

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

**MEETING MINUTES
March 10, 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
Dan Wyant, Director, Michigan Department of Agriculture

OTHERS PRESENT: (all or part of the meeting)

Michigan Department of Agriculture Staff
David Bertram, Michigan Township Association
E. J. Brown, Michigan Association of Fairs & Exhibitions
Ron Nelson, Michigan Farm Bureau
Janet Washington, Michigan Horse Council

CALL TO ORDER AND ROLL CALL

Chair Byrum called the meeting of the Commission of Agriculture to order at 10:35 a.m. on Thursday, March 10, 2005. Secretary Jousma-Miller called the roll with Director Wyant, Commissioners Byrum, Darling, Maitland and Norton present.

APPROVAL OF AGENDA:

MOTION: COMMISSIONER MAITLAND MOVED APPROVAL OF THE MARCH 10, 2005 AGENDA AS PRESENTED. SECONDED BY COMMISSIONER DARLING. MOTION CARRIED UNANIMOUSLY.

NEXT MEETING

The next meeting of the Commission of Agriculture is scheduled for April 13, 2005, at the Geagley Laboratory in East Lansing.

APPROVAL OF COMMISSIONERS' TRAVEL

Commissioner Maitland attended an Emerald Ash Borer meeting in Gaylord.

Commissioner Darling attended the President's Luncheon on Tuesday, March 8, 2005 during ANR Week at Michigan State University.

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

COMMISSIONERS' COMMENTS

Commissioner Maitland reported that Senator Stamas organized two meetings for Emerald Ash Borer, one in Gaylord and one in Greenbush. He reported that Michigan Department of Agriculture (MDA) staff, the Conservation Office, and the Forester did an excellent job presenting the facts to the public.

Commissioner Darling commented that he attended the President & Dean's Luncheon at MSU during ANR Week. It was a nice event with awards given to outstanding individuals from the industry. He judged district, regional and state Future Farmers of America (FFA) competition this year and is impressed with the high school students' ability to run a meeting and present their ideas. He also judged the Extemporaneous Public Speaking and because of the way the topic areas were drawn, four of the students spoke about methane digesters. He is pleased to see attention paid to these students who are working hard and doing good work.

Farmers are talking about energy costs, fuel costs, input costs and budget cuts on the national level. Water reporting is still an issue being discussed.

Commissioner Norton thanked those who attended the Taste of Elegance competition and legislative reception sponsored by the Michigan Pork Producers. He also participated in meetings with members of the North Central Coop during a recent cruise.

Commissioner Jousma-Miller reported that winter meetings continue in the Upper Peninsula (UP). The Small Farm Conference was held with very good attendance. The evaluations stated they would like to see another one next year. She thinks the small farm conferences are valuable to those who are interested in getting into the industry.

Recently, the cover of a Michigan Timberman's Association publication was about Emerald Ash Borer (EAB) and how wood should be transported. She

thinks this is a vital step in getting the message out and educating the industry.

The UP State Fair Manager and staff have initiated an excellent outreach program taking place at the county level and hope to expand it to the UP level for young people at public and school libraries. They have applied for a small grant to bring "magic to the reading program". The youngsters who complete this program will be offered a discount for attendance wristbands for the UP State Fair.

Commissioner Jousma-Miller has been asked to help judge the Young Farmer Discussion Meet that will occur soon.

As of March 9, 2005, there were 161 producers in the UP who had ordered 30,760 electronic ID tags. Feedback about MDA from the farmers has been very positive.

Commission Byrum discussed the problem of rotting sugar beet piles in the Thumb and Saginaw Valley areas. Losses are estimated at least \$33 million.

Fertilizer supplies continues to be tight, especially potash. Transportation has not improved.

There was an article in the Wall Street Journal on March 9, 2005, about ethanol production. It suggests that there are 83 plants in existence with more being built and there is concern surfacing about economic viability and overproduction. There are currently five plants in various stages of discussion in Michigan.

There is legislation surfacing concerning anhydrous ammonia, trying to prevent theft and minimize methamphetamine production.

There will be a meeting on April 25 with the Directors of MDA, the Department of Environmental Quality (DEQ) and others to discuss strategies to deal with animal waste. The goal is to look toward the future and explore options for using animal waste as a resource.

