

**Michigan Commission of Agriculture Meeting
Michigan Department of Agriculture
4th Floor, Ottawa State Office Building, Pridgeon Conference Room
611 West Ottawa Street, Lansing, Michigan**

**MEETING MINUTES
February 14, 2001**

PRESENT:

Jordan Tatter, Chair, Commission of Agriculture
Douglas Darling, Vice-Chair, Commission of Agriculture
James Maitland, Secretary, Commission of Agriculture
Nora Viau, Commission of Agriculture
Bill Pridgeon, Commission of Agriculture
Dan Wyant, Director, Michigan Department of Agriculture

OTHERS PRESENT *(All or part of the meeting):*

Michigan Department of Agriculture Staff
Ron Zellar, Assistant Attorney General
Gale Arent, Michigan State University
Nancy Bellville, Prescott, Michigan
Karla Campbell, Michigan Economic Development Corporation
Earl Collier, Michigan Corn Growers
John Czarnecki, Michigan Economic Development Corporation
Mike Fredrick, Senator McManus' Office
Tom Freeman, Michigan Economic Development Corporation
Tom Guthrie, Michigan Integrated Food Farming Systems
Lynn Henning, Clayton, Michigan
Carman Kaiser, Camden, Michigan
Larry Kartes, Alger, Michigan
Janet Kauffman, Hudson, Michigan
John Klein, Hudson, Michigan
John Lindley, Representative Dale Sheltroun's Office
Kathy Melmoth, Pittsford, Michigan
Representative Tom Meyer
Keith Reinholt, Michigan Soybean Committee
Ron Steiner, Oceana County Economic Development Corporation
Representative Dale Sheltroun
Julie Trierweiler, Office of the Auditor General
John Vander Molen, Michigan Farm Bureau
Wayne Wood, Michigan Farm Bureau

CALL TO ORDER AND ROLL CALL

Chair Tatter called the meeting of the Commission of Agriculture to order at 10:00 a.m. on Wednesday, February 14, 2001. The roll was called with Director Wyant and all Commissioners present.

APPROVAL OF AGENDA

MOTION: COMMISSIONER MAITLAND MOVED TO APPROVE THE FEBRUARY 14, 2001 AGENDA AS PRESENTED. SECONDED. MOTION CARRIED UNANIMOUSLY.

APPROVAL OF JANUARY 16-17, 2001 MEETING MINUTES

MOTION: COMMISSIONER MAITLAND MOVED TO APPROVE THE JANUARY 16-17, 2001 MEETING MINUTES AS PRESENTED. SECONDED. MOTION CARRIED UNANIMOUSLY.

NEXT MEETING

The next regular meeting of the Commission of Agriculture is scheduled for Thursday, March 8, 2001, in the Kellogg Center Hotel and Conference Center at Michigan State University, East Lansing, Michigan. The meeting will be held in conjunction with the Agriculture and Natural Resources Week.

Commissioners are invited to attend the March 3-4, 2001 Organic Conference in Lansing, and the March 5-6, 2001 TB Conference in Lansing. The Commission of Agriculture and the Natural Resources Commission will not hold a joint meeting in March, but will meet for dinner on March 7, 2001.

2001 COMMISSION OF AGRICULTURE MEETING SCHEDULE

MOTION: COMMISSIONER VIAU MOVED TO CHANGE THE COMMISSION OF AGRICULTURE AUGUST MEETING DATE AND LOCATION TO AUGUST 16-17, 2001, IN ESCANABA, MICHIGAN, TO BE HELD IN CONJUNCTION WITH THE UPPER PENINSULA STATE FAIR. SECONDED. MOTION CARRIED UNANIMOUSLY.

PUBLIC COMMENT

Representative Dale Sheltrown attended the Natural Resources Commission meeting to request mandatory bovine tuberculosis testing of deer in the Deer Management Unit 452. He will be introducing a bill on the House floor today that would require mandatory tuberculosis testing of all harvested deer in the high-risk zone, with a five-year sunset.

Chair Tatter noted that although bovine tuberculosis is being transmitted from wildlife to cattle, the majority of the overall cost is being borne by agriculture. He also said that in all public information releases the distinction needs to be made between the terms "examined" and "tested."

APPROVAL OF DIRECTOR'S OUT-OF-STATE TRAVEL

MOTION: COMMISSIONER DARLING MOVED TO APPROVE DIRECTOR WYANT'S TRAVEL ON FEBRUARY 20, 2001 TO ATTEND THE NATIONAL ASSOCIATION OF STATE DEPARTMENTS OF AGRICULTURE (NASDA) BIOTECHNOLOGY MEETING HELD IN CHICAGO, ILLINOIS, AND MARCH 13-21, 2001 TO ATTEND THE JAPAN AND KOREA FOOD SHOWS. SECONDED. MOTION CARRIED UNANIMOUSLY.

COMMISSIONERS' COMMENTS

Commissioner James Maitland reported that the Grand Traverse Fruit Growers Council sponsored its annual show at the Grand Traverse Resort in Acme, Michigan. The Cherry Marketing Institute and the National Sweet Cherry Institute had over 300 registrants. This has become a premiere show for tart cherry producers from all over the country. Michigan wines were showcased by Northern Michigan wineries. MDA and MSU staffs were well represented. Commissioner Maitland said that there is still snow on the ground, with some rain, which is typical February weather.

