

**MICHIGAN COMMISSION OF AGRICULTURE
Amway Grand Plaza Hotel
Second Floor, Emerald Room
187 Monroe Avenue, NW
Grand Rapids, Michigan**

**MEETING MINUTES
December 9, 2008**

PRESENT:

James Byrum, Chairperson
Ann Jousma-Miller, Vice Chairperson (via teleconference)
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 8:30 a.m. on December 9, 2008. Commissioner Dale Norton called the roll with Commissioners Byrum, Coe, Norton, Regis, and Director Koivisto present and with Commissioner Jousma-Miller joining via teleconference at 8:40 a.m.

APPROVAL OF AGENDA

MOTION: COMMISSIONER COE MOVED TO APPROVE THE MEETING AGENDA FOR DECEMBER 9, 2008. SECONDED BY COMMISSIONER REGIS. MOTION CARRIED.

APPROVAL OF NOVEMBER 12, 2008, MEETING MINUTES

MOTION: COMMISSIONER NORTON MOVED TO APPROVE THE NOVEMBER 12 2008, MEETING MINUTES. SECONDED BY COMMISSIONER COE. MOTION CARRIED.

NEXT SCHEDULED MEETING

The next scheduled meeting will be held on January 8, 2009, at the Geagley Laboratory in East Lansing. That location will provide for ample, free parking for participants and visitors.

COMMISSIONERS' TRAVEL

Commissioner Norton attended three Bovine TB related meetings recently, as well as the Annual Michigan Farm Bureau meeting in Grand Rapids.

There was no other travel submitted for approval.

MOTION: COMMISSIONER COE MOVED TO APPROVE THE COMMISSIONERS' TRAVEL. SECONDED BY COMMISSIONER REGIS. MOTION CARRIED.

COMMISSION COMMENTS:

Commissioner Coe reported that during his recent trip to Virginia wine country, he was very pleased to see how quickly that industry has developed, to the point of over 150 wineries now in that state. Virginia is far ahead of Michigan on state highway signage programs and providing research positions within the university to support the industry – these could provide working targets for Michigan's Grape and Wine Industry Council. On November 21 and 22, he attended the inaugural Grand Rapids Wine and Food Festival, which was an internationally successful event and another indication of the growth in that industry.

Representing MDA, he recently attended the newly formed Agricultural Food Council. Along with MDA, that group is now bringing together representatives from Michigan State University (MSU) and the U.S. Department of Agriculture (USDA) to work on various aspects of local food systems.

On December 3, he attended the Michigan Liquor Control Commission meeting and worked with Senator Allen's office on Senate Bill 5195, which is a correction bill to the small distilling legislation that addresses various items omitted from the original legislation.

Commissioner Norton reported he has been conversing with a number of other livestock producers on issues regarding the early onset of winter and manure handling. For those in the lower third of the state, crop insurance will offer a payback this year because of the price differential; and anyone in that area who may be close to a claim should file immediately. In the farming community, there is considerable uneasiness relative to credit, input costs, and the current lower commodity prices. The commodity market must make some decisions if any corn is to be planted; if the price is not increased, the trend will be toward the planting of soybeans.

He attended the USDA Bovine TB Review Summation meeting on December 5, and reported it was a very positive meeting. Yesterday, he attended the USDA Bovine TB Listening Session, which is one of four such sessions being held across the country. USDA's overall goal is to discuss how to more efficiently utilize the money available for the Bovine TB Program. They suggested regionalization of the program to focus on hot spots across the country and making those the center of activity, rather than conduct random testing. In

response to question by Commissioner Byrum, he reported they did not discuss indemnity, but it was understood they are taking that issue under advisement.

Commissioner Jousma-Miller reported she recently attended the MSU and Farm Bureau Wind Energy Policy meeting and found that to be not only educational, but interesting to the fact of what can and cannot be done with wind in the State of Michigan. She recently was guest speaker at the Upper Peninsula (U.P.) Potato Growers Annual meeting, during which she participated in an interview with an Indiana farm magazine, discussing rural transportation and its affect on agriculture.