Commissioner Byrum commented about the need for visiting with freshmen legislators to get them up to speed on agriculture issues. He noted that MDA staff has been working hard to do that.

Commission Maitland asked for clarification of the sugar beet issue. It was explained that in the fall, because of the weather, the sugar beet piles were frozen, thawed and endured many rains. There was a bumper crop so there were higher piles than normal and the beets are grown smaller now (for sugar content), they compact more tightly and the airflow in the pile is less. Once the beets started breaking down, processing was slowed. Processing has been stopped and the remainder of the piles will be spread out on the fields. Odor may be an issue as the weather warms. Some estimates of loss per acre are between \$70-\$100.

FOOD & DAIRY DIVISION ACCOMPLISHMENTS: Katherine Fedder, Director, Food & Dairy Division and Jerry Wojtala, Deputy Director, Food & Dairy Division

Ms. Fedder distributed a copy of a PowerPoint presentation and reviewed accomplishments of the Food & Dairy Division for 2004. She reviewed the four primary programs in the division and discussed the activities and plans for the near future.

The outcome of the Dairy Program is to provide regulatory framework that allows the interstate and intrastate movement of safe milk products. This is done primarily through a cooperative program with the Food & Drug Administration (FDA). MDA conducts inspections on farms, manufacturing operations and follow-up on complaints. There are over 2,300 Grade A farms in the state, over 275 manufacturing farms. The Grade A farms are inspected twice a year. There are 230 Grade A manufacturing plants that are inspected four times a year. Approximately 8,000 inspections are conducted each year to ensure a safe milk supply.

The inspections cover all elements of the operation; checking equipment, drug residue issues (removing milk from the market when problems with drug residue or pathogens is detected), milking parlors, checking the animals, sanitation, transportation and receiving stations. Operations have been shut down when their pasteurization machines do not work. That is a critical control point to ensure the safety of milk.

The FDA oversees the program to ensure standards are met for the pasteurized milk ordinance in order to move Michigan milk out of state. FDA evaluates and gives an enforcement rating. The goal in 2004 was to obtain at least a 90% enforcement rating on every survey conducted. That goal was met. Through the continuous quality improvement effort, that will be increased in 2005 to 92%.

Mr. Wojtala reviewed the Food Retail & Food Processing Programs. Outcomes for this program are to ensure safe food in Michigan retail stores and processing plants and to partner with industry, government and others to reduce the risk of foodborne illness. In 2004, over 20,000 food safety inspections and over 1,100 complaint investigations were conducted. There were 17,854 food licenses issued and 540 enforcement actions. In addition, staff is engaged in special projects, sampling and monitoring.

He discussed joint training that has occurred with the Michigan State Police, Motor Transport Division, dealing with trucks that are stopped carrying food in unsafe conditions.

Photos were shared depicting some of the problems found during inspections and investigations including non-refrigeration, vermin, distressed and spoiled foods, ethnic foods, Balut eggs, rodents, unsafe processing practices and loading issues.

Staff is also working with FDA, local health departments and the Chicago Health Department to determine transportation routes and educate at all levels for ethnic foods coming from Chicago to the Detroit area.

He reviewed a local case of listeria found at a sandwich manufacturing plant.

Initiatives for measurement include Food Safety 2010 and an initiative to reduce the risk of foodborne illness by 25% by 2010. Additionally, high risk inspections will be completed early or on schedule. The goal for 2005 is 88%, an increase from 86% from 2004.

The Food Service Program is designed to ensure the safety of the food supply in Michigan restaurants. MDA partners with the industry, government, local health departments and others to reduce the risk of foodborne illness.

MDA delegates responsibility to the 45 local health department and oversees their activities. They receive training and pass through funding to perform the food service inspections. There are a total of over 48,000 food service establishments in Michigan including: restaurants/ commissaries, temporary licenses, mobile licenses, vending and special transitory units. Measurements for the Food Service Program include Food Safety 2010, initiative to reduce the risk of foodborne illness by 25% by 2010 and to conduct accreditation review on all 45 local health jurisdictions every three years.

Ms. Fedder explained that the same law and same standards are used in regulating food in Michigan. The two initiatives used apply both to the state and local program

The Food Safety 2010 initiative helps to assess MDA's program and provide continuous improvement in the program. It also assesses the effectiveness of interventions on the reduction of foodborne illness risk factors.