Commissioner Nora Viau attended the Bay de Noc Beef Producers Annual Meeting held January 17, 2001 where there were many concerns raised about the bovine tuberculosis situation. Discussions and concerns dealt with the following: how TB has impacted the sale price of the calves delivered in October; the decreased number of cattle coming to the sale and the market loss to U.P. farmers; the need for permanent cattle identification numbers if the states are going to recognize the U.P. as TB free; the need for handling facilities to fall under the cost share with MDA for the sale yard; the split state status and the need for producers to encourage reluctant producers to get their TB testing done; and the need for clarification on TB accredited herd status and testing requirements.

On January 17, 2001 Commissioner Viau attended an open house for Ross's frozen custard. This company assembles machines for making frozen custard and in the past five years has grown from five employees and a thousand square feet of plant space to 25 employees and 25,000 square feet of space, with future expansions planned. Visitors were also introduced to Ross's Australian partner, who will be marketing frozen custard machines in that country. On January 27, 2001 she attended a Michigan Cattlemen's Association meeting, where Dr. Michael Chaddock provided an update on the recent Bovine Spongiform Encephalopathy (BSE) quarantine in Texas.

Commissioner Douglas Darling apologized for missing last month's meeting as he was in California attending his brother's wedding. The trip offered an opportunity to view California agriculture and the differences in land use, profitability and diversification. Earlier this month Commissioner Darling judged at a District FFA contest held in Detroit. It is always enjoyable to meet the young people and talk about their interests in agriculture. He also attended the Manchester Optimist Club's agriculture dinner with Representative Gene DeRossett. He attended the Michigan Corn Growers Annual Meeting held in Frankenmuth where there were discussions about the Farm Bill and ethanol. There were also discussions about increased loan rates, set asides, and market loss. There is a 21st century report that has been released that estimates that agriculture expenditures are \$179 billion, a four percent increase from the year before. However,

when you look at the markets, there has not been a four percent increase anywhere. He also attended a Michigan Farm Bureau policy meeting held in Ann Arbor.

Commissioner Darling said there is a shortage in the availability of soybean seeds, specifically Roundup-ready, due to poor germination. He reported that there is flooding in Southeast Michigan, with a lot of water laying on the wheat fields. Temperatures will determine if there will be an impact on the crop. Nitrogen, in 28 percent form, has increased \$40 to \$60 per ton, depending on the supplier. There also is concern about corn profitability and if there will be acreage diverted.

Chair Tatter asked if there is a concern about the availability of nitrogen.

Commissioner Darling said that because a couple of plants were off-line they are behind on supplies. He believes that is what has driven up the price.

Chair Tatter asked about the low germination in soybean and how that will affect planting. He asked if MDA's Seed Lab would issue an alert.

Director Wyant responded that there is a germination standard that must be met. This is an enforcement standard, and if there is an ongoing problem, MDA will make that information available.

Chair Jordan Tatter reported that most of the snow on the level fields has melted and low land flooding has resulted. There are plenty of snowdrifts and roadside piles left from the December storms. It has been an easy winter since early January and no low temperature affecting fruit buds, only low prices.

Chair Tatter attended the following events since the last Commission meeting:

--Agriculture Service Club at which former State Representative and present chief of staff for Senator Harry Gast, Robert Brackenridge, was the speaker. Mr. Brackenridge covered agriculture issues that he expected the legislature to be dealing with in the near future.

--The Cherry Marketing Institute Annual Meeting held jointly with the 2001 Northwest Michigan Orchard Show, where Chair Tatter was a speaker.

--Michigan Chamber of Commerce Board meeting, where he is a board member representing agribusiness in Southwest Michigan.

--The MSU Extension and Experimental Station Council meeting, where he is the representative for four counties in Southwest Michigan.

--Local Chamber of Commerce 2001 State Legislative Preview at which state chamber staff presented their legislative goals for the new session.

--Meeting of the Agriculture Service Club at which MSU Extension senior staff spoke on the Michigan Agri-Food Partnership.

--Southwest Michigan Horticulture Days at Lake Michigan College.

--The Michigan Food Processors Association 2001 Winter Conference at which he emceed the banquet. He also took part in their board meeting the following day, along with

MDA's Gary Boersen and Bob Craig, who provided the luncheon address in Director Wyant's absence.

--The Michigan Frozen Food Packers Association monthly meeting, hosted by Agrilink Foods, including a tour of their large canning plant that was in full operation.

--Yesterday's Agricultural Industry Briefing on the proposed Great Lakes Charter Annex 2001 and the Michigan Association of Counties Legislative Reception. At the Annex 2001 meeting, co-chaired by Director Wyant, an understanding of and response to the proposed Great Lakes Charter Annex 2001 by agricultural interests was discussed. It is very important and time is short as the response deadline is the end of this month. Agriculture needs to be heard from in regard to this far-reaching water use policy document, potential resultant legislation, and rules and regulations that would follow.

--A discussion with and correspondence from Robert Hetzler, President and CEO of Monitor Sugar Company, highlighted the serious problem with "stuffed molasses" being brought into Michigan from Canada. He is asking for MDA involvement in presenting their concern to the Michigan Congressional delegation in Washington and for expedited federal Congressional legislative action before further economic damage is done to Michigan sugar beet growers and processors.

LEGISLATIVE REPORT: Brad Deacon, Legislative Liaison

Brad Deacon, Legislative Liaison, distributed and reviewed the 2001-02 Legislative Status report. The report lists the bills that MDA is interested in and/or have been assigned to be the lead agency. The House Agriculture Committee and the House Land Use and Environment Committee have both held initial meetings. The Executive Budget is currently the major issue, which will be covered in the Director's Report.

DIRECTOR'S REPORT: Dan Wyant

Director Wyant distributed and reviewed a list of his activities since the last Commission meeting.

