

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

MEETING MINUTES
JUNE 16, 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)

Lee Bambusch, USDA Rural Development
Ernie Birchmeier, Michigan Farm Bureau
Sarah Black, Michigan Farm Bureau
Janelle Brose, Michigan FRN
E.J. Brown, Michigan Association of Fairs & Exhibitions
Jill Corrin, Michigan Farm Bureau
Jerry Crandall, Michigan Information Research Service
Kathleen Hawkins, Michigan Cattlemen's Association
Dr. Kirk L. Heinze, Michigan State University
Bruce Huffman, USDA Rural Development
John Horvath
Paul Jackson, Michigan Farm Bureau
Ken Keeley, Michigan Deer & Elk Producers Committee
Christopher Klaver, Gongwer News Service
Char McGaffey, Michigan Farm Bureau
Ron Nelson, Michigan Farm Bureau
Rick Ruzs, Water Bureau, Department of Environmental Quality
Dale Sherwin, USDA Rural Development
Traci Smith, USDA Rural Development
Mark Uebersax, Michigan State University
Rick Vanderbeek, USDA Rural Development
John Vandermolten, Michigan Farm Bureau
Robert Williams
Wayne Wood, Michigan Farm Bureau

CALL TO ORDER AND ROLL CALL

Chair Byrum called the meeting of the Commission of Agriculture to order at 9:33 a.m. on Wednesday, June 16, 2005. Commission Byrum called the roll with Director Wyant, Commissioners Byrum, Darling, Norton and Maitland present. Commissioner Jousma-Miller arrived to the meeting at 9:50 a.m.

APPROVAL OF AGENDA

MOTION: COMMISSIONER DARLING MOVED APPROVAL OF THE JUNE 16, 2005 AGENDA WITH DISCRETION FOR THE CHAIR TO MAKE CHANGES AS NECESSARY. SECONDED BY COMMISSIONER NORTON. MOTION CARRIED UNANIMOUSLY.

APPROVAL OF APRIL 13, 2005 MEETING MINUTES

Chair Byrum indicated that there had been a question raised by Mr. Robert Williams who presented during public comment period at the April 13, 2005 meeting. He asked that Mr. Williams work with the Commission Assistant to make appropriate changes to the minutes.

MOTION: COMMISSIONER NORTON MOVED APPROVAL OF THE APRIL 13, 2005 MEETING MINUTES WITH THE PUBLIC COMMENTS CORRECTIONS. SECONDED BY COMMISSIONER MAITLAND. MOTION CARRIED UNANIMOUSLY.

NEXT MEETING

The next meeting of the Commission of Agriculture is scheduled for July 19, 2005, in East Lansing. The Ag Expo Breakfast is that morning and the Commission meeting will begin after the breakfast.

COMMISSIONERS' TRAVEL

- May 11, 2005, Wolf Meeting, Commissioner Jousma-Miller
- May 12, 2005, Press Conference for UP State Fair, Harris, Commissioner Jousma-Miller
- May 18, 2005, Select Michigan 2005 Campaign Kick-off at Morel's in Bingham Farms, Commissioner Darling
- May 24, 2005, Ag Day at the Capitol, Commissioners Byrum, Darling and Norton
- June 6, 2005, Animal Identification Meeting, Commissioners Byrum and Norton
- June 8, 2005, MSU meeting in Munising, Commissioner Jousma-Miller

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

MOTION: COMMISSIONER DARLING MOVED TO APPROVE COMMISSIONER JOUSMA-MILLER'S TRAVEL AFTER HER ARRIVAL TO THE MEETING. SECONDED BY COMMISSIONER NORTON. MOTION CARRIED UNANIMOUSLY.

DEPARTMENT BUDGET UPDATE & Emerald Ash Borer (EAB) FUNDING UPDATE: Keith Creagh, Deputy Director, Michigan Department of Agriculture; Patricia Lockwood, EAB Policy Director, Governor's Office

Mr. Creagh presented an EAB budget update. Congressionally there has been significant activity. Currently, the EAB budget is found in the Emerging Plant Pest line of USDA's budget. The President has asked for approximately \$132 million to cover various invasive and exotic species. An amendment was added in the House to reduce the line item. Through the efforts of Congressman McCotter (MI) and Weiner (NY), an amendment was offered and passed to increase that line by \$18.8 million. Congressman Schwarz added an amendment to allow transfer of funds from CCC and to treat EAB as a priority. Governor Taft (Ohio) has asked for additional funding and support. Ohio is becoming more engaged as EAB is being found there more prominently.

Mr. Creagh distributed and discussed a funding recap for EAB. Director Wyant participated in a conference call with his counterparts from other states to request there is both a short and long-term funding strategy for invasive and exotic pests.

Director Wyant recognized Ms. Lockwood, Mr. Creagh, Christine White and Dan Beattie from the Governor's Washington DC office for their help in putting together a pro-active approach and leading the identified in this process.

He stated that there is a significant discussion within Congress as to how to deal with the short term issues. Michigan has entered into discussions with other states relative to a number of invasive issues that may potentially impact Michigan and other states. Coordination for a more consistent strategy is being facilitated through the National Association of State Departments of Agriculture (NASDA) to present to Congress and USDA.

Ms. Lockwood reviewed the quarantine prohibiting hardwood/firewood into the Upper Peninsula (UP). The checkpoint established at the Mackinaw Bridge is being staffed approximately 104 hours per week. There is also a drop off site south of the bridge that has been established through the Michigan Department of Transportation (MDOT). People have an opportunity through billboards and public outreach to understand that we are doing everything as aggressively as possible to stop the movement of the beetle through the movement of firewood.

The location at the Mackinac Bridge is in cooperation with the Animal Industry Division and their inspections for animal movement into the UP.

Over 2,000 pieces of wood were confiscated at rest stops throughout Michigan over Memorial Day weekend.