Commissioner Byrum reported many acres of soybeans and corn remain in the fields due to the wet harvest weather. The grain industry survived five months of the greatest increase in prices in history, followed by five months of the biggest decrease in prices – all with no failures where people were managing their business, which is significant. The bankruptcy of VeraSun will have an impact on farmers and on the industry as well. There will be other ethanol companies around the country experiencing problems; however, we do not anticipate any others in Michigan will face those difficulties.

The price run down of nitrogen and phosphates will result in major hits to fertilizer distributors. Credit will be an issue moving forward. The Michigan Agri-Business Association (MABA) has for some time encouraged producers to establish credit relationships with an alternative bank to provide protection as financial institutions change their approach toward agriculture.

One of the major areas of discussion during the recent National Grain and Feed Association meeting was California Proposition Two and how it will affect their livestock industry.

Commissioner Coe added that during the recent Regional Economic Forecast with the Traverse City Chamber of Commerce, a local banker advised that their institution recently received an unconditional loan from the federal government. The agriculture sector should be aware and financial institutions should be encouraged to consider the agriculture industry first and foremost for future loans. Another point made by Commissioner Byrum was that many major businesses are at the London Interbank Offered Rate (LIBOR), or LIBOR plus ten; the irony today is that LIBOR is running extremely high because banks do not trust each other and this is creating a problem in the lending arena.

Commissioner Norton inquired relative to the status of Liberty Renewable Fuels. Commissioner Byrum reported on September 10, Liberty applied to expand their permits to allow for production of 145 million gallons of ethanol annually and to

build a fractionalization plant; however, they have not yet continued with construction.

DIRECTOR'S REPORT

Director Koivisto reported considerable discussion has ensued relative to the USDA indemnification issue, most recently at the National Association of State Departments of Agriculture (NASDA) meeting. Discussion included limiting indemnification (even for cattle), no longer providing whole-herd indemnification, and not providing indemnification for the cervid industry. In conjunction with the Michigan Department of Natural Resources (MDNR), the department submitted a proposal to USDA for a Bovine TB pilot program in the northeast sector of the state which would focus on alternative programming and, with their cooperation to conduct the pilot, holds the potential to obtain USDA funds.

Last week, he served as a panel speaker at the Michigan Farm Bureau Annual meeting, along with the MDNR Director, and the Deputy Director of the Michigan Economic Development Corporation (MEDC).

He will be representing the department during the Gerber Products Company Press Conference event on December 17 in Fremont that will recognize the completion of their Agriculture Processing Renaissance Zone designation. This expansion is extremely important to the state, as Gerber purchases produce from over 200 Michigan growers.

The new Julian-Stille innovation grant proposal is making good progress through the Legislature. One of the issues of concern was that the grant and the loan had been tie-barred; however, they now are separated.

Relative to agriculture employment, during discussion at two recent visits with agriculture processors, it was reported those processors pay a very competitive average of \$13.00-26.00 per hour with full benefits. This is a very positive fact to note when countering the negative perception that is often expressed relative to workers in the agricultural industry.

MDA has initiated a review of the cervid industry and will be meeting with an invited group from the industry (association members, as well as private entrepreneurs) on December 18 to discuss status of the industry. The department is also analyzing the indemnity issue and considering legislation to narrow our responsibility to provide some protection in that regard. If federal funds do not cover indemnity, it would be extremely difficult to ask the Michigan Legislature for that level of funding at this point in time, especially without having done everything necessary in an attempt to prevent such a situation. Commissioners Byrum, Coe, and Regis expressed continued frustration that the cervid industry has not stepped forward in recognition of the issues and has not

developed a leadership role to represent their industry. The Commissioners encouraged the department to send the cervid industry a very clear message that until they organize and come to the table with one voice as an industry, it is difficult, or even impossible, for the department to find the resources to work with each facility on an individual basis. In response to inquiry from Commissioner Byrum, Director Koivisto reported the department has expended over \$598,000 of its \$33,000,000 total budget for the cervid program over the last few months. He noted MDA has responsibility for animal health and MDNR coordinates the licensing and regulation of the industry. This split in responsibilities is somewhat cumbersome and creates concern to all parties attempting to administer the program. Ways to resolve that situation need to be developed.

The Director reviewed a recent article from the Detroit News which gave a very positive report of the department's Michigan Environmental Agriculture Assurance Program. This program provides a good defense mechanism and also enables agriculture to be proactive on environmental issues. However, funding the program is a concern and the department is working on that issue.