He reported that winery owners and operators from the Old Mission Peninsula have requested MDA develop GAAMPs for farm markets and wineries. Options are being reviewed and will be brought back to the Commission for an appropriate Right to Farm response.

MDA Priorities/Accomplishments/Strategic Plan: A powerpoint presentation was shown outlining the Michigan Department of Agriculture's 2001 Strategic Plan. The mission of MDA is to serve, promote and protect the food, agricultural, environmental and economic interests of the people of the State of Michigan. Its vision is to be the most effective and innovative governmental agency in the State of Michigan and the nation. MDA's goals are to:

- ? Establish and strengthen partnerships to ensure MDA meets customer needs and addresses emerging issues.
- ? Work to ensure a safe food supply.
- ? Work with stakeholders to promote environmental stewardship.

- ? Support economic fairness in the marketplace.
- ? Support and promote viable agriculture and food industries in Michigan.
- ? Meet the needs of its internal customers.
- ? Provide timely, accurate and pertinent information to our internal and external customers.

MDA's administrative team and division directors identified the following factors as the most critical success factors:

- ? Accessible and response
- ? Credible
- ? Dedicated, trained employees
- ? Innovative
- ? Partnership with other agencies and organizations.

MDA's accomplishments for the Year 2000 include:

- ? Passage of the Michigan Food Law of 2000
- ? Farmland Preservation
- ? Agricultural Processing Renaissance Zones
- ? Animal Industry Act Revisions
- ? Right to Farm Act Amendment
- ? Conservation Reserve Enhancement Program
- ? Michigan Agriculture Environmental Assurance Program
- ? Pseudorabies Stage V Status
- ? Plum Pox Virus
- ? Bovine Tuberculosis

The following emerging issues were identified:

- ? Value-added
- ? Biotechnology
- ? Land Use
- ? Invasive Species
- ? Environmental Stewardship
- ? Energy
- ? Water Diversion
- ? Microbial Contamination

MDA's 2001 program priorities include:

- ? TB Eradication Strategy
- ? Michigan Agricultural Environmental Assurance Program (MAEAP)
- ? Value-added
- ? State Fair
- ? Food Code
- ? Geagley Lab Renovation
- ? Animal Health Diagnostic Laboratory
- ? Invasive Species
- ? Transition into New Building
- ? Business Process Improvement
- ? Quality Hiring

- ? Corporate Image
- ? Office of Racing Commissioner's Plan of Action
- ? Federal Policy
- ? E-Commerce
- ? On-Farm (Pre-Harvest) Food Safety
- ? Land Use

This information has been presented to the House Agriculture Committee, and also will be shared with MDA's constituencies as requested.

Executive Budget/Fiscal Year 2002: Deborah Laverty of the Finance and Technology Division distributed and reviewed the Executive Budget for Fiscal Year 2002 and the FY 2002 Executive Budget Recommendations.

Director Wyant said that this is a baseline budget. Revenue projections are tight and the Governor has imposed a hiring freeze for state government.

MIATCO Award Presentation: Director Wyant complimented the staff of the International Marketing Section of the Agriculture Development Division for receiving an award for fiscal year 1999-2000 for generating the largest participation in international trade programs, as well as the most new companies participating in international export trade. Director Wyant presented a plaque to Paul Burke of the International Marketing Section.

Michigan Agricultural Processing Renaissance Zones: Director Wyant, Robert Craig of the Agriculture Development Division, John Czarnecki and Karla Campbell of the Michigan Economic Development Corporation discussed the Agricultural Processing Renaissance Zones program in Michigan.

Director Wyant explained that there was concern about the program voiced by several processors at the last Commission meeting. A meeting will be held with those processors on February 21, 2001 to discuss their concerns. He said the following information will be shared at that meeting.

The Sparks Companies, Inc. was commissioned to conduct a study of trends in Michigan agriculture on behalf of the Michigan Economic Development Corporation (MEDC). The report, entitled "Trends in Michigan Agriculture," recommended that agricultural renaissance zones would be a valuable tool for Michigan agriculture. Members of the food processing industry, particularly the Michigan Food Processors Association, expressed an interest in establishing renaissance zones.

Doug Rothwell of the Michigan Economic Development Corporation and members of the legislature had a great deal of interest and bipartisan support for a bill creating agriculture processing renaissance zones. MDA worked in partnership with MEDC, held a series of informational hearings and sent informational mailings to food processors. The state was very aggressive in its communication efforts.

Some of the concerns that have been raised about the Agricultural Processing Renaissance Zones program are:

Legislative Intent: In the presentations that were given at the informational meetings, it was made clear that the intent was not only to attract new food processors, but to help in the expansion of existing ones.

Implementation Plan: Questions have been raised about whether or not the program was given enough thought and if the criteria were well defined and followed. An analysis was given on the competition issue and the concerns expressed were somewhat inaccurate. For example, it was alleged that delinquent taxes or past taxes would be excused or, in fact, were excused. This is not the case. The program will hold the individuals accountable. There was another assertion that there would be state dollars for grants going beyond the renaissance zones. This also is not true. An issue was raised that there would be more benefit received than an investment made. This is incorrect. The assumption that 100 percent of the businesses are currently in the renaissance zones is not the case.

Director Wyant stated that for this program to continue and move forward, agriculture must want the program. If the Commission and industry is not supportive of the program, then it will not continue. He believes that it is the state's responsibility to communicate the program accurately and to make adjustments where needed. However, the support has to be clear. MEDC has been very willing to work with agriculture.

Robert Craig, director of the Agriculture Development Division, said that the program is currently under administrative review. If new applications are received at the state level, they will be put on hold until the future of the program has been decided.