There is concentration on the Gateway Exit Strategy in Michigan. This is a \$30 million program, reduced this year to approximately \$11. At the advice of the EAB Scientific Panel and Administrative Board, attention is being focused on the Gateway Exits (the Ohio area, St. Clair and northern part of Michigan). Extensive surveys are being done in those areas and approximately 11,000 detection trees throughout the state.

Mr. Creagh distributed a summary sheet showing the differences between the House and Senate proposals and the executive budget as known currently for the Department of Agriculture for FY '06.

COMMISSION COMMENTS:

Mr. Byrum asked the Commissioners to formally adopt a policy for a time limit on public comment. There was a brief discussion and agreement to review again at a later time.

Commissioner Maitland reported that it has been dry in northern Michigan. During bloom time for fruit there was a damp spell but still had good pollination. Overall, things are coming along nicely. Looks to be an average to above-average crop.

Commissioner Norton commented about attending Ag Day at the Capitol. He thought there was a good representation of the industry to the legislature. Also attended the Animal ID committee meeting that is reviewing mandatory electronic animal identification. Crops received approximately one inch of rain the previous weekend and are looking very uniform.

Commissioner Darling noted that they have had an extremely dry period. Crops that went in early (pre-snow) are not uniform, while those crops that went in later (post-snow) are more uniform, and looks much better. All the crops appear to be stunted.

Commissioner Darling attended the Select Michigan kick-off for this year that previewed upcoming activities and reviewed past successes in gaining market exposure and sales. There was very good media coverage.

Commissioner Darling also commented about the success of Ag Day at the Capitol. He encouraged representatives from other state departments to attend and discuss with producers how other regulations impact the agriculture industry.

Commissioner Jousma-Miller (arrived at 9:50 a.m.) participated in a farm tour in Mexico that was very interesting. She also attended the wolf management meetings in the UP. The status of those six meetings will be available within the next week. She met with MSU staff in Munising and attended the media event for the UP State Fair. A horse was put down after failing a Coggins test. There was a recall at Gilbert's Dairy in Marquette because of listeria.

Commissioner Jousma-Miller commented on the new website for the UP State Fair. The UP State Fairgrounds will also become the community response center for emergencies. There was a chlorine spill recently at Mead Paper and the fairgrounds were used. Everything was under control but many people were evacuated.

Commissioner Jousma-Miller will be the guest speaker at the Michigan Cattleman's Round-up on June 24, 2005.

Mead Paper is now New Page. All the timber lands have been separated. 900,000 acres are now being managed by Escanaba Paper for the states of Kentucky, Tennessee, Illinois, Michigan, Missouri and Ohio.

Pride Manufacturing has closed. They are the largest manufacturer of golf tees in the nation (second only to China in production) and have moved their facilities to Maine, partly because of the cost of doing business. One hundred seventy-four jobs will be lost.

Crops are ahead of last year.

Commissioner Byrum commented briefly about emerging issues. There was a significant release of anhydrous ammonia in Kalamazoo County (a report is expected later in the meeting).

Reports from producers indicate an average season so far with a variety of different conditions reported. Livestock production continues to be an issue.

Commissioner Byrum distributed a copy of the Michigan Department of Environmental Quality's Request for Declaratory Ruling (a report is expected later in the meeting).

DIRECTOR'S REPORT

Director Wyant presented the Commission with his letter of resignation to take effect July 29, 2005. He has accepted a position as President and CEO of the Edward Lowe Foundation. The Edward Lowe Foundation is a private operating foundation headquartered in Cassopolis, Michigan. Its mission is to support entrepreneurs and small businesses by working with not-for-profit organizations that then work with second stage companies.

The foundation is headquartered on 2,500 acres in southwest Michigan and does a significant amount of environmental stewardship and conservation work with Pheasants Forever, The Nature Conservancy and the Department of Natural Resources. It also includes 1,500 acres of farmland.

He thanked the Commission, and past Commissioners, for their support and opportunities over the years to be a student of agriculture. He stated that it has been a pleasure and honor to serve the agriculture industry. He thanked Governors Engler and Granholm for the opportunity to work in both administrations. Both demonstrated confidence in him and allowed him to help put together an agenda that has benefited agriculture.

Director Wyant stated that he is proud that MDA has stayed focused on food safety, environmental stewardship, viable agriculture, plant and animal health, consumer protection and food security. He commented upon significant initiatives: consolidating food safety in one organization; innovative model programs for environmental stewardship (MAEAP, CREP, Right to Farm); value-added opportunities; and challenging plant and animal health issues. He appreciates the support from industry in working through these issues.

Split state status is one of his proudest accomplishments as the industry has been saved millions of dollars in testing.

EAB will continue to be a significant challenge, a very difficult issue to stay on top of. He would like to see others step up and provide the type of leadership that Michigan has.

He stated that he is most proud of the staff that has been put together over the past nine years. He has mentored under Gordon Guyer and Bill Schuette and appreciates the Commission's relationship with him. He commented that the expertise the Commission members offer is unique and valuable.

He recognized the executive team of Keith Creagh, Brad Deacon and Chris White, Brenda Smith, Pam Fidler and Deb Merrill and thanked them for their support. He thanked the division directors for their hard work and acknowledged the responsibility placed upon them and celebrated the best department in state government.

He is very optimistic about the future and potential of Michigan agriculture. He has the utmost confidence that the future leadership of the department will succeed in dealing with the challenges that agriculture faces.

He thanked everyone for the tremendous opportunities that have been offered for him and his family. He is excited about the new challenges ahead and knows that he leaves the department in capable hands.

Commissioner Byrum stated he appreciated Director Wyant's professionalism over the years. Director Wyant has been willing to take on the tough issues, deal with them, seek consensus and resolution of problems. He has been gracious with everyone he deals with and his legacy is the staff that he has assembled that will continue forward. Commissioner Byrum commented that he was sorry to see him leaving, congratulated him on his new opportunity and wished him the best.