DIRECTOR'S TRAVEL

Director Koivisto has no out-of-state travel in the near future.

PUBLIC COMMENT (AGENDA ITEMS ONLY)

There was no public comment relative to agenda items.

LEGISLATIVE UPDATE: Nancy Nyquist, Legislative Liaison

Ms. Nyquist reported the Senate will potentially meet two more days this year and the House plans to meet all this week, with next week dependent upon the status of key legislation. In terms of agriculture issues, several bills in the Renewable Fuels package are on their way to the Governor and the Julian-Stille Agriculture Innovation Grant is anticipated to reach the Governor yet this week. A report was provided that highlighted the successes from the current Julian-Stille grant program. The Senate is expected to discharge House Bill 4688, which amends the Drain Code Bill, increasing the amount that could be charged for a drain maintenance project from \$2500 to \$5000. Today, the House should complete work on House Bill 6604, which modifies the total weight compliance standards for a coupled vehicle. It is expected the full Senate will consider House Bill 6608, which allows for the flat rate sale of liquefied petroleum gas.

With 45 new legislators to begin in January, she and Jennifer Holton are developing an agriculture and departmental overview document that will be available for distribution in early January as the department begins introductory meetings with the new members.

She confirmed that any legislation not passed by the end of this year will need to be reintroduced for consideration during the new session. Several items are being lined up for introduction next year.

In response to question by Commissioner Regis, Ms. Nyquist confirmed the department did oppose House Bill 6604, with Weights and Measures staff testifying before the committee. Director Koivisto reported that Weights and Measures staff informed Michigan Sugar they would have to decouple in order to weigh their double bottom trucks, or purchase alternative scales large enough to accommodate them. At that time, the department granted Michigan Sugar a reprieve while making a decision. In the meantime, Michigan Sugar encouraged legislation to change the current law. The farming community as a whole was neutral on the issue. The department's motive was simply to protect consumers by enforcing the current law. It is estimated that it would cost approximately \$500,000 per scale to incorporate the necessary modifications to accommodate a double truck. The national standards agree with the department's position and the department's policy is to work with the industry in lieu of enforcing the statute. However, the Legislature did agree to make changes to that statute.

Commissioner Byrum reported the Port of Toledo recently instituted a \$2000 per tractor tax on those hauling doubles, which means those operating from the Port of Toledo will begin looking elsewhere for points of origin or destination. With this move, the Port of Detroit may see increased viability as a port.

In response to question by Commissioner Coe, Ms. Nyquist reported relative to the Farm to School Bills: the bills raising the threshold are on the House Floor today for final consideration and the bill creating the Farm to School Act was presented to the Governor yesterday. The department has been very supportive of this legislation; however, we remain concerned because it is another unfunded mandate and MDA will be required to appoint staff to coordinate the program with the Department of Education.

BUDGET UPDATE: Amy Epkey, Budget Officer

Ms. Epkey reported the State is facing an approximate \$400 million deficit for the current fiscal year 2009. The deficit amount estimated for 2010 has been as high as \$1.4 billion. Tomorrow, the Governor will be presenting her 2009 Executive Order to the Senate and House Appropriations Committees, which will include reductions to most State agencies. The department is meeting with the State Budget Office to discuss what reductions will be included for our agency and the impacts associated with those reductions. Obviously, we continue to advocate for all MDA programs, but we also recognize the unusual strain on the current budget situation. There have been initial discussions on a potential federal stimulus package, but those are very preliminary at this point. In order to respond to some of the reductions we are anticipating, the department is meeting

with industry groups in an effort to partner with them in considering program efficiencies and potential funding options as we move forward.

ITEM PRICING UPDATE: Amy Epkey, Budget Officer

In follow-up to discussion at the November Commission meeting relative to item pricing, Ms. Epkey reported the department is responsible for responding to all item pricing complaints, which may include scanner issues. The department responded to 170 complaints in Fiscal Year 2008 and to 243 complaints in Fiscal Year 2007. Complaints are then forwarded on a monthly basis to the Attorney General's (AG's) Office. To our knowledge, there has been no enforcement action on any those forwarded complaints. Because complaints remain pending, there is question as to whether specifics can legally be presented in a public forum.

