

MICHIGAN COMMISSION OF AGRICULTURE AND RURAL DEVELOPMENT

Michigan Municipal League Capitol Office
First Floor Training Room
208 North Capitol Avenue
Lansing, MI 48933

MEETING MINUTES

MARCH 11, 2013

PRESENT:

Bob Kennedy, Chairperson, Michigan Commission of Agriculture and Rural Development
Diane Hanson, Vice Chairperson, Michigan Commission of Agriculture and Rural Development
Trever 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 9:00 a.m. on March 11, 2013. Commissioner Meachum called the roll with Commissioners Coe, Hanson, Kennedy, Meachum, and Walcott, and Director Clover Adams present.

APPROVAL OF AGENDA

MOTION: COMMISSIONER MEACHUM MOVED TO APPROVE THE MEETING AGENDA FOR MARCH 11, 2013. SECONDED BY COMMISSIONER COE. MOTION CARRIED.

APPROVAL OF FEBRUARY 13, 2013, MEETING MINUTES

MOTION: COMMISSIONER MEACHUM MOVED TO APPROVE THE FEBRUARY 13, 2013, MEETING MINUTES. SECONDED BY COMMISSIONER HANSON. MOTION CARRIED.

NEXT SCHEDULED MEETING

The next scheduled meeting will be held on Wednesday, April 10 at GreenStone Farm Credit Services, 3515 West Road, East Lansing.

COMMISSIONER COMMENTS AND TRAVEL

Commissioner Coe advised he will be attending a meeting in Lansing this evening and traveling to Roscommon to give a presentation tomorrow at the Quality of Life (QOL) Leadership Academy, at which Natural Resources Commission (NRC) Chair, J. R. Richardson, will also present.

He has been attending a number of planning sessions for the Traverse City Area Food Network Summit that will be held tomorrow. Michigan Department of Agriculture and Rural Development (MDARD) staff will also be attending that summit.

Commissioner Meachum reported he attended two meetings in Boston recently, which included the International Fruit Tree Association Annual meeting and the Next Big Thing Co-op meeting, which is an international marketing co-op for some new apple varieties. Both events were well attended.

The Michigan Agricultural Cooperative Marketing Association (MACMA) Apple Division meeting will be held March 19 in Grand Rapids at the Crown Plaza Hotel and he invited anyone interested to feel free to join that discussion.

Commissioner Walcott reported he attended the Annual Michigan Pork Symposium at the Lansing Center on February 25 and the Annual Pork Producers Forum in Orlando on March 7-9.

Commissioner Hanson advised she has been in contact with Dr. Baker, who is interviewing for the administrator position for the UP Research and Extension Center in Chatham. The Upper Peninsula (UP) does have snow now, but overall, the area still remains dry.

The Director and MDARD staff Mike DiBernardo and Nancy Nyquist joined her for the UP Agriculture for Tomorrow Conference on March 5 in Escanaba, which hosted numerous excellent sessions and was well attended. She also attended a recent Breakfast on the Farm planning meeting in Menominee County in preparation for the July 6 breakfast they will be hosting.

Commissioner Kennedy reported he attended the Michigan Farm Bureau (MFB) Legislative Reception, which was well attended by both legislators and MFB members. He was out of state for a GEPS Convention, which is a national grain elevator and processing society. One key topic discussed was the Food Safety Modernization Act and several seminars focused on that issue.

Legislative tours were hosted at two of his facilities recently. The legislators and guests appeared to be fully engaged in the very informative tour presentations.

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

DIRECTOR'S REPORT

Director Clover Adams advised she presented at the February 27 Concentrated Animal Feeding Operation (CAFO) meeting, during which she announced the Michigan

Agriculture Environmental Assurance Program (MAEAP) for CAFOs. MDARD has been working with the Michigan Department of Environmental Quality (MDEQ) to implement this procedure. If an operator has a CAFO permit and wishes to be MAEAP verified, they can advise MDARD, who in turn will contact MDEQ to ensure the facility is in good standing and subsequently inspect the operation. If it meets requirements regarding bodies of dead animals, siting, and odor plan, the CAFO will be MAEAP verified. This procedure eliminates duplicative agency record reviews and will at the same time maintain MAEAP requirements.

She recently held a staff meeting with UP employees, and later that same day, met with the President of Northern Michigan University, both of which were beneficial meetings. She returned to the UP on March 5 for the well-attended UP Agriculture for Tomorrow Conference in Escanaba. From there, she traveled to Marquette for a visit of the Marquette Food Co-op, which is moving into new facilities due to increased sales. She also met with Dennis West of Northern Initiatives; they are doubling the size of their portfolio as they assume a new U.S. Department of Agriculture (USDA) program.

The department will experience some funding reductions from the Environmental Protection Agency (EPA), Food and Drug Administration (FDA), and USDA as a result of the federal sequestration. Given what the department has accomplished over the last decade, MDARD will be able to sustain this as well.