Commissioner Jousma-Miller stated that it shows the character of the individual when you can work under two very strong administrations and still be very successful. Without a doubt leadership is most important. She stated that she is very proud to have been a part of the Commission when Director Wyant was part of the leadership. The partnerships that Director Wyant has been willing to build are tremendous. People in production agriculture do not just produce food, they also are an intricate part of the communities throughout the state. MDA has taken a leadership role in making sure those individuals are still on the land. She wished Director Wyant the very best.

Commissioner Maitland stated that he has worked with a lot of agencies and organizations and feels that MDA is the best run he has been a part of. He commented that Director Wyant will be missed in agriculture and the State of Michigan. He wished Director Wyant the best of luck.

Commissioner Norton stated that he appreciates Director Wyant's hard work and commended his interest, knowledge, awareness of the industry and willingness to discuss issues with the industry. He wished him well.

Commissioner Darling commented that he has been privileged to work nine years with Director Wyant. He stated that he has learned many things from him. Director Wyant has been a diplomat and statesman for the industry. Commissioner Darling is impressed with how Director Wyant can handle a number of difficult situations with grace. Commissioner Darling stated that Director Wyant's leadership style has transcended the entire department and the staff is a reflection of that. He commended his ability to work within the department and industry to overcome problems. His caring for the industry and staff is evident and will be deeply missed.

**MOTION: COMMISSIONER JOUSMA-MILLER
RELUCTANTLY MOVED TO ACCEPT THE RESIGNATION OF
DIRECTOR DAN WYANT AND WISH HIM THE VERY BEST IN
THE NEW CHAPTER IN HIS LIFE. SECONDED BY
COMMISSIONER NORTON. MOTION CARRIED
UNANIMOUSLY.**

(Floor was yielded for Public Comment)

PUBLIC COMMENT:

Wayne Wood, President, Michigan Farm Bureau, commented about the challenges and opportunities created in the last nine years for Michigan agriculture and Director Wyant's significant role. Michigan Farm Bureau members have total respect for him. He receives that respect because he is able to communicate with the farmer or the congressman. His leadership style is analytical, his comments very pointed and analysis of a given situation valued by many. Mr. Wood stated that he has served on boards with Director Wyant and admires his leadership style and how he handles controversy. He stated that the Lowe Foundation will benefit from that. On behalf of Michigan Farm Bureau and members, he wished Director Wyant well and thanked him for his leadership, representation and the very positive image created for Michigan agriculture. He thanked him for being a good personal friend, confidant and mentor.

Dr. Kirk Heinze, Communication & Technology Services, Michigan State University, spoke on behalf of MSU, College of Natural Resources, Experiment Station, Extension. He thanked Director Wyant for being a wonderful partner and a great friend. He stated they will miss Director Wyant's wise council and agreed with comments already made. He stated that the Foundation will greatly benefit from his wisdom, expertise and passion.

Director Wyant resumed the Director's Report.

Director Wyant commented briefly about the horse racing industry and issues surrounding the issuance of a new license.

Staff will be working very closely with the industry about animal identification program. Michigan has mandatory on animal ID in cattle, and USDA has presented a schedule for mandatory ID on all livestock. Michigan will continue to be a leader, recognizing the importance of animal ID from a regulatory standpoint and food safety/security but added value in the market place. MDA will continue to work with the industry over the next year.

Director Wyant met with Congressman Schwarz, who is on the agriculture committee. He expressed his interest and willingness to work for the agriculture industry.

Director Wyant reviewed upcoming events and invited Commissioners to attend any events of interest.

RESOLUTION HONORING DAVID A. DUNN

Director Wyant presented a resolution for David A. Dunn's retirement from the Department of Agriculture after 31 years of service to MDA.

MOTION: COMMISSIONER DARLING MOVED TO APPROVE THE COMMISSION RESOLUTION FOR DAVID A. DUNN ON HIS RETIREMENT FROM STATE SERVICE. SECONDED BY COMMISSIONER DALE NORTON. RESOLUTION ADOPTED WITH CONGRATULATIONS.

USDA RURAL DEVELOPMENT PRESENTATION: Dale Sherwin, Director, Rural Development

Mr. Sherwin commented about Director Wyant's legacy and shared his appreciation and thanks for working with him over the years. He praised his leadership style and commitment to his staff and industry and thanked

him for his friendship. He looks forward to working with him in the future and wished him luck.

He stated that he values the partnerships with MDA and Michigan Farm Bureau and appreciates working together to maintain the infrastructure to keep the industry viable.

Mr. Sherwin discussed rural development and the importance of agriculture. He distributed and discussed the 2004 Rural Development Annual Report and a document about the Rural Development Loan & Grant Programs Available in Michigan.

Last year, through federal programs, a record high \$503 million were brought back to Michigan. That is a tribute to the USDA employees who work hard to help Michigan. The programs are a combination of loans, guaranteed loans and grants to aid the needs of rural Michigan.

Mr. Sherwin introduced USDA staff that was present.

Rural Business Enterprise Grants were awarded to two MDA projects. He presented two checks to Director Wyant; \$122,000 for the 2005 Select Michigan Program and \$73,000 for a Value-Added Feasibility Study for a Bio-Diesel Project .

Director Wyant thanked Mr. Sherwin for the awards. He stated that soybeans are one of Michigan's largest commodities by value and if we can expand on food uses, we will keep farmers on the farm.

(Floor was yielded for Public Comment)

PUBLIC COMMENT:

Robert Williams addressed the Commission and presented a letter regarding a previous appearance before the Commission (April 13, 2005) and information provided regarding the issuance of an order issued February 9, 2004 by MDA. The order found the ash tree to be a host plant nuisance and he feels that order was unlawful. He stated that he was disappointed not to have received a response from his previous submittal and reiterated his concerns and outlined his suggested response to his submittal.

He requested that the Commission and legal department look into his concerns and provide a written response by July 1, 2005.

Commissioner Byrum commented that the Commission does not normally acknowledge receipt of information as presented at a Commission. He also noted that the Commission is not a body to resolve legal issues. He stated that Mr. Williams' information will be referred to staff and the assistant attorney general for review and a report back to the Commission.