Ms. Epkey then reviewed potential funding options. Option one would amend the Weights and Measures Act (PA 293 of 1964) to give MDA authority to issue and collect fines/penalties for violations. She reviewed the action steps required to facilitate those amendments, which the department has already initiated. In response to question from Commissioner Coe, Gordon Wenk advised the Governor's office has expressed interest in considering this action.

The second option would be to create funding through a fee or a combination of multiple funding sources. She summarized the action steps that would be required, advising the department has not pursued this option to any extent at this point. In response to question by Commissioner Byrum, Ms. Epkey advised the department agrees that any retailer-focused fees should be imposed only on those found non-compliant.

Director Koivisto confirmed that while the department explored all options, amending the Act as noted in option one is currently being pursued. The Commissioners concurred the department should continue in its efforts to amend the Weights and Measures Act (PA 293 of 1964), giving MDA authority to issue and collect fines/penalties for violations.

Commissioner Byrum ask if anyone outside the two agencies is aware of the volume (over 400) of item pricing or scanner violation complaints investigated over the last two years and the fact that the department is performing, yet there is no enforcement by the AG's Office. Director Koivisto advised the Governor's office has been informed and the AG's Office advises they are reviewing the situation and considering what improvements can be made. Mr. Deacon advised the AG's Office acknowledged receipt of complaints, advised they have resource issues as well, and requested additional information which is being provided. To prevent criticism as received in the past (relative to enforcing gas prices), the Commission requested the department communicate with the Legislature to

advise that MDA is performing their responsibilities relative to item pricing complaints and to include the staff time expended to complete those inspections.

Commissioners Byrum and Coe suggested the department also consider the item pricing requirement, which places a burden on the retail industry. Director Koivisto advised the department would need additional staff to implement and enforce the item pricing program and that alternate investigative tactics are being considered. Appropriate changes in the law could provide the revenue required.

CRITERIA FOR DEPARTMENT PROGRAM REVIEW: Amy Epkey, Budget Officer

During the last Commission meeting, it was recognized that as we continue to see budget cuts, we need to review and evaluate programs and processes within the agency. The department does complete this type of review on an on-going basis. Over the years, we have implemented some innovative processes to respond to budget cuts, such as licensing function consolidation and a risk-based Food and Dairy inspection program. Programs are reviewed and prioritized on a regular basis and the specific criteria used for that decision-making process are: mission critical; unfunded mandates; public health, safety, and protection; economic impact; emerging issues; current resource levels; and alternative funding sources or options. The department will continue to review programs and investigate ways to ensure we are as efficient and effective as possible.

As requested by the Director, the department is currently conducting another departmental review and will be meeting with each division within the department to review concerns and develop potential recommendations. In addition, input is being solicited from all staff during the process. Commissioner Byrum encouraged the department to also solicit external participation from various industry stakeholders. In addition, he requested the department consider identifying statutory requirements and unfunded mandates that the department is unable to adequately coordinate and request the Legislature to absolve the department of those responsibilities. The Director advised the department is anticipating tough budget times and is considering all aspects of programs coordinated by the department. Commissioner Byrum advised the department needs to carry a strong message to the Legislature.

In response to inquiry by Director Koivisto, the Commission advised it is critical for the department to be very actively involved publicly in a proactive, positive manner. Being the second largest industry in the state, Agriculture needs to communicate on a daily basis through various news media outlets the industry's varied messages, for instance, food reliability (our abundant and safe food supply), animal welfare issues, and its broader economic activity, such as the cereal industry.

Director Koivisto reported the annual agriculture statistics report will be completed by February 4, 2009. The figures this year are anticipated to be very positive for the agriculture industry.

