

MICHIGAN COMMISSION OF AGRICULTURE AND RURAL DEVELOPMENT

**GreenStone Farm Credit Services
Corporate Offices, First Floor, Room 112
3515 West Road
East Lansing, MI 48823**

MEETING MINUTES February 13, 2013

PRESENT:

Bob Kennedy, Chairperson, Michigan Commission of Agriculture and Rural Development
Diane Hanson, Vice Chairperson, Michigan Commission of Agriculture and Rural Development
Trevor Meachum, Secretary, Michigan Commission of Agriculture and Rural Development
Don Coe, Michigan Commission of Agriculture and Rural Development
Fred Walcott, Michigan Commission of Agriculture and Rural Development
Jamie Clover Adams, Director, Michigan Department of Agriculture and Rural Development

CALL TO ORDER AND ROLL CALL

Chairperson Kennedy called the meeting of the Commission of Agriculture and Rural Development to order at 9:06 a.m. on February 13, 2013. Commissioner Meachum called the roll with Commissioners Coe, Hanson, Kennedy, Meachum, and Walcott, and Director Clover Adams present.

APPROVAL OF AGENDA

MOTION: COMMISSIONER COE MOVED TO APPROVE THE MEETING AGENDA FOR FEBRUARY 13, 2013. SECONDED BY COMMISSIONER MEACHUM. MOTION CARRIED.

APPROVAL OF JANUARY 16, 2013, MEETING MINUTES

MOTION: COMMISSIONER HANSON MOVED TO APPROVE THE JANUARY 16, 2013, MEETING MINUTES. SECONDED BY COMMISSIONER WALCOTT. MOTION CARRIED.

NEXT SCHEDULED MEETING

The next scheduled meeting will be held on Monday, March 11, at the Michigan Municipal League, 208 N. Capitol Avenue, Lansing.

Commissioner Kennedy advised that following the March meeting, the Commission has been invited to participate in a special tour of Citizens Elevator in Charlotte. They lost their specialty bean processing facility to fire last summer and the Michigan Department of Agriculture and Rural Development (MDARD) was instrumental in getting them operational again. Citizens is inviting the Commission and any interested MDARD staff to join their March 11 Open House, which is scheduled from 1:00-3:00 p.m.

COMMISSIONER COMMENTS AND TRAVEL

Commissioner Meachum advised he attended the Southwest Michigan Farm Days held at Lake Michigan College early in February, which included updates on pest and water issues. The event was well attended by fruit and vegetable growers.

The recent snow has eased some concerns in the area, affording sufficient chilling hours to provide the needed dormant stage for the trees. There still are worries of an early spring again this year.

He also attended a MACMA (Michigan Agricultural Cooperative Marketing Association) Apple Division meeting yesterday, which included an update on specialty crop funding opportunities by Tom Coon, Director of Michigan State University (MSU) Extension. They also met with a group of growth oriented processors to discuss their needs for future production.

In response to question from the Director, Commissioner Meachum advised the water discussion centered on dry soil conditions and the various types of irrigation systems available, which many producers are interested in installing. Discussion included water sources, permitting issues, and how irrigation can help improve crops through frost protection and increasing fruit size.

Commissioner Walcott advised he traveled to Lansing February 1 for an orientation to the department. He thanked the Director for spending time with him, as well as each of the staff participating in the session. He enjoyed meeting MDARD management and hearing first hand everything the department accomplishes. He requested that his appreciation be shared with the staff involved.

Commissioner Coe advised northwest Michigan fruit growers have appreciated the snowfall this winter, which will add needed moisture. He attended the Northwest Orchard and Vineyard Show on January 21-22, which included workshops on water issues and how fruit growers are addressing concerns and their plans for 2013. In general, everyone has a positive outlook.

He attended the Cherry Marketing Institute meeting, where they were very complimentary of the work that various Commissioners and the department has accomplished, particularly with Senator Stabenow and her staff around crop loss issues. A good share of that meeting was devoted to discussion of the Farm Bill.

On January 26, he attended the very successful Small Farm Conference in Grayling. There were many young farmers and numerous exhibitors, including representatives from MDARD.

He attended the MAEAP (Michigan Agriculture Environmental Assurance Program) Partnership meeting in Lansing on January 29. The support for MAEAP from all agricultural groups is very evident and the new MAEAP verifiers and certifiers in the field have been key to growth of the program. Because of the challenge in reaching the numbers to which we have committed, any opportunity that Commission members have to promote MAEAP verification for farms will be appreciated.