Deputy Director Creagh indicated that the order was written with the knowledge of a representative from the attorney general's office. They are of the opinion that the order is legal and has standing and has met the intent and spirit of PA 189. An additional review can be requested.

John Horvath from Harsens Island addressed the Commission regarding issues with ash trees on his property and EAB. He commented about a hearing he had with MDA on April 1, 2005 and specific requests he made at that time. He stated that there was publicity about an amended order and how residents were given certain rights and he claims there has been no response. He is receiving calls from other residents asking what they should do and would like the Commission to address it.

Director Wyant asked him what he thought MDA should be doing that we are not. Mr. Horvath stated that PA 189 is flawed, not a valid law and needs to be updated. He is asking that the issues described in the letter be dealt with quickly.

Mr. Ron Nelson, Michigan Farm Bureau (MFB), distributed a handout regarding MFB's policy about anhydrous ammonia, specifically regarding efforts to discourage the theft of anhydrous ammonia and stronger enforcement laws for people engaged in the theft of anhydrous ammonia. There are several bills being written and introduced regarding this issue. MFB looks forward to working with staff on this issue.

Mr. Nelson stated that MFB remains concerned about the budget process and the legislative struggle. The House, Senate and the Governor's office need to start talking. He noted that MDA has experienced a 50% cut in funding over the last five years and is concerned. MFB will continue to work to protect MDA funding as outlined in MFB policy.

Ken Keeley, Michigan Deer & Elk Producers Committee (MDEPC), commented that he is retired and now an entrepreneurial farmer and it is the most difficult thing he has ever undertaken.

The MDEPC is fairly new to the PA 232 program, approximately three years old. In 2002, eleven people were appointed by the Governor to the committee. They are having a difficult time obtaining a quorum at

meetings. Because of a variety of reasons, three are no longer active in the committee. Of the eight remaining active members, six have terms that have expired and the other two expire in December. Names of replacements have been submitted to the Governor's office as terms have expired and no announcements have been made. A smaller membership has been carrying on the functions of PA 232. Mr. Keeley expressed concern about the vacancies and the timeline for filling them

Additionally, Mr. Keeley stated that the Michigan Department of Natural Resources (MDNR) has not provided information on annual producer reports requested by the Committee. There may be a charge for this information, and discussions are underway to resolve this issue.

Mr. Keeley also stated that deer and elk producers are being burdened by property tax and related hardships. Cervidae owners who breed and graze deer and elk and harvest them by a hunting method have been noticed that their property tax classification has been changed to Commercial 201. Taxes will go up, roughly 40%. That is a hardship and burden, including attorney fees to fight the classification. With the changes in classification, it makes passing on farms by inheritance or successions to sons, daughters and grandchildren at capped property rates difficult. Those who sell their farms due to no family or succession, would not be able to take advantage of provisions in PA 260 (the ability to maintain capped property tax values.) This reduces the value of properties. Mr. Keeley feels it is a backward step and a blow to a small, struggling industry that is accomplishing the very value added efforts our government agencies promote. Deer and Elk producers are here to preserve and promote the family farm and alternative use of agriculture. The industry has 700 plus new cervidae or alternative use farm businesses in the last 10 years.

Mr. Keeley expressed great frustration about all of these matters. They will continue to work on these issues but wanted the Commission to be aware.

Wayne Wood, President, Michigan Farm Bureau, distributed copies of a request for declaratory ruling on a discharge permit for a Concentrated Animal Feeding Operation (CAFO). He also distributed a copy of MFB's position paper submitted to the Michigan Department of Environmental Quality (MDEQ). Initial review of this new information raises concerns for livestock agriculture in Michigan. MFB pledges to continue working with MDEQ to resolve issues but are concerned about the impact to Michigan agriculture.

Commission Byrum urged the Commissioners to review the documentation.

Mr. Wood assured the Commission that MFB is ready to help the Commission in whatever role necessary to appoint a new director.

SELECT MICHIGAN PROGRAM: Christine Lietzau, Agriculture Development Division

Ms. Lietzau reviewed accomplishments of the 2004 Select Michigan program with a PowerPoint presentation. An evaluation was completed by Cooperative Development Services and an evaluator from the Kellogg Foundation. Funding came from USDA Specialty Crop Block Grant, USDA RBEG Grant and 20 Michigan Commodity Groups, associations and companies (who contributed \$144,000 to the program.) The Grand Rapids and Detroit markets were targeted in the 2004 program. Meijer, Spartan, Farmer Jack, Kroger and Super K-Mart stores participated, representing almost 80% market share in these areas.

The most visible success was helping to establish Michigan peaches and asparagus in Michigan retail chains at premium prices. On average, 10% of the increase in dollar sales of the 2004 Select Michigan commodities occurring in retail partners is due to the campaign. This compares to a 2% decline in dollars between 2003 and 2004 for these Michigan commodities as a whole based on USDA data. Retailers gave the campaign a "A-".

Campaign sponsors rated the campaign a "B+". 41% of their growers received price premiums because of Select Michigan; 41% said their growers sold more products because of Select Michigan; and 47% said that Select Michigan provides them with more secure markets.

Minor changes will occur in the 2005 program adding in-store radio promotions, joint events with pharmacies, partnering with Michigan Steps Up Campaign, working with Priscilla Massey, a culinary historian and PBS Spokesperson, Zonya Focal.

Commissioner Darling expressed his appreciation for the hard work staff and the industry have completed.

RIGHT TO PROCESS: Rick Ray, President, New Era Canning

Director Wyant referred the Commissioners to a letter dated May 31, 2005 from Mr. Ray requesting assistance with protection against a nuisance lawsuit under the Michigan Agricultural Processing Act, 1998 PA 381 (Right to Process). New Era is asking for MDA to determine whether their

company follows generally accepted fruit and vegetable processing practices.

MDA has entered into discussions to develop Generally Accepted Agriculture Management Practices (GAAMPs), similar to Right to Farm. It has been difficult for a variety of reasons. The food and environmental laws overlap in many areas and MDA has tried to determine distinct authority and where environmental laws would supersede under statute.