Both initiatives are part of federal initiatives. The goal is to create a seamless way to evaluate program effectiveness. Federal goals are taken to the state level then incorporated down to the local level programs.

This initiative is part of an FDA goal to have all states meet a set of certain standards in retail programs (FDA's Recommended National Retail Food Regulatory Program Standards). These are voluntary standards that no state has met yet. Michigan is one of the states that have applied to the program with the objective of meeting those standards.

The nine standards include regulatory foundation, trained regulatory staff, inspection program based on HACCP principles, uniform inspection program, foodborne illness investigation and response, compliance and enforcement, industry and community relations, program support and resources and program assessment.

MDA has completed the self-assessment including the work of the local health departments. We determined that there is work to do in eight of the nine standards. Community and industry relations are good and the law is very close to meeting standards. There is one small change that has to do with plan review in the retail area.

The objective is to meet these standards by December 2010. Action plans are being developed to meet each standard. The next five years will be spent executing the action plans in order to meet the standards by 2010.

The second initiative is to reduce the risk of foodborne illness by 25% by 2010. Every outbreak costs an average of \$75,000 for that business. 43% of all the businesses that have some type of disaster, including a foodborne illness, never resume operation. Twenty-nine percent of those still in business will fail within two years. The Center for Disease Control (CDC) has identified five risk factors that are the primary reasons foodborne illness occurs: poor personal hygiene, food from unsafe sources, inadequate cooking, improper holding temperatures. Michigan's Food Law contains

critical violations that are directly related to each of the five critical areas. As we evaluate businesses and violations, we are able to determine which risk factors the violations relate to. FDA studies have determined that the majority of the violations are related to improper holding temperatures. These studies will help Michigan determine the types of intervention to reduce risk factors by 25% by 2010. The types of interventions will be determined by a stakeholders group including local health departments, the restaurant industry and grocery industry.

Ms. Fedder reviewed measurement tools being used for baseline studies that will be completed by August. There will be mid-course checks done between 2006-2008 with a final survey in 2010. Interim goals are 5% per year for five years.

The Food Security Program is designed to link the resources, expertise, and initiatives of federal, state, and local governments along with the private sector and universities to improve the security of Michigan's food supply. Protecting the food supply is an all-hazards approach. When discussing food security, it includes disasters, emerging pathogens and terrorism. The mechanisms for responding, communication system and decision-making will be the same.

She reviewed the opportunity to evaluate MDA's emergency response system in August 2003 with the power outage, primarily in southeast Michigan. Most problems occurred with small to medium sized business unprepared for such a disaster. Inspectors from all over the state and other divisions worked together.

Lessons learned were applied to the Food and Agriculture Security initiative. The first Food & Agriculture Security Summit was held in June 2003 to develop a food security plan for Michigan. A steering committee was formed and working groups created action plans. Current working groups include animal production, exotic plant pest, grain and edible beans, laboratory, meat processing, retail food and packaging.

The retail working group has been a model nationally.

Other accomplishments for 2004 include vulnerability assessments and being involved with a number of special projects with risk reduction. A great deal of planning also occurred including Emergency Action Plans for Retail Food Establishments; Soybean Rust Action Plan and Michigan Emergency Avian Disease Manual. In addition, evaluations were done for health training needs and began food service training, small volume meat and poultry

processors; biosecurity and emergency management for the cattle industry. Also conducted a number of tabletop exercises for retail grocers, dairy industry and food service managers. The retail and food service manager exercises have become national models.

Coordination with MDA's Laboratory and the Michigan Department of Community Health Laboratory has been key in the development action plans in the event of a large food security problem.

Ms. Fedder briefly discussed the Governor's current priority areas and the proposed 2006 budget.

A brief discussion occurred in response to a question Commissioner Norton asked about requirements for back-up generators in the event of a power outage.

Director Wyant commended Ms. Fedder and Mr. Wojtala on the work of their division and particularly the work done on the outcomes and measurements as we go into the new budget process. It will be important to share the work and results of the division with the legislature.

Commissioner Darling commented that he has received compliments about the pro-active nature of the work and expertise of the Food & Dairy Division.