On February 8, he participated in the Detroit Eastern Market Vendors dinner, during which Senator Stabenow stressed the need to support the Farm Bill and gave an update on the work her Committee has been able to achieve in assisting local food systems. Mayor Bing was supportive of the Detroit Eastern Market, which is now under independent management. Various programs and agencies supporting Eastern Market during its growth period were recognized, which included the Director and the department. Mayor Bing also recognized the department for its tremendous assistance in drafting their Urban Agriculture Ordinance.

This afternoon and the next two days, Commissioner Coe advised he will be attending the Annual Michigan Grape and Wine Industry Conference at the Kellogg Center, which includes a Legislative Reception from 5:30-7:00 this evening. Also from 4:30-6:00 this evening, the Michigan Farm Bureau (MFB) is holding their annual Legislative Affairs Reception. Commissioners are welcome to attend both events.

Commissioner Hanson advised the Upper Peninsula (UP) has received some needed moisture recently. Yesterday, she attended the Potato Winter Conference in Mt. Pleasant and will be joining the MFB Legislative Reception this evening.

Through MSU, Dr. Baker requested she participate in a special committee to hire an administrator for the UP Research and Extension Center in Chatham.

Commissioner Kennedy advised he attended the January 28 Commodity Executives Committee meeting, which brings the state's diverse agriculture organizations together and helps maintain one voice for agriculture in Michigan. He recognized the department's efforts in leading that important effort.

He also attended the January 29 MAEAP Partnership meeting. He was impressed by the commitment of those involved; they are excited, focused, and looking for ideas in moving the program forward. He agreed with Commissioner Coe that this is an effort deserving support and involvement from each of the Commissioners to help push toward the goal of 5,000 MAEAP verified farms.

Tonight, he plans to join the MFB Legislative Reception and hopes to participate in the Michigan Grape and Wine Industry reception as well.

In addition to travel previously mentioned, Commissioners Coe, Hanson, Kennedy, Meachum, and Walcott traveled to attend today's meeting. There was no other travel submitted for approval.

MOTION: COMMISSIONER HANSON MOVED TO APPROVE THE COMMISSIONERS' TRAVEL. SECONDED BY COMMISSIONER MEACHUM. MOTION CARRIED.

DIRECTOR'S REPORT

Director Clover Adams advised she presented MDARD's budget to the House and Senate Agriculture Appropriations Subcommittees yesterday, which appeared to be well

received. In the Governor's proposed 2014 budget, an additional \$1 million is allocated to stabilize the Pesticide and Plant Pest Management (PPPM) programs, which had been temporarily operating on carry-forward dollars. Those resources will be focused on exports, phytosanitary certificates, and GAP (Good Agricultural Practices), food, and feed commodity inspections. Commissioner Coe inquired about the potential of state inspection of meat processing, which is currently handled by the U.S. Department of Agriculture (USDA). Where that authority currently resides might be a consideration to encourage development of small meat processors in the state and the industry seems willing to pay for any state-level inspection program. The Director advised it is a very time-intensive and costly inspection program to coordinate, but deserves consideration.

At the request of stakeholders, another enhancement proposed by the Governor is the Food and Agriculture Strategic Growth Initiative, which will bring together those in the food processing and animal agriculture sectors to identify the barriers and opportunities for growth. Funding will be distributed through a competitive grant process, and information and data developed as a result will be shared with everyone in the agriculture sector. Toward this effort, the Governor proposed \$1 million in MDARD's budget and an additional \$2 million in the Michigan Economic Development Corporation's (MEDC) budget. This will provide an excellent opportunity to work with MEDC staff and for them to gain knowledge about the agricultural supply chain as future growth opportunities arise.

The Governor's budget proposal included increases in authorization for the Producer Security Fund and the Farmland Preservation Program (FPP). She shared the department's cost to administer the 42,000 FPP contracts. In response to inquiry from Commissioner Walcott, the Director advised she is not aware of any current intent to change the P.A. 116 Program, but will make inquiry and advise.

The Director also shared with the Appropriations Subcommittees the department's successes that resulted from 2013 one-time funding. The Governor proposes continuing that funding again for 2014, which includes funding for MAEAP, the Migrant Labor Housing Program, non-industrial private forestry efforts, and county fair grants. In addition, the Governor proposed \$250,000 be added to the base budget for food safety. He also proposed continuing the \$300,000 in the base budget for dairy inspectors, as well as the additional dollars for business development. The one-time \$900,000 for the Value-Added Grant Program was not included in the 2014 budget proposal; however, funding would be redirected from grants to individual companies through the Strategic Growth Initiative, which focuses on the entire agriculture sector.