VERASUN ENERGY CORPORATION CHAPTER 11 UPDATE: Jeff Haarer, Producer Security Services Section Manager, Fairs, Exhibitions, and Racing Division

Mr. Haarer reported VeraSun Energy Corporation filed for Chapter 11 Bankruptcy on October 31, 2008, with the purpose of improving its liquidity position. The corporation is a producer and marketer of ethanol and distillers grains with 16 production facilities in eight states and an annual production capacity of 1.4 billion gallons of ethanol. VeraSun is the parent company of the ethanol plant in Woodbury, Michigan. VeraSun treated claimants between the October 11 and the October 31 date as a priority. However, they placed a unique endorsement on the back of checks for those claims, on which we are still obtaining legal interpretation as to what that endorsement means. Farmers can still be paid on checks received for that period of time, but should consult with their attorney relative to the endorsement language. Farmers with checks issued prior to October 11 are treated as an unsecured creditor and must request to be placed on the list for bankruptcy claims. One of those pre-October 11 claims has been submitted to the Insurance Fund on which the Board will take action during their next meeting. On October 17, VeraSun ceased accepting deliveries at the Woodbury plant and there has been some collateral damage from this action. One of our grain merchandisers in Lake Odessa could not recover from VeraSun losses, their license was suspended, and we are working with them in an attempt to repay the farmers.

In response to the VeraSun issue, the department met recently with 25 farmers to discuss the various options available. They are working to gather a group of creditors to review the bankruptcy and how VeraSun's Chapter 11 is impacting them. No conclusive word has been received that the Woodbury plant will reopen under the VeraSun name.

In response to inquiry from Commissioner Coe, Mr. Haarer advised the department is communicating with farmers to ensure they understand their legal position, especially on how to handle their forward contracts. Some groups, including the Michigan Farm Bureau and MABA, are also communicating with the industry relative to options available. We foresee some tough economic times ahead and need to continue working closely with farmers, advising them to work only with licensed grain dealers and only for grain delivered. We project about a \$13,000,000 loss to farmers and elevators from the existing forward contracts at current market prices. In answer to question from Commissioner Norton, Mr. Haarer advised the Insurance Indemnity Fund currently stands at \$6,200,000 and he confirmed that forward contracts most likely will not be covered.

Commissioner Byrum confirmed that no party can unilaterally change conditions of a contract. Because rights of unsecured creditors are very limited, he also advised that parties should engage only legal counsel that is very experienced in bankruptcy proceedings. He noted several other ethanol plants across the country are also in financial trouble; however, none of those are located in Michigan.

FINAL DRAFT GENERALLY ACCEPTED AGRICULTURE MANAGEMENT PRACTICES (GAAMPS): Jim Johnson, Director, Environmental Stewardship Division; Wayne Whitman, Right to Farm Program Manager, Environmental Stewardship; Professor Wendy Powers, MSU Animal Science and Biosystems and Agricultural Engineering, Site Selection and Manure Task Force Chair; and Professor Janice Swanson, MSU Animal Science, Care of Farm Animals Task Force Chair

Commissioner Byrum advised, due to additional changes required, the Care of Farm Animals GAAMP will now be considered during the January Commission meeting.

Mr. Johnson reported that three of the seven GAAMPs have draft changes that were considered over the past several months. An eighth GAAMP will be added to cover Farm Market operations and its committee will be forming soon, to be chaired by Tom Kalchik, Associate Director, MSU Product Center.

A new timeline, as previously recommended by the Commission, was applied to the review process this year. Rather than GAAMPs being approved during the middle of the growing season, they will now be approved in December each year – timing which allows for changes to be incorporated into winter training sessions and to assist with decision-making prior to the spring planting season.

Mr. Whitman reported the annual review process is an extensive one, which began in March. For four of the practices, no changes were recommended and those are: Nutrient Utilization, whose task force is chaired by Professor Lee Jacobs; Pesticide Utilization and Pest Control, chaired by Professor Larry Olsen; Irrigation Water Use, chaired by Professor Ted Loudon; and Cranberry Production, chaired by Professor Eric Hanson.

MOTION: COMMISSIONER COE MOVED TO APPROVE THE NUTRIENT UTILIZATION, PESTICIDE UTILIZATION AND PEST CONTROL, CRANBERRY PRODUCTION, AND IRRIGATION GAAMPs AS PRESENTED WITH NO CHANGES. COMMISSIONER NORTON SECONDED. MOTION CARRIED.