ANNUAL REVIEW - GENERALLY ACCEPTED AGRICULTURAL AND MANAGEMENT PRACTICES (GAAMPs): Wayne Whitman, Right to Farm Program Manager, Environmental Stewardship Division

Mr. Whitman explained that in the Right to Farm Act there is a requirement for an annual review for the Generally Accepted Agricultural and Management Practices (GAAMPs). It specifies that the Agriculture Commission shall review and revise the GAMMPs as necessary. Each year, the respective chairs and committee members of each GAAMP are contacted. Five of the seven chairs indicated there were no recommended changes to the GAAMPS. Those are:

- ?? Irrigation Water Use
- ?? Care of Farm Animals
- ?? Pesticide Utilization and Pest Control
- ?? Nutrient Utilization
- ?? Manure Management and Utilization

It is early in the process and through public comment or committee members, there may be minor changes, but major changes in those sets of practices are not anticipated.

Dr. Hansen, chair of the Cranberry Production GAAMP, did have a few comments. They are minor editorial changes that do not change the context of establishing cranberries in bogs and environmental performance for managing cranberries bogs.

The Site Selection and Odor Control for New and Expanding Livestock Production Facilities GAAMP was first approved in 2000 and has undergone a very thorough review this year. The chair, Dr. Bill Bickert, convened the task force, then set up a work group to review many aspects of the GAAMP, both in reformatting because of new information and changes in how an odor estimator model is used. It is still under review and the final draft will be ready for presentation by Dr. Bickert to the Commission by the April meeting. The changes will enhance the opportunity for a producer to use a more comprehensive odor management plan.

Mr. Whitman shared the review process for this GAAMP. The chair, through consultation with the task force, will determine if there is enough interest to reconvene the work group. The task force met in fall of 2004 and a work group was designed with representatives from MSU Extension, Michigan Farm Bureau and MDA to work specifically on the use of the odor estimator model and an odor management plan. With additional feedback from Natural Resources Conservation Service (NRCS) and Extension, further clarification and definitions are being reviewed. MDA helps with the coordination of notification and setting up meetings.

A public comment period will commence with all GAAMPs being reviewed to keep them on the same schedule. After the April meeting, final drafts will be prepared, posted on the MDA website and a public hearing held. All feedback will be compiled and sent to the respective chairs and they will decide whether to reconvene. Final drafts will then be submitted to the Commission for comments or changes prior to final approval.

MOTION: COMMISSIONER DARLING MOVED TO INITIATIVE THE PUBLIC REVIEW PROCESS FOR THE IRRIGATION WATER USE, CRANBERRY PRODUCTION, CARE OF FARM ANIMALS, PESTICIDE UTILIZATION AND PEST CONTROL, NUTRIENT UTILIZATION, AND MANURE MANAGEMENT AND

**UTILIZATION GAAMPs. SECONDED BY COMMISSIONER
MAITLAND. MOTION CARRIED UNANIMOUSLY.**

Chairman Byrum asked about process to expand the review committees to look at new additions. Mr. Whitman explained that if the Commission identifies a need for a GAAMP, they notify MSU, Dean of the College who will select faculty to chair a task force. The Right to Farm Act specifies representation and MDA coordinates with the chair of the task force to ensure compliance. Expanding beyond that would be the role of the task force or if a need is identified for other expertise.

Mr. Whitman commented that it makes for a stronger process and a better product by having diverse representation on the task forces.

Commissioner Byrum stated that MDA needs to make sure that the task force chairs are getting feedback from the diverse parties. Commissioner Darling stated that there is some flexibility between the GAAMPs due to the number of parties involved with each GAAMP.

In response to a questions from Commissioner Maitland, Mr. Whitman stated that in addition to the MDA website, notification is made through the media and reminders through presentations and educational opportunities when complaints are investigated and resolved. Also, information is distributed through task force members and industry partners.

PUBLIC COMMENT:

David Bertram, Michigan Township Association, commented that he has worked with Mr. Whitman regarding concerns about the Site Selection GAAMP. He feels that this GAAMP is different because of how it was established in 1999 through a public act with specific representation identified. He had concerns about a vacant county representative position. (Mr. Whitman verified that the county position is currently filled with an active participant.) There are two township positions, with one remaining vacant. Mr. Bertram indicated that he had not been notified of the last two meetings and that the Michigan Township Association wants to remain active and involved in the process.