The department actually fairs quite well in the Governor's proposed budget. However, much of MDARD's final budget depends on how the Legislature deals with expansion of Medicaid and other larger funding issues.

The Director advised an offer was made yesterday to one of the final candidates, and a very competent individual, for the position of Budget Officer for the department. The Director is hoping to have that person on board by the first week in March. Commissioner Coe expressed appreciation to prior Budget Officer, Amy Epkey, for her expert assistance.

MOTION: COMMISSIONER COE MOVED TO EXTEND THE COMMISSION'S APPRECIATION TO PRIOR BUDGET OFFICER, AMY EPKEY, FOR HER EXPERT ASSISTANCE OVER THE LAST SEVERAL YEARS IN ADVISING THE COMMISSION ON THE VERY COMPLICATED BUDGETARY PROCESS. SECONDED BY COMMISSIONER MEACHUM. MOTION CARRIED.

The Director advised the department is holding an All Employee Meeting in Lansing on March 19-20. She has also conducted several regional staff meetings across the state over the last month, which will conclude with a UP meeting next week. Those meetings have been very productive, providing good feedback to her two questions regarding customer service: "What do you think we do well," and "How could we do better?" The themes of what we do well include that we work well with customers and try to bring them into compliance. Suggestions on improving the customer experience centered around technology issues, on which the department is already working. A customer service survey to a random statistical sample of the department's customers, both regulatory and non-regulatory, will be distributed soon. The All Employee meeting will serve as a venue to identify specifics for moving forward with improvements to make the department even better.

The Governor is holding an Economic Summit in Detroit March 18-19 focused on workforce and talent to identify needs in the skilled trades area. He follows that with another summit in April with the educational community to discuss what businesses are advising they need in the way of workforce.

The NASDA (National Association of State Departments of Agriculture) meeting last week included a presentation on immigration reform, during which the need for migrant labor was emphasized. The Director also shared other issues around immigration that affect Michigan, which primarily involves a perception of migrant laborers feeling welcome.

Commissioner Coe advised he just completed his four-year term on the MFB Labor Committee. He would be glad to advise MFB if another Commissioner would be interested in serving on that committee.

The Director advised another key topic at NASDA was the Farm Bill and she met with Congressman Lucas in that regard. Both he and Senator Stabenow's staff advised they do not anticipate any work on the Farm Bill until at least April, because they do not yet have a number from which to work.

There was considerable discussion at NASDA around water quality initiatives as though they were new topics, when MDARD has been accomplishing improvements in water quality through MAEAP for many years. Many others are now realizing the value of partnering toward environmental stewardship improvements.

On April 24, the department will be hosting a Food and Drug Administration (FDA) Listening Session on the Food Safety Modernization Act. FDA representatives and potentially Senator Stabenow will be in attendance. The session will offer an opportunity

to raise issues with implementation of the two proposed new rules and will include both in-person and webinar participation.

DIRECTOR'S TRAVEL

Director Clover Adams requested approval for travel to the Netherlands, April 13-19, 2013, with the Lieutenant Governor for a trade mission.

MOTION: COMMISSIONER COE MOVED APPROVAL OF THE DIRECTOR'S TRAVEL. SECONDED BY COMMISSIONER HANSON. MOTION CARRIED.

PUBLIC COMMENT (AGENDA ITEMS ONLY)

There was no public comment relative to agenda items.

MICHIGAN MANUFACTURING TECHNOLOGY CENTER UPDATE: Mike Coast, President

Mr. Coast thanked the Commission for the opportunity to present. He advised that the Michigan Manufacturing Technology Center (MMTC) is supported through the Michigan Economic Development Corporation (MEDC) and the National Institute of Standards and Technology (NIST) through the U.S. Department of Commerce. They serve small and mid-sized businesses utilizing a staff of over 62 professionals.

MMTC is the Manufacturing Extension Partnership (MEP) center for Michigan located in Plymouth and providing a network of over 350 offices nationwide through which best practices are shared and relationships are leveraged for clients' benefit. The MMTC statewide network has offices located throughout the state to serve those organizations having multiple locations. Their mission is to enhance the global competitiveness of small and medium-sized manufacturers throughout Michigan. They accomplish this by making significant positive impact on their clients, resulting in increased profits by reducing costs, increasing sales, and creating new jobs.