Mr. Ray's request is unique because there are no written GAAMPs in place, however the Act allows the Commission to make a determination utilizing the expertise of the department and others including Michigan State University or other third parties.

MDA has the option, utilizing Food & Dairy staff, with support of the Environmental Division staff, along with a third party expert to make a determination about the food processing practices at New Era Canning and whether or not they are acceptable. They would prepare a written report and present it to the Commission for review.

Mr. Ray gave a brief overview about New Era Canning. They are a 95 year old company, Mr. Ray is the owner and fourth generation in the business started by his great-grandfather in 1910. New Era does business with over 500 Michigan growers and have grower relationships in approximately 25 states. They processed over 75 million pounds of various products last year at the New Era facility and employ 459 people. They are the sole canner of carrots, pumpkin, cabbage, green, wax and Italian beans in Michigan. They also process asparagus, apples, applesauce and sliced apples, and dry beans. They process 45 different agricultural commodities into canned products. New Era also has a facility in Georgia where they process southern greens.

New Era Canning is now a defendant in a nuisance lawsuit brought by two neighbors four years ago. Initially the suit was brought for health, nuisance and negligence. The health claims have since been dropped. They have been working with MDEQ and have been aggressive, spending approximately \$3 million over the last five years to build a state of the art wastewater treatment plant. They are very anxious and would appreciate a review under 1998 PA 381. Because of a September trial date, time is important.

Director Wyant added that New Era has been operating under a consent order, working with MDEQ to address environmental concerns outside of food processing concerns. Right to Process was passed to provide an

affirmative defense against nuisance complaints, however it does not supersede environmental laws or local zoning. Director Wyant recommends moving forward on this request. MDA would contact MDEQ immediately to notify them of activities.

A discussion ensued between the Commissioners regarding the issue of Right to Process and related issues.

MOTION: COMMISSIONER DARLING MOVED TO DIRECT STAFF AND OTHERS APPOINTED BY THE DIRECTOR TO EVALUATE NEW ERA CANNING UNDER THE MICHIGAN AGRICULTURAL PROCESSING ACT, 1998 PA 381 AND REPORT BACK TO THE COMMISSION WITH RESULTS ON JULY 19, 2005. SECONDED BY COMMISSIONER MAITLAND. MOTION CARRIED UNANIMOUSLY.

HIRING OF NEW DIRECTOR:

Commission Byrum briefly discussed a draft timeline and draft list of competencies for hiring the new director. He encouraged the Commission to review the information individually and arrive at a consensus for process after the lunch break.

RECESS:

The meeting was recessed at 11:55 a.m.

RECONVENE:

The meeting was reconvened at 1:05 p.m.

Commissioner Byrum discussed the need to establish a process for the selection of a new director for the Michigan Department of Agriculture. Commissioner Byrum proposed that the position be posted on Friday, June 17, 2005, including Michigan media and MDA's website, with the request that resumes and applications be received at MDA by July 8, 2005 at 3:00 p.m. EST. Then that list will be released, except for those potential candidates that request confidentiality. On the evening of July 8, MDA will forward all pertinent information to each Commissioner by overnight mail. By the morning of Monday, July 11, 2005, each Commissioner should go through the list and rank a top number of candidates (number to be determined by Commissioner Byrum based on number of applicants received.) All resumes and applications, as well as the selected candidate list, will go to Robert Kaczorowski, director of the Human Resources Division at MDA. A subcommittee, made up of Commissioners Byrum and Maitland and Robert Kaczorowski, will review input from each Commissioner. Every first choice on each Commissioner's selection list

will be on the “short list”. The subcommittee will then review the balance to determine if there is logical break in terms of number of individuals to interview. That decision will be made shortly after noon on July 11, 2005. That list will be made public, except for those that request confidentiality, who will be given the option of being considered or not. **All interviews will be public.** Background checks will be completed and interviews will be scheduled tentatively for July 13, 14 or 15, depending on timing, number of interviews, etc.

The Commission will then meet on July 18, 2005 at 5:00 p.m. to make a final selection with a start date as soon as practical or possible, hopefully with some interaction with Director Wyant prior to his departure at the end of the month.

Commissioner Maitland asked that all Commissioners schedules be taken into account prior to the scheduling of interviews.

MOTION: COMMISSIONER JOUSMA-MILLER MOVED TO ACCEPT THE SELECTION PROCESS AS DETAILED. SECONDED BY COMMISSIONER DARLING. MOTION CARRIED UNANIMOUSLY.

AIR EMISSIONS CONSENT AGREEMENT: Sam Hines, Executive Director, Michigan Pork Producers Association

Mr. Hines distributed information related to the Air Consent Agreement & Emissions Monitoring Study and reviewed the background and highlights of the study. The National Pork Producers Committee has worked for three years to help negotiate the agreement and is historic between the livestock sector and EPA.

As livestock operations became larger, it became evident that some of the ultra-large operations were not reporting under the air acts. Most livestock operations were not even aware that they might have to comply under the air acts. The Environmental Protection Agency (EPA) had not been doing anything to regulate agriculture under the air acts. When EPA began to look at how to regulate, it was evident there was no data. As a result, the National Pork Producers Association approached EPA three years ago and suggested that the industry would be willing to pay for data to regulate itself if EPA would be willing to give them some liability protection. After a lengthy series of negotiations, the Consent Agreement was developed.

The Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) requires the reporting of all new releases of listed hazardous substances. The Emergency Planning and Community Right-

to-Know Act (EPCRA) requires reporting quantities of hazardous substances stored on-site (farm) to appropriate local safety agencies (SARA Title III). The Clean Air Act (CAA) requires a Title V operating permit if you are a major source with the potential to emit 100 tons or more annually of volatile organic compounds, hydrogen sulfide, nitrogen oxides, or a total of 250 tons in combination.

Mr. Hines discussed the sign-up window, performance standards, compliance requirements and legal protection. The Consent Agreement will not stop nuisance (odor) suits but will help in the defense. The Agreement is a legal contract between pork and egg producers and the EPA. Dairy and poultry producers are also eligible.