Chair for both the Manure Management and Utilization GAAMP and the Site Selection and Odor Control for New and Expanding Livestock Production

Facilities GAAMP is Professor Wendy Powers. Dr. Powers reported the Manure Management and Utilization Committee met for its initial meeting on March 25, 2008 to address proposed changes for the 2009 draft. Several meetings followed. The proposed changes are relatively minimal, the most significant being they felt it is important to provide guidance on odor management for all livestock operations, not just new and expanding facilities; therefore, an odor control plan was added to the manure management system plan as part of the appendix.

In addition, another significant change was to add additional text to reduce risk of nutrients entering field drainage tiles; therefore, two paragraphs were added to help producers make good decisions and raise awareness of the importance of weather conditions and soil saturation when making manure application decisions. Additional changes are in Appendix C, under the sample manure management system plan, where calculations were revised to provide clarity to anyone using that plan.

The Committee did receive 52 pages of public comment relative to this GAAMP, which were addressed in the Public Meeting in September. A response was provided to each of those commenting, as well as to the general public. The Committee has developed issues for potential 2010 changes when they begin meeting again in March. In response to question from Commissioner Norton relative to the Michigan Farm Bureau resolution that expressed concern there are not more producers on the review committee, Dr. Powers advised they will ask the Committee if there are additional members they would like to invite as ad hoc members, especially when the Committee addresses particular topics requiring specific expertise.

MOTION: COMMISSIONER COE MOVED TO APPROVE THE MANURE MANAGEMENT AND UTILIZATION GAAMP WITH PROPOSED CHANGES. COMMISSIONER REGIS SECONDED. MOTION CARRIED.

Dr. Powers next discussed the Site Selection and Odor Control for New and Expanding Livestock Production Facilities GAAMP. Because of substantial changes made last year, the changes brought forward this year were minimal. The only significant change was a slight modification to the definition of livestock production facilities. In addition, they added Brad Neumann and James Cliff to the committee and noted Dr. Jon Bartholic no longer serves on the committee.

MOTION: COMMISSIONER REGIS MOVED TO APPROVE THE SITE SELECTION AND ODOR CONTROL FOR NEW AND EXPANDING LIVESTOCK PRODUCTION FACILITIES GAAMP WITH PROPOSED

CHANGES. COMMISSIONER NORTON SECONDED. MOTION CARRIED.

Professor Swanson advised there was considerable public comment relative to the Care of Farm Animals GAAMP, but few of the comments related directly to the content of the GAAMP. This brings to light the issue of individuals using the Public Comment opportunity to simply push their personal thoughts from a very broad perspective on the production of farm animals, versus those who actually take the time to read the GAAMP and provide pertinent comment on each of those specific sections. She encouraged the Commission to consider how those public comments are received and whether some level of accountability could be established. In terms of looking at the history of public comments on the Care of Farm Animal GAAMP, previously, there were no substantial comments received regarding the context and suddenly in one year, a 111-page comment document and comments from several different groups were received.

In response to request from the Commission to provide information on California Proposition Two, Dr. Swanson advised awareness needs to be raised on situations such as this where citizen initiatives can be brought for public vote. The issue also has been presented in legislative context in other states. Similar language is used, particularly in identifying an outcome for the animal, rather than having, for example, a specific engineering standard for space – such as, in the case of laying hens, the spreading of wings without hitting the sides of the enclosure or another hen. The California Department of Agriculture will be challenged in the interpretation of that performance language and being able to put that into a regulatory context. There will be considerable debate and potential lawsuits on how those respective industries will be affected.

In terms of the affect on California itself, it will be substantial if carried out in terms of definitions that are under the current wording of that proposition. The University of California-Davis estimated most of the poultry industry would move out of the state for egg production. The question becomes whether or not this particular ballot actually improves the well being of the animals. It most certainly will have a multi-million dollar impact on California with regard to agricultural industry. Politically, we need to consider the various issues that accompany animal production, such as food safety, quality, and security with respect to being able to continue producing these types of products within the U.S. In response to questions from Commissioner Norton, Dr. Swanson advised, although not having a GAAMP-type regulation, the University of California-Davis Extension has developed voluntary animal care manuals for the different species of farm animals that California livestock producers use as their base line of humane care. However, California does have more regulations enacted upon farm animals than any other state.

Commissioner Norton questions how California Proposition Two might be challenged from a constitutional standpoint. Dr. Swanson noted there has been a great deal of discussion relative to outside entities funding citizen initiatives within a state to the point of actually taking over the public media in order to influence the citizens – and if some issues should not be considered for ballot initiatives, but instead be required to go through a deliberative process.