He said that the trend is that Michigan's tax situation is moderately negative. Studies showed that in order for business to grow, the tax situation had to be addressed. Processors voiced their concern that something has to be done to provide for the modernization of their facilities and efforts must support keeping agriculture production in Michigan. They also wanted assistance to find effective solutions to the costs of waste management.

John Czarnecki of the Michigan Economic Development Corporation said that the renaissance zone program was created because the Governor was concerned that certain geographic areas in Michigan were not doing as well as other parts of the state. The Governor believed that for industries to develop, the tax issue had to be addressed. It had to be a competitive program with communities making the decisions, not the state. Therefore, when the community designates a geographical area, that area will be tax free. This includes existing businesses.

Based on the studies, it was believed that the program needed to include agricultural processing because the Governor wanted to help the farmer. It was believed that the more processing facilities that were available, the more it would help the farmer. This program designates a certain type of project rather than a geographic area. The applicant is the community. In the two projects that were selected, it was felt that jobs would be created for the community, and there would be an opportunity for the producers to have a place to process their commodities. After analysis, it was believed that good decisions were made. This is truly a cooperative effort between MDA and MEDC.

Mr. Craig said that the purpose of the program was to provide an incentive for value-added processing. He said that another concern voiced was that it was wrong to forgive taxes to one company against another company in the same business. It was alleged that it amounts to almost a penny a pound cost disadvantage to other food processors in Michigan. Mr. Craig said that there is no question that when a business does not pay any state and local taxes, clearly the company or companies in that agriculture zone have an advantage. However, the two anchor processing companies that are part of the current zones are taking greater business risks, as well as providing greater investments. They also are required to generate many more new jobs than the companies who are not under such an obligation. A greater business risk, a greater private dollar investment, and a requirement to generate new jobs negate any advantage. They must meet their development agreement that has been signed with the state or the zone designation could be revoked.

Karla Campbell of the Michigan Economic Development Corporation said that it is easier to retain an existing company and help them expand, than it is to attract a new company. No applications were received from out-of-state companies.

Chair Tatter noted that he heard responses to questions today that were not raised at the meeting in January. He said the real question was "does the tax abatement apply to the in-place commodity processing facility?"

Karla Campbell responded it would apply.

Chair Tatter said Earl Peterson, President and CEO of Peterson Farms, told him specifically that he understood the tax relief only applied to their new venture. Chair Tatter added that processors who came to the January meeting seemed complimentary and supportive of tax relief for a truly new venture. However, their concern was about tax relief for present property values with which they compete.

Chair Tatter asked, for the record, are you saying that the answer is that the 276 acreage designation of the in-place processing facility, equipment and the wastewater disposal site, and their first phase new venture addition that will cost at least \$1 million and produce at least 15 new jobs, will both receive tax relief? Is that correct?

Mr. Craig responded that it was correct for this specific case.

Chair Tatter said it was his understanding that the City of Hart will do a special assessment on the same properties granted tax relief to pay for wastewater facility improvements, which are mandated by the state for the total community.

Mr. Craig responded that was correct as the improvements were needed by the food processing companies in the zone.

Director Wyant said that he has talked with Doug Rothwell of the Michigan Economic Development Corporation about his commitment to help agriculture. Mr. Rothwell is interested in leading the effort, but he needs to hear from agriculture if that is what it wants. Director Wyant said that after the February 21 meeting with processors, and after more information is compiled about the issue, a discussion should be held again at the March meeting. The Commission should go on record as formally supporting agricultural processing renaissance zones, if that is what it would like to do.

John Czarnecki agreed that support from agriculture and the Commission is necessary.

PUBLIC COMMENT

Ron Steiner, Economic Development Director for Oceana County, noted that he attended the informational meeting held with processors from his county and neighboring counties. The suggestion that information was not conveyed completely by MDA and MEDC is absolutely untrue. The perception that property tax abatement would apply to an existing plant and equipment was fully conveyed. At the informational meetings, a copy of MDA's "Michigan Agricultural Renaissance Zone Program Frequently Asked Questions" was made available. Renaissance zones are designed to stimulate innovation and value-added priorities.

Mr. Steiner said he will be speaking to processors in Traverse City on March 12 who want to apply this year. He said his office has been receiving calls about the program from people out of state. He is working with the Cherry Marketing Institute and the Asparagus Advisory Board to have Ann Veneman, USDA Secretary of Agriculture, be the speaker at a community event in May. They would like to showcase this program. Mr. Steiner said he is thrilled that MEDC has gotten involved in agriculture. This was a major hurdle.

Tom Guthrie of Michigan Integrated Food and Farming Systems said he is excited about the Michigan Agriculture Environmental Assurance Program (MAEAP). This is a unique program and many people believe there is a distinct difference between MAEAP and a permit system. The program will move Michigan agriculture further along, with more meaningful results than any permit program ever would. EPA could learn from this program. He is looking forward to the program becoming part of farm operations and part of the Michigan agricultural landscape. He urges Commission support.

Earl Collier, representing the Michigan Corn Growers, spoke for the corn processing group that is trying to build an ethanol plant in Michigan. He would like to request Commission support for the Agricultural Processing Renaissance Zones program, which would help the ethanol plant.

RECESS

The meeting recessed at 12:05 p.m.

RECONVENE

The meeting reconvened at 1:00 p.m.

UPDATE ON BOVINE TUBERCULOSIS IN MICHIGAN: Dr. Nancy Frank of the Animal Industry Division

Dr. Nancy Frank of the Animal Industry Division distributed and reviewed information about the bovine tuberculosis situation in Michigan. She provided the following updates:

- ? 373,416 animals have been caudal fold tested from January 1, 1995 thru February 14, 2001.