There is a “penalty fee” that must be paid in order to sign up for the Consent Agreement to comply with legalities of the agreement.

The pork industry is paying for the pork portion of the study through check off funds facilitated by the National Pork Board and possibly individual contributions if needed. The study has approved the design of the study and will be led by Purdue University and sub-contacted with numerous university scientists, including the University of Minnesota and Iowa State University.

He discussed regulated emissions associated with livestock facilities and study measurements. He also discussed how the information gathered during the study will be used. The study will be conducted continuously over two years in many locations. Mr. Hines reviewed costs associated with the study and what requirements could result from the findings.

Mr. Hines closed by discussing Michigan attainment status, estimated emissions and approximate timeline for the study. Mr. Hines also shared information about a suit filed May 26, 2005 by four groups against EPA objecting to the agreement and a reference piece by Purdue University was also distributed.

There was a brief discussion of a class action law suit involving price fixing in vitamins. As an indirect user, Michigan producers were eligible for damages because vitamins were added to feed. Due to legalities, dollar amounts could not be discussed, but a large amount was recovered based on a usage formula. The Pork Producers also assisted the poultry industry in recovery of funds. This was similar to a case with lysine several years ago.

**FOOD POLICY COUNCIL: Christine White, Agriculture Policy Director;
Kristin Brooks, Executive Coordinator; Liesl Clark, Policy Analyst**

On June 7, 2005, Governor Granholm issued an Executive Order establishing the Food Policy Council. Ms. White was involved with a small group that discussed the concept for about a year. The Governor's office became interested, as was the Kellogg Foundation. The Governor's office was not willing to go forward with a funding source and the Kellogg Foundation was not willing to go forward without gubernatorial support. A grant was approved through the Kellogg Foundation with the Food Bank Council acting as the fiduciary. Ms. White introduced Kristin Brooks and Liesl Clark. They are technically employees of the Food Bank Council, but are housed in the Department of Agriculture as part of the state's in-kind contribution, required by the grant. Additional funding sources are being reviewed as more will be required if all of the projects go forward.

Ms. Brooks reviewed the mission of the Food Policy Council, which is to cultivate a safe, healthy and available food supply for all of Michigan's residents while building on the state's agricultural diversity to enhance economic growth.

Food policy councils have been formed in six other states and their structure researched. Michigan's will be unique in that it has a stronger focus on economic development. Connections will be made between Michigan's agricultural production, public health and community well-being.

Ms. Brooks reviewed the connection other state departments have a to the state's food system. Six departments will be brought into the council: MDA will serve as the lead state agency; Michigan Department of Community Health (MDCH); Michigan Department of Human Service (MDHS); Michigan Department of Labor and Economic Growth (MDLEG); Michigan Department of Education (MDE); and Michigan Department of Environmental Quality (MDEQ).

The Michigan Food Policy will bring departments together along with non-governmental constituencies to focus on the food system, identifying economic and resource opportunities.

The five broad issue areas that the Council will investigate are: expanding food-related businesses and jobs; creating urban and rural partnerships; improving access to fresh and healthy foods; promoting purchase of Michigan foods; and enhancing agricultural viability.

Problem areas to address: 9.4% of people were below the poverty level in 2001; 775,000 people received emergency food from food banks in 2001; average food stamp participation rate was 64-77% in 2001.

She briefly discussed what urban planners call “food or grocery deserts”. Areas where there are the greatest concentration of poverty and lack of large grocery stores where healthy food choices are available.

MFPC has the opportunity to address nearly four million households in Michigan. Over 7.3 billion is spent on food for consumption at home. If 10% of at-home food purchases were spent on Michigan grown and processed food, it would bring in over \$730 million annually to the state’s economy.

If consumers in Michigan ate five servings of fruits and vegetables a day, nearly 100 pounds of fruits and vegetables more per adult annually, that would be approximately 78,000 acres of production. If consumers drank (or ate) all of their dairy from Michigan, that would be an additional 5.2 billion pounds of fluid milk, about 207,000 cows at 25,000 pounds per cow.

The MFPC is hoping to look at the entire food system from production & processing, distribution to retail and access. MFPC also hopes to connect all the different issue areas that make up the state’s food system from public health and education to economic development.

The grant received from the Kellogg Foundation is for \$200,000 over a two-year period with in-kind commitments from MDA, and other state departments, MSU and some non-profit organizations.

Commissioner Jousma-Miller commented about other areas of inclusion such as consumption at restaurants of locally grown foods, homeland security and transportation. She also mentioned partnerships with media for Public Service Announcements at no cost and supports the idea that this is about economic growth.

Ms. White agreed that transportation is vital. She also shared that there is a restaurant representative on the Council and one of the goals will be getting more Michigan foods into Michigan restaurants.

LEGISLATIVE REPORT/EMERGENCY MANAGEMENT UPDATE: Brad Deacon, Legislative Liaison/Emergency Management Coordinator

Mr. Deacon reported that MDA’s top three legislative priorities are close to being completed. The migrant housing bill to increase administrative penalties was signed into law. The four-bill package out of the House to

increase penalties for violations of plant law quarantines and director's orders under our plant laws has been passed by both the House and Senate and presented to the Governor for review and signature. The Bodies of Dead Animals Act, a Senate bill, has passed the Senate and House. It is heading back to the Senate to concur with a few minor technical changes and then on to the Governor.

MDA continues to enjoy great support in the legislature and interest in the things we are doing.

The aquatic nuisance and invasive species bill packages on both the House and Senate side to increase penalties have passed and selections will be made to be sent to the Governor. MDA has worked closely with MDNR. It would name a number of species but also charge the director's of MDA, MDNR and MDEQ to issue a report for the administration, back to the legislature as to what species should be added or removed from the list. It would also include the status of the "watch list".

Rep. Mayes bill on anhydrous ammonia to help with liability issues has passed the House and is in the Senate Agriculture Committee.