No other public comment was offered.

LEGISLATIVE UPDATE: Brad Deacon, Legislative Liaison

Mr. Deacon updated the Commissioners on recent legislative activity.

SB 2, Bodies of Dead Animals Act, is expected to be taken up by Senate Agriculture Committee after the legislative spring break.

SB 195, the Migrant Labor Camp bill that would allow for administrative penalties for operating without a license, is moving and will also be taken up after the break in the Senate Health Policy Committee.

The rewrite of the plant laws is at the Legislative Service Bureau. MDA and Department of Natural Resources (DNR) will be working together to make sure roles are clearly defined.

There was a series of Senate bills introduced (SB 211-217), versions of bills introduced last year, but that did not have time to be acted upon. They create, in the Natural Resources Environmental Protection Act, a number of duties, particularly for the DNR, that may impinge on MDA activities in terms on insects and native and non-native plants. MDA will work with DNR and the Senate to express our concerns.

The Senate also introduced bills called the Rural Jobs Package (SB 223-228.) These bills propose giving a single business tax credit for apprenticeship programs with agriculture and food processing, creating an agriculture tourism advisory commission within the Department of Agriculture and providing loans and loan repayment programs. MDA and the Department of Treasury have raised a number of objections to the bills, the primary one being the cost to the state.

Introductions of bills that are repeats from last year include methane digesters, biodiesel, farmland taxation and the drain code. Only two sections of the drain code were introduced for changes.

MDA has been aggressive in introducing the Department and agriculture issues to the legislature. Director Wyant has given overviews to both the House and Senate Ag Committees. Presentations regarding EAB and Ag Census have been made to the House Agriculture Committee. Presentations regarding our environmental programs and conservation programs have been made to the House Conservation Committee. The Environmental Stewardship Accomplishments presentation was made to the Senate Environment and Natural Resources Committee. The House Environment Committee would like the same presentation. The House Veterans Affairs and Homeland Security Committee have asked that we speak to them about food security.

For the first time, both House and Senate will be working on parallel budgets. MDA is scheduled to give overviews to both Senate and House Agriculture Budget Committees.

RECESS:

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

RECONVENE:

The meeting was reconvened at 1:03 p.m.

LABORATORY UPDATE: Steven McGuire, Director of Operations

Mr. McGuire welcomed the Commission to the Laboratory and offered assistance for any future meetings.

He shared information about a court case regarding a double homicide for which he was under a subpoena involving seed forensic evidence. Grass seed had been used to cover the graves of two alleged victims. Mr. McGuire offered identification on seed product that was involved and that information may have been used to apprehend an accomplice.

The microbiology testing unit is finishing the end of the planned samples for the Food Safety Project. The lab sampled between 275-300 samples in a six week special project testing deli products. There were four positive results for *Listeria monocytogenes*. He offered thanks to the Food & Dairy Division for including the Laboratory in the planning stages of the project and sharing in the costs of the test kits. The samples were tested for *coliform plate count* as an indicator of sanitation, Salmonella, strains of *Listeria* and confirmation tests to determine pathogenic stains.

Additionally, the microbiology testing unit is training and moving toward the use of *polymerase chain reaction (PCR)* diagnostics for the confirmation of *E. coli O15787*. There is a week long training in April in Richmond, VA. The Laboratory plans to send someone to the training and FDA will cover the costs. They are also involved with the United States Department of Agriculture (USDA) milk program.

This summer, the unit will face two accreditation functions. Dr. Laird from USDA will perform accreditation for dairy testing and they all will have an audit for the American Association of Laboratory Accreditation.

The Motor Fuel Quality Testing Unit is testing approximately 60 gasoline sample a week, an increase from last year. They report on test parameters,

octane, distillation range, vapor pressure and contaminants as they appear in gasoline. In addition, staff is researching equipment costs in case there is a bill that passes with regard to mandates for diesel testing.

The Pesticide & Environment Section, in addition to their routine work in pesticide misuse investigation, is one of the special project labs that help when contacted by state police or local policing agencies where food or contaminated food could be an element in a crime. The Lab averages one contact a month for assistance in those types of cases.