As part of their charter as an MEP center, their sponsors at the federal level make a point to survey their clients directly using an independent third party organization. After a project is completed, the survey organization contacts the clients directly to inquire about the results they achieved as a result of their working with MMTC. Those results are reported each year in MMTC's annual report. Some of the important measures include new or retained revenue, cost savings, jobs retained or created, and capital investments made to meet demand. They have had a tremendous impact working closely with clients on their various initiatives.

A snapshot of MMTC clients was reviewed reflecting that MMTC works with companies of all sizes, but their main focus remains the organizations with typically between 20-250 employees. Their client base spans across a wide range of industries, including food processing. When MMTC typically works with a company, they consider evaluation and assessment to best determine how to make an impact in that company. Innovation strategies are the core of what MMTC does – how to help small companies move forward through bottom-line improvements and leadership development toward top-line growth.

Looking at the food and food processing aspect, a nationwide mandate was established when the 2011 Food Safety Modernization Act (FSMA) was signed into law. Representing the most sweeping reform of FDA's food safety authority in more than 70 years, this act gives the FDA new and enhanced mandates and authorities to protect consumers and promote public health. MMTC launched its statewide Food Safety Management Program in 2012 to assist food producers with meeting and exceeding the requirements of FSMA. They help food producers to employ Good Manufacturing Processes (GMP), Hazard Analysis Critical Control Points (HACCP), and Safe Quality Food (SQF).

This CEU (Continuing Education Unit) accredited program focuses on food processors, not food producers. MMTC will implement food industry specific curriculum based on long-standing and proven industry practices. They utilize knowledge transfer methodologies consisting of hands on, experienced-based learning and a balanced curriculum designed for varied experiences and skill levels. They have reached out to MDARD, the MSU Center for Regional Food Systems (CRFS), Michigan Agri-Business Association (MABA), International Food Protection Training Institute, and the National Science Foundation (NSF) to provide an industry-wide collaborative effort.

Program deliverables include improvement planning and process mapping, critical control points, good manufacturing practices, supplier approval, customer protection, process improvement, visual management, and total productive maintenance. Food processor specific deliverables include quality and efficiency implementation initiatives to embrace food processing plant layout and flow, food quality preventive maintenance, and a food processing and handling implementation plan. These projects will reduce costs, increase capacity, and promote future growth.

In response to inquiry from Commissioner Coe, Mr. Coast explained that their funding provides resources for outreach and once they begin actually working with a company, that company pays for MMTC's services.

Commissioner Kennedy asked what the Commission might do to assist in this effort. Mr. Coast advised that because an estimated 80-85 percent of food processors are not knowledgeable of resources available, awareness is key to MMTC's success – reaching out and finding the food processors so they can research what services are available to them. MMTC has already been working with Chief Deputy Director Wenk and Mike DiBernardo from the Office of Agriculture Development, who invited him to speak today.

In response to inquiry from Commissioner Walcott, Mr. Coast advised they receive base funding of \$2.25 million from the U.S. Department of Commerce funneled through the NIST. Those funds cover MMTC's salaries to conduct marketing and outreach activities.

RECESS AND RECONVENE

Chairperson Kennedy recessed the meeting at 10:10 a.m. for a brief break. He reconvened the meeting at 10:26 a.m.

FOOD SAFETY MODERNIZATION ACT (FSMA) UPDATE: Kevin Besey, Director, Byron Beerbower, Food Specialist/Compliance, and Tim Slawinski, Emerging Issues Specialist, Food and Dairy Division

Mr. Besey advised FSMA is the most sweeping reform to food safety in more than 70 years. It covers the food industry from farm to fork and contains 41 separate sections. Proposed rules for two of the sections in FSMA were published on January 16, 2013, which are Produce Safety (standards for farmers) and Preventive Controls (affecting food processors). Although the Preventive Controls section of the Act covers both human and animal food, FDA has separated these categories and proposed rules for animal food will be released at a later date. At the end of the Public Comment Period on May 16, 2013, the FDA will review comments on the two proposed rules and subsequently publish the final rules.

Compliance dates are based upon the release of the final rule. Compliance for Preventive Controls (food processors) will be one year for large businesses, two years for small businesses (less than 500 employees), and three years for very small businesses. For the definition of very small businesses, FDA has proposed three possible options (less than \$250,000, less than \$500,000, and less than \$1,000,000). Dollar values are based on the average annual monetary value of food sold during the previous three years (rolling three year average). Retailers may require exempt facilities to meet standards, but that will be difficult to address. FDA is requesting comments regarding ways to more clearly define the proposed three options. In response to inquiry from Commissioner Coe, Mr. Besey advised Cottage Food operators should be exempt because they are not required to register with FDA as processors. Each of the approximately 1,800 currently licensed food processors in Michigan needs to be aware of Preventive Controls rules.