- ? 40 percent of dairy farms have been tested.
- ? There is a newly identified TB infected animal from Alpena County found during slaughter in Pennsylvania.
- ? Beginning March 1, 2001, vets will be assigned to three MDA regional offices, in addition to the Atlanta office (Traverse City, Grand Rapids and Saginaw).
- ? Regional Emergency Animal Disease Eradication Organization (READEO) is a USDA team available for states to use in the case of an emergency animal health disease. Because Michigan has been declared an emergency area, USDA will make the team's services available. The team will bring additional staff and organizational expertise.
- ? The Producer Assistance Program is operational with payments being sent to producers.
- ? The Veterinary Assistance Cost Share Program should be completed soon, with first payments being made on March 1, 2001.
- ? There is a new brochure for "*Bovine Tuberculosis Intrastate Livestock Movement Requirements for Cattle, Bison and Goats.*"
- ? The current testing priority is the dairy herds. Other priorities are a zoning plan for the Upper Peninsula, testing of all UP animals, trace out testing on herds where there has been a positive animal and all other animals that might have been exposed to that animal must be identified.
- ? The inspecting and improvement of Terminal Operations so animals can be brought in and go directly to slaughter.
- ? Additional testing statewide for intrastate movement.
- ? Testing in potential high risk areas.
- ? Continuation of the slaughter surveillance program.
- ? Focusing on annual testing in the quarantine area.

High Risk Areas:

Dr. Frank said that effective March 1, 2001 four Northeast Michigan counties--Alcona, Alpena, Montmorency and Presque Isle--where bovine TB infected herds have been found, will be considered a High Risk Area. Annual testing will continue on all herds within that area. Any movement of animals would require testing within 12-month period. The current quarantine on the I-75/M-55 boundary area will be released on March 1, 2001.

Director Wyant explained that MSU provided epidemiology and scientific rationale for the High Risk designation. The plan is supported by scientific-based analysis based on proximity and the amount of testing already completed in the area. Because of the quarantine, some states restricted movement of animals not affected by bovine TB including horses, llamas, swine and pets. Under the High Risk designation, all bison, cattle, goats and privately owned cervidae 12 months or older located in those four counties must undergo an annual whole herd TB test.

Potential High Risk Areas

Dr. Frank said that effective March 1, 2001, two Potential High Risk Areas in Emmet and Mecosta counties would be designated. All farms within a 10-mile radius of a bovine TB positive deer must have a whole herd TB test within six months.

MOTION: COMMISSIONER MAITLAND MOVED TO SUPPORT THE DIRECTOR'S DECISION TO ESTABLISH ALCONA, ALPENA, MONTMORENCY AND PRESQUE ISLE COUNTIES AS A HIGH RISK AREA AND EMMET AND MECOSTA COUNTIES AS A POTENTIAL HIGH RISK AREA. SECONDED. MOTION CARRIED UNANIMOUSLY.

Commissioner Viau asked about the progress of a permanent identification system for cattle.

Dr. Frank responded that staff is working cooperatively with USDA on developing the process.

Commissioner Viau said that some producers have said their dairy cattle tested positive for avian tuberculosis.

Dr. Frank explained that is possible because the initial caudal fold test is a combination of tuberculin from a variety of sources. Since it is a general screening test, it would pick up more than one kind of tuberculosis. Avian tuberculosis is commonly in the environment but does not cause major disease. The comparative cervical test differentiates between the bovine and the avian tuberculin.

PRESENTATION OF THE MICHIGAN AGRICULTURE ENVIRONMENTAL ASSURANCE PROGRAM (MAEAP): Vicki Pontz-Teachout, Director of the Environmental Stewardship Division; Janice Wilford, MAEAP Program Manager, and Wayne Whitman, Right to Farm Program Manager

Wayne Whitman, Right to Farm Program Manager, distributed and reviewed information about Hudson, Michigan area dairy farms to address the concerns brought before the Commission at its January meeting. He provided the following information:

- ? There are seven dairy facilities (two expansions, five new). Five are in Lenawee County, two in Hillsdale County.
- ? There is one construction site in Hillsdale County.
- ? Six farms currently milk from 430 to 650 cows; one farm milks approximately 2,300 cows.
- ? These seven dairy facilities were initially inspected by MDA to begin shipping milk between December 1996 and July 1999.
- ? The facility under construction will house approximately 2,300 head and is expected to begin operations this summer.
- ? MDA Right to Farm received and responded to 15 complaints on five of these farms. Eight complaints were verified and have been abated. Seven complaints were not verified; i.e., the farm was following acceptable management practices.
- ? Manure Management System Plans and Comprehensive Nutrient Management Plans have been developed and implemented to address some of these complaints.
- ? One dairy cow and her replacement heifer need approximately 135 bushels of corn grain equivalent, 7.5 tons of corn silage, and 6.8 tons of dry hay equivalent per year. This will require about two acres of cropland to produce.

Mr. Whitman believes that a general concern is the trend or change in the neighborhood landscape. Four or five years ago several of these facilities were not there. Some of the

facilities are very large in scope and create legitimate concerns about the amount of manure generated by 400-500 cows.

Commissioner Pridgeon asked what has been the response of those facility owners to the complaints filed against them.

Mr. Whitman said they are open to MDA to discuss the concerns. They work with the appropriate agencies to develop the necessary plans and are open to required inspections.

Vicki Pontz-Teachout said that there was a very good turnout at the Michigan Agricultural Environmental Assurance Program (MAEAP) phase one training session held in that area.