Recently the Laboratory was contacted by DNR to do testing on goose breasts and livers for an upcoming removal project because of nuisance geese in southeast Michigan. Last year there was concern over wholesomeness of geese that were donated to the needy. The Lab has developed a pricing structure to assist in this project.

The Laboratory is also a Food Emergency Response Network (FERN) lab. Two weeks ago they received the first chemical test in a FERN proficiency sample. There were three fruit juices that were to be tested for the presence of *colchicines, artificially spiked into the juice*. Testing was completed within 36 hours and the lab now awaits results. Good performance could help ensure receipt of FERN dollars that may become available.

Animal disease surveillance continues, testing approximately 45,000 equine infectious anemia samples annually. Brucellosis Ring Test accounts for approximately 10,000 samples a year, more if serum testing is included.

The Food, Feed & Fertilizer lab is completing the routine feed testing for the season. By mid-March, 700 feed samples will be tested. Fertilizer analysis will begin in early April. Additionally, food safety test methodology is kept current. Staff recently attended a "metals workshop" under a cooperative FDA fund and returned with valuable information toward the intended use CDC money in the coming fiscal year to purchase an IPC optical scan instrument to better check metals in various commodities. Also, a request for a mercury analyzer has been made to the Michigan Department of Community Health (again requesting CDC funds) to bolster capability in metals analysis. If there is a mandate, a reason and funding, testing for metals in sludge would not be a problem.

Through funding other than MDA, video surveillance equipment has been installed and is operating. If the situation arises that the facility becomes a highly secured facility because of testing or if the building was to become an

incident command center, it could be locked securely and both doors monitored. A radiation detector was also installed in the receiving area.

This summer, with CDC funding, installation of a dual fuel generator will begin to make the Geagley Laboratory electrically self sufficient in times of crises.

Steve Reh is on a new committee, the National Food and Agriculture Laboratory Committee (NFALC). As their website matures, it will be a source of information about state governmental testing laboratories and affiliated associations to include names, phone numbers, functions and capabilities. It will be a powerful tool available to agriculture department directors, commissions of agriculture and other agencies.

The lab is now part of the Michigan Public Safety Communication System. A radio was made available through the Michigan Department of Community Health. It is Michigan's emergency radio. If all other communications systems go down, this communication system will allow for continuing contact with a network of agencies and people.

In response to a question from Commissioner Darling, Mr. McGuire clarified the *colchicine* testing done on the fruit juice.

A brief discussion ensued regarding the emergency radio system.

MICHIGAN HORSE COUNCIL: Ann Louise Budd and Janet Washington

Ms. Budd distributed programs for Horse Expo 2005 being held March 11-13, 2005 at The Pavilion, MSU, East Lansing. She discussed the Expo and the MSU-Michigan Equine Industry Meeting. She shared results of the brainstorming session. She discussed the economic impact of the horse industry in the animals, equipment, land, feed, etc. Manure management is an important aspect of the industry.

Ms. Washington discussed the presentation for the Horse of the Year awards in the racing industry. Standard and thoroughbred horses will also be a part of the Expo. The Saturday evening program showcases both the excellence and diversity in the horse industry. There are ongoing exhibitions and seminars throughout the weekend.

Ms. Washington also participated in the stakeholders meeting at MSU, School of Animal Science. They looked at revamping the programs, making sure it provides the services needed for the students to go out and meet the

needs of the industry. 50% of student interest is focused on horses. Eighty percent of the students are women. She also participated in the Citizens Advisory Council on the state parks looking at the sustainability of the park system and how we work together for multi use of park lands.

In response to a question from Director Wyant about limiting factors at The Pavilion, Ms. Budd responded that it was space in all areas of the facility. She stated that they have a list of 150 vendors that would like to participate and discussed the inability to bring in special trainers. There is no place in the state large enough to support a national show.

A brief discussion ensued regarding the horse population in Michigan. The largest growing population in the horse industry are owned by women.

The Michigan Horse Council would also like to work with DNR to help open the trails in the state parks. Ms. Washington has invited members of the Natural Resources Commission to see how equestrians both use and support the parks.