She added we need to be cognizant of the integrity of the Care of Farm Animal GAAMP, considering the fact it is based on science, looking at how its provisions play with the anti-cruelty laws, versus looking at them in the context of a nuisance. Serious consideration needs to be given with respect to how we move forward in viewing the GAAMP under the current political climate.

CHRONIC WASTING DISEASE (CWD) AND USDA BOVINE TUBERCULOSIS (TB) REVIEW UPDATES: Dr. Steven Halstead, State Veterinarian

Dr. Halstead advised the preliminary report from the USDA Bovine TB Review was positive and the formal written report will likely be available in late January 2009. This was the third review of Michigan's TB eradication program since March 2007. The reviewers commended MDA and the USDA's Animal and Plant Health Inspection Service (APHIS) Veterinary Services Michigan Area Office for continuing to make significant program improvements and better institutionalizing effective management practices. Specifically, they noted annual herd surveillance was on schedule and program goals were completed this year for the Modified Accredited Advanced Zone. They recognized the team efforts that resulted in progress in the areas of animal identification and traceability, wildlife risk mitigation, herd inventory reconciliation, cervid disease surveillance, investigation of TB positive herds, compliance activities at the Mackinac Bridge, and livestock market coverage.

The reviewers injected a sense of realism by identifying that many significant challenges still lie ahead and urged us to continue with our efforts. They identified the need to continue increasing incentives for more personal responsibility in the program, to improve communications and coordination between the various levels of program employees, and to seek solutions to the current technology limitations that are hampering our animal traceability efforts.

The Bovine TB Advisory Committee met last week, which developed four subcommittees to consider specific issues: normal agricultural practices, target surveillance, traceability of animals moving from herds, and infrastructure on farms. In response to question from Commissioner Norton, Dr. Halstead reported that recognizing there are facilities unable to provide a completely safe testing area, it is hoped the subcommittee will develop beneficial suggestions in that area.

Dr. Halstead next reviewed the current activities on Chronic Wasting Disease in Michigan. At this point, of the 580 quarantined facilities, 178 have been released, 60 facilities are working toward decommissioning, and 342 privately owned cervid facilities will remain in business under quarantine – this leaves a total of 402 still under quarantine. The difficult facilities are those remaining – those who have problems with fences, operating standards, or simply a challenge with whom to make contact due to absentee ownership. Hunting may still occur, but the facilities can not restock until the quarantine is released. In response to question by Commissioner Norton, Dr. Halstead advised the decommissioning process, which is coordinated by MDNR, centers primarily on management of the animals and there is no indemnification available.

MDNR has tested approximately 8,000 free-ranging cervids this year, about 5,000 since the CWD positive was detected. No other positives have been found to date. There also have been no additional positives in the privately owned cervids.

The department gave a CWD presentation to the Legislature on November 13 which was very well received, with the majority of the questions related to the baiting and feeding ban issue. MDA will also present on the topic at the Michigan Association of Conservation Districts meeting next week. In response to question by Commissioner Byrum, Dr. Halstead confirmed the baiting and feeding ban stands until rescinded by MDNR, which has received considerable support by the industry. MDNR continues its extensive efforts to enforce the ban.

COMMISSION POLICY MANUAL REVISIONS: Commissioners Norton and Regis

Relative to the Commission Policy revisions, Commissioner Coe suggested two changes be made: on page 17, first sentence in the second paragraph, change the word “history” to “industry;” and on page 23, under (A), add “renewable fuels, and under (B), add “hops.”

Commissioner Byrum noted there was one question relative to how other commissions operate relative to electronic participation in meetings. Brad Deacon reported he surveyed staff from the Natural Resources, Transportation, Public Service, and Liquor Control Commissions. The Public Service and Liquor Control Commissions consist of gubernatorial appointees to full-time positions, which places them in a somewhat different status. Other commissions have considered electronic participation, but their rooms with equipment would not accommodate the number of people normally attending their meetings, and none have a written policy relative to electronic participation. The length of their meetings would also make it somewhat impractical for members to join electronically. Because Natural Resources and Transportation maintain departmental airplanes, members from distant areas are often flown in for their

meetings. Staff from other commissions did relay concerns with the Open Meetings Act (OMA), because the Act is silent on participation.