Commissioner Pridgeon said there has always been a fear of corporate agriculture. Michigan does not have corporate agriculture. It is critical that farmers be fully accountable and the system works.

Michigan Agriculture Environmental Assurance Program (MAEAP)

Vicki Pontz-Teachout, director of the Environmental Stewardship Division, and Janice Wilford, MAEAP Program Manager, distributed and reviewed information about the Michigan Agricultural Environmental Assurance Program (MAEAP). Ms. Wilford gave a powerpoint presentation on the program. She said that eight meetings were held around the state in the Lower Peninsula and three meetings in the Upper Peninsula, with approximately 700 producers and technical people attending.

The program was created in 1998 to address environmental issues related to animal feeding operations. MAEAP is a cooperative effort to assist producers in protecting natural resources on Michigan farms. It is a proactive, comprehensive program to assure producer stewardship.

- ? Michigan livestock producers will achieve environmental protection through pollution prevention. The program will target environmentally sensitive areas and will involve 85 percent of all new and expanding Michigan livestock production by 2005.
- ? Agriculturally, environmentally and economically sound practices are encouraged through incentives such as technical assistance, cost-share and insurance discounts. The program will be tailored to individual agricultural operations.
- ? Environmental practices such as the Comprehensive Nutrient Management Plan (CNMP) will be presented through education workshops and required for MAEAP certification.
- ? MAEAP assures to the agricultural producer and the community that producers are conforming to Generally Accepted Agricultural Management Practices and state and federal environmental laws.
- ? MAEAP was developed and is being implemented by federal, state and industry groups such as MDA, MDEQ, USDA Natural Resources Conservation District, MSU, Michigan Farm Bureau, and various environmental, commodity, and producer groups.

Producers will complete Comprehensive Nutrient Management Plans with the help of staff from regulatory agencies and/or private vendors. To be a certified MAEAP participant, a producer must complete a Comprehensive Nutrient Management Plan; obtain an environmental assessment of the farm; follow Generally Accepted Agricultural and

Management Practices; fulfill educational requirements; and agree to a farm inspection at least once every three years.

Commissioner Darling complimented Janice Wilford for her efforts and dedication to this program.

PRESENTATION OF THE GROUNDWATER MONITORING PROGRAM DOMESTIC SUPPLY WELL BASELINE STUDY REPORT: Robert Pigg, Environmental Stewardship Division Groundwater Monitoring Program and Vicki Pontz-Teachout, director of the Environmental Stewardship Division

Robert Pigg of the Environmental Stewardship Division Groundwater Monitoring Program, distributed and reviewed the *“Michigan Department of Agriculture, Environmental Stewardship Division’s Groundwater Monitoring Program Domestic Supply Well Baseline Study Report.”* He explained that the program researches the impact of pesticides and nitrate fertilizer on groundwater in Michigan. The focus is primarily on domestic well water quality. This study was designed to provide estimates of domestic well water quality around the state. The results of the study provide estimates for the rural domestic wells around the state; i.e., farm wells and wells serving rural non-farm residents. These make up about 84 percent of the domestic well users in the state.

This study is available on MDA’s website: www.mda.state.mi.us.

UPDATE ON MICHIGAN’S SOYBEAN INDUSTRY: Keith Reinholt, Executive Director of the Michigan Soybean Committee

Keith Reinholt, Executive Director of the Michigan Soybean Committee, distributed and reviewed information about Michigan’s soybean industry. He said this is a program that began in 1976, operated under PA 232, and then became a hybrid program in that there was a federal marketing order that put a national soybean checkoff into effect in 1991. There is a Frankenmuth office with three full-time employees and they administer a \$750,000 to \$850,000 budget within the state.

Mr. Reinholt said there were 2.2 million acres of soybeans last year, with a projection of 2.5 million acres in 2001. The number of bushels per acre has been on a steady increase and with the ideal conditions this year there should be about 100 million bushels of soybeans. Soybeans are one crop where we are increasing producers in the state. One concern, however, is that buyers within the state and elevators purchasing soybeans are becoming fewer and more regionalized. This is the first year where soybeans may surpass corn for row crop in acreage and dollar value. Soybean processing in Michigan is about 10 million bushels at the plant in Zeeland, Michigan. They are processing about one million bushels in the Thumb, and there are two or three other processors turning out about half million bushels. One thing they are looking at is the processing of oil in the state. They are working with USDA on a Rural Business Enterprise Grant.

At one time soybeans were processed into two main components: meal and oil. Most of the meal went as a source of protein for animals and more than 80 percent of the vegetable oil consumed in the U.S. is soybean. They are trying to broaden into other areas.

The mission is to increase profit opportunities for the growers in Michigan. With the increased acreage and production we are doing some international programs on soybeans. They are involved internationally with food grade soybean exports to Japan and through the checkoff program, they are aligning with retailers from Michigan to go to Japan. They are also involved in biodegradable renewable energy and soy diesel fuel as an alternative fuel.

PRESENTATION OF THE "AGRICULTURE INDUSTRY LEADERSHIP REPORT:"

Gale Arent of Michigan State University and John Vander Molen of the Michigan Farm Bureau presented and reviewed the "*Agriculture Industry Leadership Report.*" Governor Engler raised the question of where the next generation of agriculture leadership would come from and what is being done to foster and nurture that leadership. The Michigan Farm Bureau recognized the need for a broad comprehensive program and met with Michigan State University. They discussed what was needed to develop an agriculture leadership program for Michigan.

