 billion annually to the state’s economy, making it the second largest industry; and

Whereas, the rising cost of fuel has a direct impact on Michigan’s food and agriculture industry at virtually every stage of production and distribution, thereby increasing the cost of Michigan products; and

Whereas, the increased costs of production will negatively impact the citizens of the state and further damage Michigan’s rural economy; and now therefore be it,

Resolved, that the Michigan Commission of Agriculture, does hereby declare that the Michigan Department of Agriculture will work with appropriate parties to monitor the fuel marketplace for evidence of unfair pricing.

Further be it resolved, that the Michigan Department of Agriculture will continue to monitor the availability and maintain the priority of fuel during the production, harvest and distribution of agriculture products.

And, further be it resolved that the Michigan Department of Agriculture will work with appropriate parties to determine the economic impact of high fuel prices.”

MOTION: COMMISSIONER MAITLAND MOVED TO SUPPORT THE RESOLUTION. COMMISSIONER NORTON SECONDED. MOTION CARRIED UNANIMOUSLY.

Director Irwin stated that during Hurricane Katrina’s emergency response, there was a flurry of activity between Homeland Security, governors, and agencies. Brad Deacon was MDA’s lead in terms of the gasoline issue.

There was a question then about allocation or ration. At that point, research was done in terms of priorities that would be established. In the past, agriculture and food production movement was a priority and will be in the future in any such declarations by the governor. In part, the resolution comes before you because it is very clear that different agencies have different responsibilities. Particularly, DLEG has the Michigan Energy Office and has the responsibility to make studies. The Michigan Public Service Commission has statutory authority in terms of pricing on gas, natural gas, heating oil and tariffs, and utilities. MDA has specific statutory authority on weights and measurements in terms of the gas quantity and quality.

Director Irwin has spoken to Governor Granthom to ask for a study by the federal government whether there was gouging as a result of the hurricane. The Governor, as part of the legislature's request has asked MDA to beef up the gasoline inspection program and that we also study and follow up on the disparity between the price of gas at the pumps, the price of fuel at the mercantile exchange or at the refinery level, and the price of crude.

COMMISSIONERS ISSUES CONTINUED

Chairperson Byrum distributed a document explaining a situation Michigan Sugar Company is facing regarding potential enforcement of air quality regulations dating back to 1980. Director Chester has been working with EPA and Michigan Sugar. If this goes forward, it could have a major detrimental impact on the sugar industry in the state.

Chairperson Byrum mentioned Director Irwin's idea to have a collaborative discussion about priorities for Michigan agriculture is a good one. Director Irwin stated that we hope to come back to the Commission at a future meeting with a "grow agriculture" strategy that will be included in the states effort. Staff is working with Professor Bill Knudsen of MSU about marketing opportunities in agriculture and with MEDC on how agriculture fits into their strategies. Additional input from the Commission is welcome.

Chairperson Byrum stated that he will be meeting with MSU President Simon regarding recent comments she has made referring to MSU in terms of "world grant" as oppose to "land grant".

PUBLIC COMMENT

Ms. Tonia Ritter, Michigan Farm Bureau, expressed appreciation for the resolutions passed.

She also expressed disappointment in the agriculture budget outcome and overall process. It was difficult to know where things were and ultimately some things came out in the budget that were surprising. They remain concerned about this budget that has been reduced more than 50% over the last four years. MDA has done a great job in trying to figure out how to do more with less and focusing on the critical areas. MFB is concerned about reductions in the food and dairy division. These are food safety issues that affect the entire state. This means inspectors not out doing work that is very valuable to the citizens of this state and to maintaining a confidence in the food supply that is critical to MFB members. MFB is concerned that there was not more emphasis put on that part of the budget.

It has been said there it is a flat budget, but when you compare the numbers, it is not a flat budget. MDA is mandated to provide compensation increases and health care costs, so it will not be a flat budget.

MFB looks forward to the efforts underway to obtain grants, but is also looking to the legislature to act in good faith on some of the promises that were made along the process, with supplemental budgets to move things forward. There needs to be additional revenue into MDA.

Ms. Ritter shared MFB's appreciation with the Animal Industry Division in getting the MOU in place with USDA for TB free status.

Energy issues continue to be of great concern to MFB members and are continuing to look at alternative forms of energy. They look forward to working with the legislature and MDA to help alleviate some of these concerns.

Chairperson Byrum stated that additional results of the recent meeting with large producers and MDEQ indicated that MDA is working with MDEQ to create a position within MDEQ that has agriculture knowledge. Additionally, a monthly meeting of agricultural interests with MDEQ is being discussed.

ADJOURN

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

The meeting was adjourned at 2:00 p.m.

Attachments:

A – Agriculture Commission Meeting Minutes July 19, 2005

B – Director's Report – August 2005

C – Resolutions: Retirement of Pauline Conarton and Thomas Crook and Arthur List Remembrance

D – Split State Status Memorandum of Understanding Benefits of Electronic Animal Identification

E – 2005 Fact Sheet on Ethanol Fuel and Michigan General Motors Leads the Way with E-85

F – Canada – U.S. Corn Tariff Issue Anti-dumping Investigation - Canada

G – Conservation Reserve Enhancement Program (CREP) Information Packet

H – MI Volunteer Registry for the Food Industry Emergency Action Plan for Retail Food Establishments

I – Legislative Report – September 2005

J – Commissioners' Issues

Michigan Sugar Company – Outline of Actions by the US Environmental Protection Agency – September 2005

K – Resolutions: Proposed Tariff on US Corn Concentrated Animal Feeding Operation Regulations Fuel Pricing and Availability