Commissioner Jousma-Miller shared information about the "Adopt a Park" concept in the UP where local groups maintain and clean the parks. Ms. Washington stated she did not think DNR has fully utilized those groups.

AGRICULTURE DEVELOPMENT DIVISION ACCOMPLISHMENTS: Robert Craig, Director, Agriculture Development Division

Mr. Craig distributed information regarding the accomplishments of the Division and shared a PowerPoint presentation to the Commission.

He discussed the first shipment of apples from Michigan exported to Mexico representing a value of \$250,000

Twenty-four Michigan companies participated in the Midwest Agricultural Trade Council (MIATCO) Branded Market Access Program (MAP) Program taking advantage of \$346,639 offered through the federal government. Eleven companies were new to the program. Of those participating, they realized an \$8 million increase in export sales; eighty-six new employees were added; over \$24 million increase in agricultural purchases; four companies had first time export sales and fourteen companies had first ever sales to a new market.

The Michigan Pavilion at the US Food Export Showcase at the FMI Show in Chicago continues to be a popular event. Last year eight Michigan food

companies participated, and recognized a \$20,000 actual increase in export sales. They anticipate an additional \$720,000 increase in export sales.

The Michigan Pavilion at the Fancy Food Show had three Michigan processing companies participate, one being new to the Pavilion.

The Apple, Blueberry, Cherry & Cranberry (ABCC) Baking Promotion in Mexico was a great success. Four Michigan companies participated with sales over \$100,000.

In international grant programs, state funds were leveraged with federal and/or private monies on a 3:1 basis. Successes included the first ever sale of dried cherries to Germany; for the first time, Safie Specialty Foods exported pickled beets to Japan; and WeCo, Inc., exhibiting at the Hong Show Leather Show, sold over 28,000 hides.

Twenty-one companies participated in generic MIATCO activities representing an increase of \$300,00 in actual export sales with a projected increase of over \$800,000. Three companies had first time export sales in a new market.

Nearly a third of agriculture production is sold in the foreign export market. In 2003, USDA reported estimated agricultural exports for Michigan at \$842,000. They also estimate that the export sector supports 12,400 jobs.

The domestic campaign includes Select Michigan Program, Select Michigan Fresh and Select Michigan Organic. This program includes many partners including Michigan Integrated Food & Farming Systems (MIFFS), Michigan growers, Michigan commodity boards and farm organizations, Michigan food processors and shippers, Michigan retail grocery stores, Michigan State University Extension and USDA.

When buying local, consumers receive exceptional food safety, quality and freshness. More money goes to Michigan family farms and agribusinesses and stays within the local economy. It also preserves Michigan farmland and unique agricultural heritage.

Mr. Craig reviewed a sample of the signage used in Select Michigan promotions for fresh fruits and vegetables. Promotions were held in Detroit and Grand Rapids with cooperation from local media. Commodities promoted included apples, asparagus, carrots, blueberries, peaches, and potatoes. Benefits of participating with the Select Michigan program include synergism created by combined marketing and public relations campaigns,

increased buying power, flexible campaign design, track record of success and experienced, creative staff.

Mr. Craig shared retail sales increases from two different retailers.

The Michigan Wine Industry continues to grow. Michigan now has 42 wineries hosting over one million visitors annually. The wineries add an economic impact of over \$75 million. Michigan wines are gaining market share over the past eight years, wine sales in Michigan increased 39% with Michigan wine sales in Michigan increasing 84%. Hard apple cider and distilled fruit spirits are new products.

The Michigan Grape & Wine Industry Council staff have created a new website in response to increased interest in starting a vineyard or winery. The website is called Wine Industry Resources for Michigan (WIRM).

The Michigan Wine Country Magazine continues to be a very popular publication with 170,000 copies distributed. Over 10,000 people per month visit the michiganwines.com website. The Wine Council participated in 30 tasting events to increase consumer awareness and increase sales. The Michigan State Fair wine competition attracted 250 entries, a record number. Council staff also organizes an annual wine industry meeting for professional development of the industry.

Michigan wines received over 200 medals in 10 national and international wine competitions in 2004. London wine writer, Tom Stevenson, visited Michigan to write about the emerging wine industry in *Decanter* magazine.