Mr. Arent distributed and reviewed national maps giving the status of other states' agriculture leadership programs. He attended a meeting of the International Association of Agricultural Program Managers, an association comprised of people who manage programs similar to W.K. Kellogg Foundation programs in various states.

Mr. Vander Molen explained that the objective of the program is to build an understanding of people with a focus on self and fellow citizens from all segments of society and to build an understanding of the social, economic and political system in which people function. This framework would be used to analyze and address the complex issues facing people interested in areas related to agriculture, natural resources, and rural communities. The goal is to train about 100 Michigan agriculture leaders by 2010. MSU, the Michigan Farm Bureau, and other key stakeholders will work with agriculture and natural resources industries to identify funding sources to pay for a portion of the leadership program. It is also critical to establish an active alumni program.

Mr. Arent said there are different models for delivering these programs. The 31 states that have active programs are linked to a land grant university where there is some type of a program office for agriculture/natural resource industry leadership.

Commissioner Viau asked about the Michigan Farm Bureau's Young Farmer program.

Mr. Vander Molen said the quality of individuals involved in the program is strong. The young farmers who are out there are very business savvy and are strong, dynamic individuals.

Mr. Arent said that in 1999 a "Food Processing Industry Retention and Expansion Program Final Report," initiated by MSU Extension and the Agricultural Experiment Station, partnered by the Michigan Farm Bureau and MDA, conducted an investigation into the competitiveness of Michigan-based food processors. The report was part of a response to Senator George McManus' call for the development of an action agenda regarding the agri-food industry. Interviews were held with business leaders in four sectors of the food processing industry (meat, dairy, fruit and vegetables). The final

recommendations will be presented to the House and Senate Agriculture Committees on February 28, 2001, from 1:00 to 3:00 p.m. The Commission is invited to attend.

INTRODUCTION OF WAYNE WOOD, PRESIDENT OF THE MICHIGAN FARM BUREAU

Wayne Wood, President of the Michigan Farm Bureau, discussed the following issues:

Agriculture Processing Renaissance Zones: The zones are important to their membership. Efforts need to be continued to work out the kinks in the program. This program has great potential for Michigan agriculture and our ability to add value to commodities.

MAEAP: The program is receiving a lot of attention. The American Farm Bureau and other states have expressed an interest.

Bovine Tuberculosis: Mr. Wood expressed his appreciation for the efforts made by MDA. He recognizes that there are still many challenges ahead. Farm Bureau members in the U.P. are concerned about getting their animals tested and getting the animals to market. Mr. Wood said that the Michigan Farm Bureau is interested in any role that it can play in getting cooperation from farmers. Veterinarians must be compensated along with the farmer so it is a cooperative effort between the two groups. He has received calls about private vets doing the testing but the MDA not responding in a timely fashion. If the state does not get there in time, the farm is quarantined for 60 days.

Mr. Wood said he is looking forward to working with MDA for the betterment of Michigan agriculture.

Commissioner Maitland said he is concerned if MDA is slow in getting to the herd to do the retest.

Director Wyant stated that MDA is working to improve its bovine tuberculosis efforts and to get the testing done quickly and efficiently. However, it has been difficult to meet the demand and there needs to be better coordination with private practice veterinarians. Over the holidays, there was a shortage of staff to do the re-testing. MDA is working on better coordination with the private vets.

Mr. Wood said it seems to be the smaller herds of 50 cows or less that are experiencing the problems.

Commissioner Maitland asked for a report on a monthly basis of those farms that are not being tested on a timely basis.

PUBLIC COMMENT:

Representative Tom Meyer said the ethanol plant proposed for Vassar Township is currently on hold. He is concerned about the agricultural processing renaissance zones and whether or not the program would continue.

Director Wyant explained that MDA is currently reviewing the process with MEDC and the Commission would be taking formal action at its next meeting.

Representative Meyer said the question has always been "when is someone going to do something for the farmer?" This program is very beneficial and the ethanol plant in the area would be a great asset.

Director Wyant said it is his understanding that the ethanol group needs to develop a business plan and make application.

UPDATE ON LABORATORY ACTIVITIES: Tom Whalen, Director of Laboratory Division

Tom Whalen, director of the Laboratory Division, reviewed the Laboratory Division's accomplishments during the past year. He highlighted the following:

- ? Renovating the Geagley Laboratory, scheduled to be completed January 2002.
- ? Implementing several new programs such as the Plum Pox program.
- ? Examining anti microbial compounds (disinfectants) as requested by EPA.
- ? Working with MSU on an equine nutrition program by analyzing forage for protein and fiber.
- ? Implementing testing for the Pesticide Data Program.

Mr. Whalen said that the National Institute of Standards accredited the E. C. Heffron Laboratory.

He also reported that USDA may approve a blood test for TB. It is an interferon test used in Australia. It still requires a caudal fold test and also could be used for testing for Johnes Disease. It is currently being tested for accuracy.

Mr. Whalen gave a powerpoint presentation on the Geagley Laboratory renovation. He invited the Commission to tour the Laboratory in May.

PUBLIC COMMENT (continued):

John Klein of Hudson, Michigan lives on lake adjacent to a small town. The residents around the lake generate less than a half million gallons of sewage, but they were required to install a sewer system. There are dairies popping up all around the area and one is a mile and 1/8 from the lake, uphill, at a 20 foot higher elevation. He is investigating why this dairy farm did not have to do an environmental impact study or an archaeological survey. There were no permits required, other than a well permit. They should follow the GAAMPs, but GAAMPs are voluntary. This is a system that requires policing by citizens and neighbors. This is a small area. He is fearful for his grandchildren and the effect this will have on them in the future.