Domestic and foreign firms that manufacture, process, pack, or hold human food are covered under Preventive Controls and facilities are required to register with FDA. The line between the two rules can be complex. The proposed rules contain revised definitions to help differentiate between “farm” activity and “manufacturing/processing” activity. There is a chart within the rules that outlines activities that change a raw agricultural commodity (RAC) to a processed food. The rules also clarify that certain activities can be considered “harvesting” or “manufacturing/processing” depending on whether they are performed on RAC grown at the farm or brought in from another farm. Activities to others’ RAC fall under preventive controls. Mixed type facilities are firms that conduct both farm and manufacturing activities. Both rules would apply to this type of business specific to each activity. This is an issue that needs further clarification for Michigan farmers.

Commissioner Coe noted Michigan agriculture needs to be supportive of food safety standards for everyone; but, they need to be doable, affordable, and scalable. In response to question from Commissioner Kennedy about the potential of FSMA putting small producers out of business, Mr. Besey advised there is an expressed concern about having to stay below the required size/sales figure if an operator is unable to become GAP certified.

The Director advised part of the problem is the number of small producers that are aggregating their products and potentially no food safety exists, which can adversely affect the entire food system. The smaller producers have a stake and need to follow the rules as well. Commissioner Coe added there needs to be a voluntary certification program that ensures growing and transporting food safely in Michigan. Mr. Besey advised the Michigan Food Policy Council is reviewing the concept of a group GAP process to create a more affordable certification program.

Exempt facilities include “qualified facilities” that are “very small” or fit the tester amendment (less than \$500,000 and at least half of sales direct to customer or local businesses in-state or within 275 miles). Juice, seafood, and low acid canned food already fall under other specific food safety programs. The proposed rules have two pages of situations that qualify for exemption as low-risk on-farm activities, including alcoholic beverages, prepackaged food under certain circumstances, and specific types of storage facilities.

The Food Safety Plan includes hazard analysis, preventive controls, monitoring, corrective action, verification, and validation. There are modified requirements for qualified facilities, which include very small businesses, who must submit documentation to FDA that supports their meeting required criteria.

The Produce Safety section covers firms involved in growing, harvesting, packing, and holding of produce for human consumption. “Covered produce” is a term used to identify foods covered by the proposed rules and encompasses only fruits and vegetables grown for human consumption in their raw or natural, unprocessed state. RAC’s not covered are those not typically eaten raw, such as potatoes, grains, kale, artichokes, etc., and foods for commercial processing or intended for on-farm consumption. Those facilities with less than \$25,000 in annual sales or that qualify under the modified requirements are exempt. However, those smaller farms are still affected and will feel pressure to meet the standards because buyers will need to know their produce is safe. Nationally, approximately 27 percent of farms are affected by the Produce Rule, with 50 percent being partially exempted, and 23 percent not covered. Based on estimates from the National Agriculture Statistics Service, there are approximately 1,800 fresh fruit producers and another 1,900 vegetable growers (these numbers may overlap) in Michigan that will be affected by this rule. There is a question as to how firms will handle rules when they grow for both fresh and processed markets.

Rules on Produce Safety include agricultural water; biological soil amendments of animal origin; equipment, tools, and buildings; animals in the growing area; and health and hygiene. Water can be a carrier of many different microorganisms of public health concern and the rule proposes that all agricultural water be safe and of adequate sanitary quality for its intended use and requires pre-season inspection. One of the questions involves when to consider water as affecting the produce, as in irrigation and frost prevention systems. Biological soil amendments of animal origin may contain pathogens of public health concern and the rule proposes reasonable time intervals between application and crop harvest, as well as provisions pertaining to handling and storage. The health and hygiene rule proposes basic hygienic practices to prevent bacteria, viruses, and parasites that are frequently transmitted from person to person

and from person to food. Pathogens can be introduced into fruit and vegetable production systems via animal feces and the rule proposes farms be required to take reasonable measures to prevent that transmission. The rule also proposes standards for sanitation used for produce operations on farms and for certain equipment, tools, and buildings. The differences between GAP (Good Agricultural Practices) and the Produce Safety rules are still being studied. There will be considerable discussion around better aligning FSMA with GAP requirements. FDA is not requiring producers to be registered, so identification will be an issue and will be a question posed at the Listening Session.