The Food and Agriculture Industry Growth Initiative seems to be very well received by the Legislature. The Non-Industrial Private Forest Land bills are currently in the House.

A new Budget Officer was hired for the department, Maria Tyskiewicz. The Director worked with Maria in the Senate several years ago and believes the department will be very well served through her expertise.

Commissioner Walcott advised he also attended the recent CAFO meeting and is enthusiastically supportive of MAEAP for CAFOs. Because the department holds an aggressive stance on MAEAP verification, that provides a paved road to success. It is very refreshing to see MDARD and MDEQ working together toward the common goal of active, responsible agriculture in Michigan, and producers are very appreciative.

DIRECTOR'S TRAVEL

Director Clover Adams has no out-of-state travel planned in the near future.

PUBLIC COMMENT (AGENDA ITEMS ONLY)

There was no public comment relative to agenda items.

PESTICIDE AND PLANT PEST MANAGEMENT DIVISION UPDATE: Gina Alessandri, Director, and Jeff Zimmer, Deputy Director

Ms. Alessandri reported the Pesticide and Plant Pest Management Division (PPPMD) has a great story to tell when you consider the diversity of the programs they enforce and their levels of staffing. In summary, PPPMD provides steadfast delivery of core regulatory programs, consisting of the basic, yet critical work of the department. The industries they regulate are appreciative of the division's dedicated staff efforts.

PPPMD protects human and animal health, the environment, and domestic plant industries. In addition, it facilitates international and interstate trade of plant-based commodities. The division consists of three primary program areas.

PPPMD's Pesticide Section is responsible for manufacturer monitoring; product registration; distribution oversight, including Restricted Use Pesticide (RUP) dealers; applicator certification and business licensing; and proper use, including storage and disposal. The division works in partnership with the Michigan State University (MSU) Pesticide Safety Education Office and with EPA at the regional and national levels. In response to inquiry from Commissioner Coe, Ms. Alessandri advised the State Product Registration, while being somewhat duplicative, does give states the ability to create unique registration for specific state needs/requirements.

The Plant Industry Section coordinates export certification of plants and plant products, fruits and vegetables grading, nursery stock and Christmas tree certification, exotic pest survey and response, and organic certification cost share administration. The program ensures pest freedom, quality, and grade of products. The exotic pest group works to ensure exotic pests are discovered soon enough to allow for effective response.

The Agricultural Products/Producer Security Group is responsible for licensing, inspection, sampling and auditing of animal feeds, animal remedies, fertilizer and liming, and grain storage facilities. They ensure products are safe and consumers are receiving what they are paying for, as well as ensuring grain storage facility assets are protected.

PPPMD's budget is comprised of 41 percent general fund, 43 percent state restricted revenue, and 16 percent federal funding. Having experienced a 36 percent reduction in staffing since 2001, PPPMD currently has 73 permanent staff. A general fund analysis reveals there was a 32 percent general fund reduction for the division from 2001-2005 and a 48 percent reduction from 2001-2012. Through aggressive workload planning and prioritizing efforts, PPPMD has continued to provide the best possible service to the various industries it regulates, which speaks well to the dedication of division staff.

Mr. Zimmer reviewed PPPMD priorities, noting it is privileged to protect Michigan agriculture, consumers, and the environment, while at the same time promoting agriculture in many of its forms. Providing those protections and promotions certainly comes with budget and staff related challenges. Evaluation of division priorities resulted in identification of six core priorities and respective strategic measures for each priority.

The division's first priority involves exports. PPPMD facilitates international and interstate exports in 85 different countries, issuing over 3,500 phytosanitary certificates covering grain, dry beans, fruits, vegetables, logs, lumber, ornamentals, etc. Strategic measures include promoting exports through outreach and training, increasing inspection capacity, and increasing efficiencies through industry self-inspection and process streamlining.

The second priority is conducting third-party food safety audits to ensure good agricultural and handling practices. In fiscal year 2011, 5,885 inspections and 281

GAP/GHP (Good Agricultural Practices and Good Handling Practices) audits were conducted. Improvements will be achieved through increasing GAP and GHP inspection capacity, as well as increasing capacity for food and vegetable inspectors to issue phytosanitary certificates.

The priority of protecting animal feed supply and its link to animal and human health includes illegal drugs and drug residues, microorganisms and pesticides, and other adulterants. Improvement measures are to increase medicated feed inspections and samples, increase sampling for pathogen analysis, and increase drug and vitamin testing capacity.

Specific to the priority of detecting and responding to exotic pests, PPPMD ranks eighth in the U.S. relative to risk for exotic pest introduction, establishment, and impact. Since 1998, 40 exotic pests have been detected in Michigan through its eight ports of entry, including the world's busiest, Detroit. Measures include increased surveillance training, maintaining surveys, and providing outreach and education to the arboriculture industry through workshops and webinars.