Carman Kaiser of Camden, Michigan is against the building of more dairy farms. They are not required to comply with any regulations. He said there is no shortage of milk and more dairies are not needed. They also have a negative impact on the road system.

Janet Kauffman of Hudson, Michigan distributed a letter signed by residents of the Hudson, Michigan area to the Commission and information about Confined Animal Feed Operations (CAFOs) in the Hudson, Michigan area. These citizens are requesting the following:

- ? The Commission of Agriculture recommend that Michigan Siting GAAMPs be mandatory for Confined Animal Feeding Operations (1000+ animal units).
- ? Two elements be added to the Siting process: a) an assessment of negative impact, considering, for instance, over-saturation of CAFOs in one area, risks to farm displacement, risks to groundwater and surface water quality; and b) public input at some point in the process before Siting approval.
- ? Comprehensive Nutrient Management Plans be mandatory for CAFOs.

Chair Tatter said that the Commission's responsibility is to oversee the administration of the Right to Farm Act and the voluntary language is the legislative mandate on the Commission and MDA.

Ms. Kauffman is requesting that these recommendations be given to the Site Selection Committee who makes its recommendations to the Commission.

Director Wyant appreciates the information provided and will ask staff from the Environmental Stewardship Division to review the data. The information also will be shared with the Site Selection Committee.

Ms. Kauffman said that the question of how big is too big needs to be answered. This is a serious question and depends on the area.

Kathy Melmoth of Pittsford, Michigan distributed and read a letter to the Commission and Director Wyant regarding the problem of manure waste treatment and disposal as it impacts the communities, water and land surrounding large livestock facilities. She would like to request that the Commission and MDA seek a commitment from MSU to work on solving the problem of manure waste treatment and disposal.

Chair Tatter said that Ms. Melmoth's letter would be forwarded to the Generally Accepted Agricultural and Management Practices Site Selection and Odor Control Committee for inclusion in its upcoming annual review.

Lynn Henning of Clayton, Michigan showed photos she took last week of manure running into creeks and streams. She does not understand why these farms do not need a National Pollutant Discharge Elimination Permit when they are discharging into the streams. Under the Clean Water Act, it states that it is unlawful to discharge a pollutant from the point source into U.S. waters unless a National Pollutant Discharge Elimination Permit is obtained. She also asked why the Memorandum of Understanding between MDA and the Department of Natural Resources has not been updated since 1993.

Vicki Pontz-Teachout responded that there have been no need for changes to the Memorandum of Understanding since 1993.

Director Wyant said that MDA will meet with the Michigan Department of Environmental Quality to discuss some of the issues and concerns brought forth today to determine if there is violation of state law.

Nancy Bellville of Prescott, Michigan distributed and reviewed information about electrical pollution (stray voltage) in Michigan. She showed a picture of their farm to the Commission. She said there is a large number of cancer and heart ailment victims on their road. They all share the same utility. She is asking that a letter be sent to the

Public Service Commission and the chairmen of the House and Senate Agriculture Committees requesting adoption statewide of the NESC code 215B.

Director Wyant said that MDA does not have the expertise on the NESC code.

Ms. Bellville said the Attorney General's lawsuit is to make the PSC accountable and to enforce standards. The Attorney General has filed its brief and Consumers' Energy reply was due yesterday.

Director Wyant asked Ron Zellar to obtain a copy. He said that MDA would need further documentation in order to respond to Ms. Bellville's request to send a letter to the Public Service Commission.

Larry Kartes of Alger, Michigan supports the concerns that Nancy Bellville expressed. Stray voltage is a terrible experience to go through emotionally and physically.

Commissioner Darling said that this is a real concern and he encouraged staff to review the issue.

ADJOURN

The meeting adjourned at 4:57 p.m.

ATTACHMENTS:

The following attachments are on file in the Commission of Agriculture office and are available upon request by contacting Vicki Burke, Commission Secretary, at (517) 373-1085, or by writing the Michigan Commission of Agriculture, Post Office Box 30017, Lansing, Michigan 48909.

Attachment A	Commission of Agriculture January 16-17, 2001 Meeting Minutes
Attachment B	Commission of Agriculture 2001 Revised Meeting Schedule
Attachment C	Correspondence from Robert L.Hetzler, Monitor Sugar Company re: Stuffed Molasses
Attachment D	2001-02 Legislative Report
Attachment E	Director's Report – February 2001
Attachment F	Executive Budget/Fiscal Year 2002
Attachment G	Correspondence from Jim McLoskey, Director, Tuscola County Economic Development Corporation re: Agricultural Processing Renaissance Zones
Attachment H	Correspondence from State Representative Tom Meyer re: Agriculture Processing Renaissance Zones
Attachment I	"Michigan Agricultural Renaissance Zone Program Frequently Asked Questions"
Attachment J	Information regarding Bovine Tuberculosis in Michigan
Attachment K	Information regarding the Michigan Agricultural Environmental Assurance Program (MAEAP)
Attachment L	Information regarding Hudson, Michigan Area Dairy Farms
Attachment M	<i>"Michigan Department of Agriculture, Environmental Stewardship Division's Groundwater Monitoring Program Domestic Supply Well Baseline Study Report"</i>
Attachment N	Information regarding Michigan's Soybean Industry
Attachment O	<i>"Agriculture Leadership Report"</i>
Attachment P	Correspondence from Janet Kauffman of Hudson, Michigan regarding Confined Animal Feeding Operations
Attachment Q	Correspondence from Kathy Melmoth of Pittsford, Michigan regarding Confined Animal Feeding Operations
Attachment R	Correspondence from Nancy Bellville of Prescott, Michigan regarding electrical pollution