In response to inquiry from Commissioner Regis, Mr. Deacon advised the Public Service and Transportation Commissions normally meet in Lansing, the Liquor Control Commission alternates between Lansing and southeast Michigan, and the Natural Resources Commission meets in Lansing and remote locations. Most reported they generally do not have a problem maintaining a full complement in attendance at their meetings.

Based on discussions with other agencies and the Attorney General's Office, it was recommended in the Commission Policy revisions: to ensure we always have a quorum of three members physically present; and when Commissioners need to participate electronically, videoconferencing would be preferred, which provides for public observance of who is speaking and posting of that location to allow public from another part of the state to participate. In response to question from Commissioner Coe, Ms. Ayers advised there is no cost for the department to utilize its videoconferencing equipment installed in Lansing, East Lansing, or any of its Regional Offices. She noted if meeting in the Constitution Hall Con-Con Room, the Department of Environmental Quality (MDEQ) has portable equipment which could be borrowed. If equipment other than that of MDA or MDEQ were to be used, a potentially considerable rental expense would be incurred. Commissioner Byrum noted that videoconferencing also provides a better level of focus for the remote participant. Director Koivisto expressed it is advantageous for the Commission to be comprised of members from the various geographic areas of the state and this diversity needs to be accommodated whenever necessary.

MOTION: COMMISSONER NORTON MOVED TO SUPPORT THE POLICIES AS AMENDED. SECONDED BY COMMISSIONER REGIS MOTION CARRIED.

COMMISSIONER ISSUES

Chairperson Byrum reviewed a retirement resolution before the Commission. The Commission recognized Robert Kaczorowski upon his retirement from the Human Resources Division after more than 32 dedicated years with the State of Michigan.

MOTION: COMMISSIONER NORTON MOVED THE RESOLUTION FOR ROBERT KACZOROWSKI BE ADOPTED WITH BEST WISHES FOR HIS LONG AND HEALTHY RETIREMENT. COMMISSIONER REGIS SECONDED. MOTION CARRIED.

Commissioner Jousma-Miller reported she received an email from Renewafuel LLC relative to U.P. farmers planting switch grass for the 2009-2010 season. In this message, they wrote, "It appears that there will be cost share money available to help establish these alternative crops in the 2008 Farm Bill." Commissioner Byrum noted there is a biomass improvement provision in the 2008 Farm Bill; however, the USDA Price Support Division advised yesterday they have not yet written rules for that provision.

Relative to a recent surprise inspection of his winery by the Michigan Occupational Safety and Health Administration (MIOSHA), Commissioner Coe noted wineries are a new area for inspection by MIOSHA. He asked if there are any specific processing exemptions to the MIOSHA requirements that occur during time of harvest. Director Koivisto advised the information would be obtained and forwarded to the Commissioner.

Commissioner Norton expressed his appreciation for having Professor Janice Swanson present today to discuss the animal welfare issue. This is an issue that will continue to draw considerable attention and concern in the future.

PUBLIC COMMENT

No public comment was requested.

ADJOURN

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

The meeting was adjourned at 11:20 a.m.

Attachments:

- A) *Agenda*
- B) *Agriculture Commission Meeting Minutes November 12, 2008*
- C) *Detroit News Article: "Certified Green: Michigan Farmers Spend Time, Money to Gain State Designation"*
- D) *"MDA Agricultural Innovation Grant Program Final Report" memo from Agriculture Development Division*
- E) *Legislative Status – December 8, 2008*
- F) *Item Pricing Update*
- G) *Program Review*
- H) *Final Draft Generally Accepted Agriculture Management Practices*
 - *Manure Management and Utilization (changes)*
 - *Site Selection and Odor Control for New and Expanding Livestock Production Facilities (changes)*
 - *Nutrient Utilization (no changes)*
 - *Pesticide Utilization and Pest Control (no changes)*
 - *Care of Farm Animals (changes)*
 - *Cranberry Production (no changes)*
 - *Irrigation Water Use (no changes)*
- I) *Commission Policy Manual Revised*
- J) *Resolution for Robert Kaczorowski*