Commissioner Coe added the end-use consumer will force compliance; and because the issue remains of who will pay for certification, suggested an incentive-based system. The smaller farmers may very well go out of business due that cost.

Coordination with the industry is being facilitated through the Food Safety Alliance (FSA), which provides for on-going coordination between MDARD and the industry. The upcoming FDA Listening Session scheduled for April 24 is one of five in the nation being hosted. The session will provide for direct contact with FDA decision makers and a webinar format will be offered for those wishing to participate from offsite. MDARD is reviewing the proposed rules to determine the impact and will submit comments to FDA by the May 16, 2013 deadline. The department is assisting industry in preparing for the upcoming changes.

MDARD currently licenses and inspects most or all facilities covered by the Preventive Controls rule and contracts with FDA to inspect food and feed manufacturers. The department does not license or inspect facilities covered by the Produce Safety rule, but may work with these facilities through other programs such as MAEAP, Migrant Labor Housing, GAP, Plant and Pesticide Programs, etc.

Commissioner Coe noted should there be a legislative mandate to register those covered by the Produce Safety rule, the department needs to work toward obtaining the funds to cover those costs. He suggested that FDA could potentially add that responsibility to the department's existing food facility inspection contract.

Mr. Beerbower noted one of the concerns is that FDA will be on a Michigan farm if there is an outbreak and the question that will arise is who should be the lead agency on those investigations. The number of farms needing to meet some type of compliance standards is going to rise significantly and it not feasible that the federal government will apply resources to that effort. The Produce Safety Alliance is ensuring their voice is being heard on as many of these types of issues as possible, which is why MDARD asked FDA to hold a session in Michigan.

In response to comment from Commissioner Walcott, Mr. Beerbower advised that although the department is compiling a list of questions and comments for the FDA Listening Session, it would be beneficial for FDA to hear concerns directly from the farming community because it provides additional validity to those issues. The Commission requested that the department share the questions and comments prepared for the April 24 Listening Session with the Commission, as well as the Commodity Executives group for distribution to their respective growers requesting they

compile a list of common questions to be submitted to the department for review and comparison.

Commissioner Meachum expressed concern with exemptions for small farmers; because, if produce from an exempt farmer causes an outbreak, it will affect that particular product statewide. Such a scare could even be caused by a shopper handling produce at the store. There must be a mechanism to protect the industry from isolated breakouts affecting the entire industry. Mr. Besey advised this is one reason the FDA is attempting to implement preventive controls at the farm level to help avert problems.

The proposed rules can be found on the FDA FSMA Proposed Rules page, which contains fact sheets, full text, and links to submit comment to the Federal Register at <http://www.fda.gov/Food/FoodSafety/FSMA/ucm334120.htm?source=govdelivery>.

MICHIGAN BOVINE TUBERCULOSIS ADVISORY COMMITTEE: James Averill, Director, and Rick Smith, Bovine TB Eradication Program Coordinator, Animal Industry Division

Dr. Averill thanked the Commission for the opportunity to present, and introduced Dr. Rick Smith, who has been appointed as the Bovine TB Eradication Program Coordinator for the department.

Dr. Averill reported the goal of the Michigan Bovine Tuberculosis Advisory Committee is to eradicate Bovine Tuberculosis (TB) in Michigan's cattle and free-ranging white-tailed deer. The Committee provides input and recommendations on policy development to address compliance, prevention, surveillance, and transmission of Bovine TB for MDARD and the U.S. Department of Agriculture (USDA), Animal and Plant Health Inspection Services (APHIS), Veterinary Services (VS). Membership includes voting member representation from key industry partners, MSU departments, stakeholder organizations, sportspersons, and ex-officio non-voting member representation from USDA/APHIS/VS, MDARD, Michigan Department of Natural Resources (MDNR), the Natural Resources Commission, and the Commission of Agriculture and Rural Development.

Past Commissioner Velmar Green had been serving as the Commission's representative on the committee. With his no longer being a Commissioner, the department is requesting identification of a current Commissioner who would like to participate on the committee as an ex-officio member. That member would join discussions and subsequently keep the rest of the Commission apprised of issues and activities of the committee. Commissioner Walcott expressed interested in serving as that representative.