The Michigan Farm Market, U-Pick and Ag Tourism Directory was printed with a grant from USDA. 200,000 copies were printed and are being distributed and the website was updated.

2004 marked the completion of \$3.75 million in USDA Specialty Crops Block Grants. The grants involved over 20,000 Michigan specialty crop growers, created 213 new jobs, helped retain 1,184 jobs and leveraged over \$2 million in matching investment.

Mr. Craig reviewed highlights of some of the specialty crops block grants and discussed the new agriculture value-added processing plants that created new jobs in Michigan including a new company using EAB infested logs to make garden tool handles.

Feasibility studies were completed in 2004 for three new ethanol plants in Michigan. MDA worked with farmers, developers, MSU Product Center, Michigan Economic Development Corporation (MEDC), MDEQ and local

communities. Plants will provide more jobs, new investment, another market for corn and other commodities, additional tax revenue and expand state and local economies.

Staff also worked with MEDC and local communities through the Michigan Site Network to attract companies to re-use or remove vacant food processing facilities in Michigan.

Mr. Craig briefly discussed the EDGE2 Task Force on Energy Efficiency and Clean Technology.

In response to a question from Commission Jousma-Miller, Mr. Craig clarified that the \$842 million estimate of agriculture exports in 2003 included forestry and non-edible agricultural products.

Director Comments

Director Wyant reviewed upcoming events and activities. The captive cervid audit results will be shared at the joint MDA/NRC meeting later in the day.

Keith Creagh will review the current budget and discuss general fund dollars as it is important to understand as we go into the budget process.

Staff visited 20 new legislators in the House. With the turnover in the House, there is an issue with institutional memory and understanding.

Division directors are working on their presentations for the House and Senate highlighting the outcomes of their programs. Director Wyant commended the directors for the hard work and fine presentations.

Northville Downs is up and running with no additional cases of equine herpes being reported.

As of March 1, the Michigan State Fair is now part of the Department of Management and Budget. MDA will continue to serve on the Board and will support it as a department. Dean Jeff Armstrong, College of Agriculture and Natural Resources at MSU, has an interest in providing a significant display from the college in the Agriculture Building at the fair.

Gasoline prices continue to rise and there is interest for MDA to expand the gasoline inspection program, particularly hiring more inspectors. We are not able to do that with the current budget situation.

Director Wyant reviewed meetings of interest that he had attended and upcoming meetings including a series of water policy discussions with Dr. Joan Rose from MSU; a rural partners discussion hosted by Mike Green at Crystal Mountain on April 14; also on April 14, a discussion with a core group of cattle producers in northeast Michigan and DNR Director Becky Humphries about Bovine TB; Animal Waste Conference; and another bus trip to FMI on May 2.

Director Wyant discussed the breakdown of general fund dollars by division. It is critical to make sure we continue to talk about MDA programs and MDA outcomes.

A brief discussion followed regarding where MDA programs fit into the Governor's priorities.

Director Wyant briefly discussed what to expect during the joint meeting presentation about the captive cervid audit results.

COMMISSIONERS' ISSUES

Commissioner Jousma-Miller shared that the Minnesota Board of Animal Health has formally recognized Michigan's split state designation for Bovine TB.

She asked about the status of the press release. Dominic Perrone responded that the draft has been approved by all interested parties and is awaiting Governor's office approval.

Chair Byrum asked for staff to determine percentage of programs that are funded by general funds to analyze where those stand.

RECESS:

The meeting was recessed at 2:32 p.m. The Agriculture Commission then joined the Natural Resources Commission for an update on Bovine Tuberculosis Surveillance, Chronic Wasting Disease and the results of the Privately Owned Cervid Facility Audit. The Joint Meeting began at 3:00 p.m. and ended at 5:05 p.m. Minutes from that meeting, provided by the Natural Resources Commission, are attached to this document.

ATTACHMENTS

A - Minutes of February 10, 2005 Agriculture Commission Meeting

B - Food & Dairy Division Accomplishments

C - Legislative Report

D - Michigan Horse Council

E - Agriculture Development Division

F - Commissioners' Issues

G – Director's Report

*H – Joint Meeting Agenda, Michigan Natural Resources Commission and
Michigan Commission of Agriculture*

I – Presentation Materials from Joint NRC/Agriculture Commission Meeting