Rep. Hansen's bill on ammonium nitrate and record keeping has passed the House and is on the Senate floor, as was Rep. Nitz's bill for the Potato Commission. Amendments to PA 232 allowed the individual groups to come to the Commission to downsize their boards without requiring a referendum. This bill allows the Potato Commission the same opportunity. The Potato Commission has a stand-alone act as does beef and dry bean.

The Agriculture Tourism Advisory bill has been moving along as well as the Agriculture and Rural Advisory Council that would be housed in MDEQ. Discussions on methane digesters continue to be of interest.

The Public Service Commission has issued draft rules on stray voltage. If anyone has an interest, a copy can be obtained.

Staff will continue to work on fertilizer issues, as well as motor fuel quality and weights and measures.

MDA was successful in obtaining additional resources through the Department of Homeland Security Grants. MDA proposed nine different proposals for a total of \$510,000. \$12 million worth of requests were submitted for a \$5 million pool. MDA received \$70,000 for a piece of equipment for the laboratory to detect toxic residues on food and agriculture products; \$55,000 for more printing of the Emergency Action

Plan for grocery stores and restaurants (a previous grant, specifically for Wayne County, allowed for printing this document and also the translation of this document into Spanish, Arabic and Mandarin Chinese); and \$25,000 for additional emergency table top exercises.

In May, a sample team exercise was conducted to cross-train staff in collecting samples and get samples back to the lab for testing in the event of an emergency. Industry partners were involved and participated.

One of the outcomes from the December exercises was realizing that we did not make good use of administrative support. In July there will be training for administrative support. Additionally, vulnerability assessments are being continued.

Mr. Deacon distributed a copy of an article that appeared in the New York Times called "Got Toxic Milk". He also distributed an updated version of the Emergency Preparedness flyer for farmers.

FINAL DRAFT GAAMPS: Gordon Wenk, Acting Director, Environmental Stewardship Division; Wayne Whitman, Right to Farm Program Manager; and Professor Bill Bickert, Site Selection & Manure Task Force Chair

Mr. Wenk offered a brief review of the annual review process of the Generally Accepted Agriculture Management Practices (GAAMPs) for the Right to Farm Program. The task forces were alerted to review the GAAMPs, using scientific based standards for operations on farms. The task forces reported back to the Commission and indicated recommended changes. The drafts went out for public input both via the website and a public input meeting. Any information was passed on to the task forces for inclusion in the drafts. Today the Commission is being asked to take action to approve the drafts of each of the GAAMPs presented.

Dr. Bill Bickert, chair of the Manure Management and Utilization and Site Selection and Odor Control for New and Expanding Livestock Production Facilities, and Wayne Whitman, Right to Farm Manager, presented editorial changes on the Manure Management and Utilization GAAMP that have not changed since the original drafts. No comments were made at the Public Input Meeting on any of the GAAMPs presented.

Dr. Bickert reviewed the change to the Site Selection and Odor Control for New and Expanding Livestock Production Facilities, to remove the odor print from the GAAMP and add the requirement of an odor management plan and a few editorial changes. The Commission had previously approved the change. No comments were made at the Public Input Meeting.

MOTION: COMMISSIONER MAITLAND MOVED TO APPROVE THE GAAMP FOR MANURE MANAGEMENT. SECONDED BY COMMISSIONER DARLING. MOTION CARRIED UNANIMOUSLY.

MOTION: COMMISSIONER MAITLAND MOVED TO APPROVE THE GAAMPS FOR SITE SELECTION AND ODOR CONTROL FOR NEW AND EXPANDING LIVESTOCK PRODUCTION. SECONDED BY COMMISSIONER NORTON. MOTION CARRIED UNANIMOUSLY.

There were no changes in the GAAMP for Care of Farm Animals and Irrigation Water Use.

MOTION: COMMISSIONER DARLING MOVED TO APPROVE THE GAAMP FOR IRRIGATION WATER USE. SECONDED BY COMMISSIONER MAITLAND. MOTION CARRIED UNANIMOUSLY.

MOTION: COMMISSIONER NORTON MOVED TO APPROVE THE GAAMP FOR CARE OF FARM ANIMALS. SECONDED BY COMMISSIONER DARLING. MOTION CARRIED UNANIMOUSLY.

There were no substantive changes to the GAAMP for Nutrient Utilization.

MOTION: COMMISSIONER MAITLAND MOVED TO APPROVE THE GAAMP FOR NUTRIENT UTILIZATION. SECONDED BY COMMISSIONER DARLING. MOTION CARRIED UNANIMOUSLY.

There were no changes from the prior meeting for Pesticide Utilization and Pest Control.

MOTION: COMMISSIONER NORTON MOVED TO APPROVE THE GAAMP FOR NUTRIENT UTILIZATION. SECONDED BY COMMISSIONER MAITLAND. MOTION CARRIED UNANIMOUSLY.

There were no changes from the prior meeting for Cranberry Production.

MOTION: COMMISSIONER DARLING MOVED TO APPROVE THE GAAMP FOR CRANBERRY PRODUCTION. SECONDED BY COMMISSIONER NORTON. MOTION CARRIED UNANIMOUSLY.

ANIMAL INDUSTRY DIVISION UPDATE: Dr. Nancy Frank, Deputy Division Director, Animal Industry Division; Kevin Kirk, Animal Industry Division

Dr. Frank updated Commissioners on Bovine Spongiform Encephalopathy (BSE). There have been three animals in the United States that have tested either positive or suspect on the initial test and then subsequently negative on the second test. The Office of the Inspector General is conducting an independent review of the BSE program and they recommended that a third test be conducted on the samples, a different test than the previous two. One of those animals tested positive on the third test. There is some doubt as to whether this animal is positive or negative. Samples for this animal will be sent to the laboratory in England that is internationally recognized. If it tests positive, it will be an atypical case.

Location of the animal is not being released. It was born before the feed ban.