MOTION: COMMISSIONER MEACHUM MOVED TO APPOINT COMMISSIONER FRED WALCOTT TO SERVE ON THE MICHIGAN BOVINE TUBERCULOSIS ADVISORY COMMITTEE AS AN EX-OFFICIO NON-VOTING MEMBER. SECONDED BY COMMISSIONER HANSON. MOTION CARRIED.

GENERALLY ACCEPTED PROCESSING PRACTICES: Terry Morrision, Executive Director, Michigan Food Processors Association; and Michelle Crook, Environmental Engineer, Environmental Stewardship Division

Ms. Crook advised that the Michigan Agricultural Processing Act, P.A. 381 of 1998, was implemented to protect processors from nuisance lawsuits, similar to what is in existence under the Right to Farm Act. The Act also allows for the development of Generally Accepted (fruit, vegetable, dairy product, meat, and grain) Processing Practices (GAPP) and established a complaint investigation procedure under a Memorandum of Understanding (MOU) with the Department of Environmental Quality (MDEQ). When the Act was originally enacted, the industry met and attempted to develop GAPP. However, there was an attempt to cover all aspects already covered under the Natural Resources Environmental Protection Act (NREPA) and given the variety and size of the industry and volume of issues involved, they reached an impasse and GAPP standards were not approved at that time.

The Act was then amended in 2005 to add a ten-day timeframe for investigation of all complaints, and in the absence of GAPP standards, authorized MDEQ to investigate complaints in compliance with NREPA and MDARD to investigate those in compliance with GAP under the Food Law. Unfortunately, this still left a hole relative to general situations that created nuisance complaints not covered under NREPA or the Food Law.

In January, the department again met with the industry to discuss the types of nuisance issues they were experiencing and how those might be addressed. Mr. Morrison advised basic odor complaints center around the lagoons maintained by processors, which are cleaned at least once a year, causing two to five days of odor in the area. Noise complaints have also been received due to seasonal 24-hour operation of trucks and machinery noise. The law protects food processors if they comply with all regulations.

Direction is requested today to appoint a committee to develop Generally Accepted Processing Practices under P.A. 381, the authority for which is delegated to the Michigan Commission of Agriculture and Rural Development.

MOTION: COMMISSIONER MEACHUM MOVED TO APPROVE ESTABLISHMENT OF THE GENERALLY ACCEPTED PROCESSING PRACTICES COMMITTEE FOR THE PURPOSE OF DEVELOPING STANDARD GENERALLY ACCEPTED PROCESSING PRACTICES. SECONDED BY COMMISSIONER WALCOTT. MOTION CARRIED.

LEGISLATIVE UPDATE: Derek Bajema, Legislative Liaison

Mr. Bajema reported several bills are anticipated to move within the next week, including House Bill 4132, which would require the department to appoint directors to fill vacancies in Conservation Districts under certain circumstances. Also, House Bill 4038 may be considered next week and would add Autumn Olive to the Invasive Species list.

Senate Bill 48 is working its way through the process. It would exempt from the Large Carnivore Act businesses that allow patrons to come into contact with bears less than 36 weeks of age, or those weighing less than 90 pounds.

Senate Bills 51-59 are the reintroduction of the Private Non-industrial Qualified Forest legislation. Having passed the Senate, the package is currently in the House. This

legislation will be advantageous to both the industry and the department and should have a significant impact on the amount of timber harvested in the state.

Other reintroductions include Senate Bills 117 and 118, regarding puppy protection and large scale commercial breeding dog kennels. In response to question from Commissioner Coe, Mr. Bajema advised the department's recommendation to the Legislature relative to commercial kennels is to allow MDARD to continue working on the Animal Industry Act rewrite, which would be more comprehensive, and through which a thoughtful approach can be taken to balancing industry expectations with citizens' ability to pay. The department continues to respond to complaints relative to pet shops and animal shelters. Commissioner Coe pointed out this is all the department can do until the Legislature steps forward with additional funding.

In response to inquiry from Commissioner Meachum, Mr. Bajema advised the budget is the current key topic in the Legislature. The Director presented yesterday to both the Senate and House Agriculture Appropriations Subcommittees, which were well received. There is excitement around the Strategic Growth Initiative that has been proposed by industry and Michigan is in an advantageous position when its packaging expertise and diversity of commodities are considered.

During the month of February, Mr. Bajema advised he will also be assisting the Director of MDNR while their Legislative Liaison is studying for the Bar Exam.

Commissioner Kennedy noted the department is sponsoring a legislative tour. Mr. Bajema confirmed the March 1 tour will be sponsored by PPM and will encompass much of what is included in their budget initiative. That funding would assist in maintaining those programs. A Grape and Wine Program legislative tour is also being planned for this spring. Commissioner Kennedy expressed his support for this type of educational opportunity for legislators and suggested a legislative tour in the livestock area also be considered this year.

COMMISSIONER ISSUES

In follow-up to discussion during January's meeting, the Commissioners discussed specific areas of focus they would like to include for 2013.

Commissioner Coe requested the Commission consider MDNR's new Deer Management Plan, about which he has received numerous communications from tree fruit growers in northwest Michigan who are losing crops due to tree rubbing. For the March Commission meeting, he requested representatives from the various interested groups (MDNR, MDARD, Michigan Farm Bureau, the commodity groups, and the Michigan United Conservation Clubs) be invited to discuss concerns about the new regulations and how they will affect the deer population in the agricultural areas. Commissioner Coe will be joining the Chair of the Natural Resources Commission (NRC) for a meeting March 12 and perhaps they could discuss the topic on a personal level. At the suggestion of Commissioner Meachum, the Commission will be provided with a copy of the new MDNR Deer Management Plan.

Commissioner Coe would also like to include in future meetings additional presentations on rural development topics. He suggested the Northern Economic Alliance, who is accomplishing a great deal in the area of rural development, be invited to present at the April or June meeting to advise what regional economic development groups are accomplishing in that area specific to agriculture.

Commissioner Meachum suggested a presentation from the Office of Agriculture Development relative to their activities across the state, including some success stories and activities coordinated by their two new staff members.

Other topic presentations and/or email updates to the Commission suggested by Commissioner Meachum included: 1) when relevant, an update on the wetland issues; 2) migrant labor housing and an update on the potential of coordinating with the Department of Labor and other agencies to minimize double inspections on farms; 3) update on the large bankruptcy proceeding in southwest Michigan; 4) seed corn supply issue update; 5) P.A. 32 updates from various commodity groups around issues or areas needing change; 6) Michigan Agriculture Processing Renaissance Zone update, including where the current zones are located and the process structure.

Commissioner Kennedy suggested an update on culinary tourism and various Commission tours, some of which are already being planned, including the Eastern Market, Gerber Products' Fremont Community Digester, Hanson Potato Farm, and High Acres Fruit Farm. Commissioner Meachum suggested adding other southwestern tours when the Commission visits his operation.

PUBLIC COMMENT

Randy Zeilinger, Michigan Small Farm Council, advised his group is involved with various topics discussed today, including food safety, MAEAP, and inspections. Small farmers often feel they are becoming lost and it would be helpful if they were advised about the food safety rules so they could follow them as well. And in an effort to assist, the small farmers could conduct a pre-screening of smaller operations to identify needed actions prior to a formal inspection. He suggested in cooperation with the agencies involved, they could potentially develop a volunteer base to help assume some of that inspection workload through identifying those who are misusing the rules and laws.

Mr. Zeilinger invited the Commissioners to join the Annual Chicken Stock Potluck to be held at Delta Township Park (behind Lansing Mall) on June 22 from 10:00 a.m.-3:00 p.m. Along with backyard chicken farmers, the event will include wool growers, crop growers, and dairy and swine producers. It will be a fun, family-oriented event.

Commissioner Coe suggested the Michigan Small Farm Council reach out to their county extension offices who are working with very small farms. Mr. Zeilinger advised members of his group volunteer a great deal of time, including learning experiences coordinated with their local extension and Farm Bureau offices. Commissioner Coe suggested also contacting local food networks and farm market associations with whom their members can also be very active.

ADJOURN

**MOTION: COMMISSIONER COE MOVED TO ADJOURN THE MEETING.
COMMISSIONER MEACHUM SECONDED. MOTION CARRIED.**

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

Attachments:

- A) *Agenda*
- B) *Agriculture and Rural Development Commission Meeting Minutes January 16, 2013*
- C) *Director Jamie Clover Adams – Issues of Interest Report*
- D) *Michigan Manufacturing Technology Center Presentation*
- E) *“Food Safety, Quality, and Efficiency Solutions” MMTTC Brochure*
- F) *Food Safety Modernization Act Update/Presentation*
- G) *FDA Food Safety Modernization Act Listening Session Announcement*
- H) *Michigan Bovine Tuberculosis Advisory Committee Report*
- I) *P.A. 381 of 1998*
- J) *Legislative Status – February 2013*