Dr. Frank gave a brief background and overview of the Animal ID issue. Livestock ID has been around for a very long time whenever official tests or vaccinations are done. It is mandatory in Michigan for cattle, sheep, goats or cervids that are moving off the farm. Michigan is also unique in that we have the mandatory electronic ID in the modified accredited zone for the Bovine TB Program. We are uniquely positioned to be able to trace these animals very quickly and that has enhanced the Program. At the national level, animal ID is getting a lot of attention due to emerging disease issues and the potential for agri-terrorism.

MDA is looking at how Michigan will fit into the national program and will be taking a leadership role in some regards.

Kevin Kirk discussed Animal ID in Michigan. Currently electronic ID is being used in northern Michigan, in the infected zone. Expanded tag usage is occurring in the UP. At the end of May, over 120,000 tags were in animals and another 120,000 tags on the way to farms. As of today, in the UP, 241 producers have purchased tags representing 43,801 tags. There has been great participation in the UP as well as producers that are buying their own tags downstate. Michigan is already doing things that the national program is reviewing and may adopt. Michigan is in the process of converting all premises in Michigan with a Michigan ID number that

does not fit with the national program. There will be a mass conversion soon to have the numbers work together. There is a timetable coming for compliance of all state premises in the system and eventually all animals using electronic ID. Buyers and sellers will be required to log on to a website and records movement of animals.

There is a strategic plan and a draft standard plan being worked on. MDA has until July 6 to make comments to USDA.

Commissioner Byrum distributed a letter received from the Michigan Cattlemen's Association in support of a mandatory electronic identification system.

Commissioner Jousma-Miller commented that currently there is a cost share program being offered by MDA to producers in the UP and asked if the program will be extended beyond the June 30 date. Mr. Kirk responded that is under consideration. He also noted that cattle can still move with an ear tag.

Commissioner Jousma-Miller commented about the application process for TB free status and wondered if the surveillance at the Mackinaw Bridge and work with electronic ID had an impact on the application. Mr. Kirk stated that is was an important part of the application.

She also asked if the bill that had passed the House and Senate in Ohio had been signed by the Ohio governor. Mr. Kirk will follow-up.

Commissioner Norton asked for a review of the types of tags each species will have. Mr. Kirk provided a visual aid to show the different types of tags for each species and discussed placement of tags.

In response to a question from Commissioner Jousma-Miller, Mr. Kirk reported that they are putting in an excess of 120 hours a week at the Mackinac Bridge inspection point.

COMMISSIONERS' ISSUES

There was a brief discussion about the August Commission meeting. Several options were discussed. Staff will work with the UP State Fair staff to determine appropriate events for the Commission to attend during the fair.

Mr. Deacon reminded the Commission that we have not identified a location for the September meeting.

A tentative date for a reception for the new director was suggested for August 16, 2005.

Commissioner Norton announced that his farm was recently MAEAP certified.

Director Wyant shared information about the promotional vehicle that the director of MDA will be driving for the next year. It runs on E-85 ethanol. Then nine states that are on the Governors Ethanol Coalition were given a one-year lease from General Motors.

Commissioner Byrum discussed a letter from Overbee Farms that is making dog bones with cherry juice. MDA has indicated that any additive that is not a feed is considered a drug and has issued a stop order. Staff is reviewing the issue and working to reach compliance. It is a labeling issue.

Gordon Wenk gave a brief update on the anhydrous ammonia release at Stafford Farms in Richland. After the spill and initial visit, an MDA inspector made daily visits to the producer for several days to ensure corrective measures were being taken. The final visit was on June 9. Four animals were sent to MSU for analysis and the remaining cattle went to land fill. In reviewing the licensure, the producer purchased his fertilizer through a licensed fertilizer manufacturer.

Commissioner Byrum commented about anhydrous ammonia and pending fertilizer laws.

PUBLIC COMMENT

Ron Nelson, Michigan Farm Bureau, reiterated his concern about anhydrous ammonia issues.

He then distributed the Michigan Farm Bureau policy about animal identification and shared MFB's support of the US Animal ID and added that the cost of the program should be funded by those requiring the mandate. Producer information should remain propriety and not subject to FOIA or any other public use. He also requested that a review of per animal cost be considered.

Commissioner Byrum again thanked Director Wyant for his service to the people of Michigan.

ADJOURNMENT:

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

Meeting was adjourned at 3:13 p.m.

ATTACHMENTS

A - Minutes of April 13, 2005 Commission of Agriculture meeting

B – FY-06 Budget Handout

C – EAB Funding Update

E – Director’s Report

Resolution – Robert Taylor Retirement

Dan Wyant Letter of Resignation

Issues and Meetings of Interest

F – USDA Fiscal Year 2004 Report

USDA Rural Development Loan & Grant Programs Available in Michigan

G – Public Comment

*Memo from Robert Williams, Stewart Farm Ecology Center, dated June
16, 2005 regarding EAB*

Letter from John Horvath dated June 13, 2005 regarding EAB

Anhydrous Ammonia, Ron Nelson, Michigan Farm Bureau

MDEQ Letter and Declaratory Ruling “National Pollutant Discharge

*Elimination System (MPDES) Permit MIG010000, “General Permit for
New Large Concentrated Animal Feeding Operations (CAFO)”*

Statement of Position, Michigan Farm Bureau

Livestock and Poultry Health, Ron Nelson, Michigan Farm Bureau

H – Select Michigan Program Update

I – New Era Canning Letter dated May 31, 2005 – Right to Process

J – New Director Hiring

K – Air Emissions Consent Agreement – Press Release dated June 1, 2005

Purdue University Background Document

*PowerPoint Presentation – Air Consent Agreement & Emissions Monitoring
Study – Michigan Pork Producers Association*

L – Food Policy Council – PowerPoint Presentation

M – Legislative Update Status Sheet

New York Times Article “Got Toxic Milk?”

On-Farm Emergency Preparedness Flyer

N- Final Draft GAAMPs

*O – Michigan Cattlemen’s Association Letter to Chairman Byrum Supporting
Electronic Animal ID*