Through the priority of ensuring bulk agricultural storage facilities are constructed, installed, and maintained to protect health and environment (220 facilities in Michigan), 55 million gallons were safeguarded, all while meeting the challenge of a 30 percent increase in storage capacity at the end of 2012. Improvement will be realized through identifying and inspecting high priority facilities.

The final priority is ensuring availability and appropriate use of pesticides. Improvement measures include following-up on all pesticide complaints within 24 hours, closing all use investigation cases within 90 days, monitoring pesticide use and distribution activities, responding to all licensing and certification requests, facilitating Section 18/24C registration requests from research and commodity groups, and developing national guidelines for honey bee mortality investigations.

Ms. Alessandri reported PPPMD was identified for a proposed budget program enhancement of \$1 million for fiscal year 2014, through which the division could stabilize commitments for inspections of animal feed, fertilizer, pesticide, and exported commodities, and support the Geagley Laboratory for sample analysis. To tell the division's story and help demonstrate the importance of this enhancement, a legislative tour was sponsored on March 1, which showcased the division's agriculture products, export, and nursery work. She is very proud of staff's performance that day. Appropriations and Policy Committee members and aides, Michigan Nursery and Landscape Association, Michigan Farm Bureau, Michigan Agri-Business Association, and GreenStone Farm Credit Services were among the tour participants. Commissioner Kennedy complimented PPPMD on the well-organized and very impressive legislative tour.

In response to question from Commissioner Coe, the Director advised, rather than one-time funding, the \$1 million proposed enhancement is base funding. Although more secure as base funding, it will still be subject to overall budget considerations in the future.

Commissioner Walcott inquired about ranking of the 1,200 feed manufacturing facilities. Mr. Zimmer advised it is a risk evaluation ranking within the inspection itself to highlight areas in which a facility is weak. Those facilities failing inspection become a higher priority firm for future workload planning.

Commissioner Meachum thanked PPPMD for coordinating the recent Section 18 pesticide registration that has significantly assisted the apple industry.

In the UP, Commissioner Hanson reported many potato buyers are requiring GAP certification be conducted by a third party private sector provider in Wisconsin rather than MDARD. Commissioners concurred that, down the road, one standard needs to be established, whether it be federal or state mandated. Commissioner Meachum noted that as a fruit and vegetable grower, they have been Primus Lab audited for several years, which is simply retailers wanting to be more responsible to their consumers. Both GAP and Primus audits are very good, with Primus being more in depth and more costly. Both provide a marketing advantage in plentiful years.

In response to question from Commissioner Kennedy, Ms. Alessandri advised PPPMD's biggest challenge going forward is budgetary. The division faces a significant gap in the fiscal year 2013 budget and the proposed \$1 million enhancement would help close that gap. However, the division needs to eventually reach the point where they can build staff resources to previous levels. Other challenges include new requirements anticipated as a result of the Food Safety Modernization Act.

CITIZENS LLC UPDATE: Kevin Halfmann, West Region Supervisor, and Pam Weaver, Food Inspector, Food and Dairy Division

Mr. Halfmann advised that Citizens LLC has five grain elevator locations and has been serving the area for over 25 years. They serve farmers in the southern and mid-Michigan area and even reach into northern Ohio and Indiana, providing grain hauling, fertilizer, and soil sampling. And, in 2004, they began exporting soybeans overseas.

Ms. Weaver reported that at approximately 8:00 p.m. on August 23, 2012, the Citizens Charlotte elevator had a fire in their soybean cleaning facility. The following day, she responded to the incident because the facility handles food for human consumption. There were approximately 13,000 bushels of soybeans in the facility when the fire started, which took several fire departments to extinguish. Citizens advised they hoped to ship the beans to their Potterville facility to be cleaned for animal feed usage. Out of the predominance of concern for food safety, a blanket seizure was placed on all of the soybeans in that facility, while advising them they were free to ship what they could to Potterville. Regular updates as they proceeded were requested to ensure proper disposal. Citizens shipped over 2,800 bushels of soybeans to Potterville and the remainder was destined for the landfill for disposal. The seizure was subsequently released and she later inspected the soybeans in Potterville.

Mr. Halfmann thanked Ms. Weaver for her quick and efficient response to the incident and working effectively with the firm. This was actually a cold call. Because this firm does not require a food license, she had not established a working relationship with

Citizens; however, she clearly explained the circumstances and handled the situation admirably.

In just six weeks, the Citizens facility in Charlotte was back to capacity. They were able to work cooperatively with another firm on the east side of the state to conduct some bean processing while the Charlotte firm recovered from the incident.

MDARD was able to help Citizens in various ways, including the customer service Ms. Weaver was able to provide under delicate circumstances. Mr. Halfmann advised he worked with PPPMD staff to facilitate usage of some of the damaged beans for animal feed, which resulted in over 3,500 bushels being shipped for that purpose. He also coordinated with Mike DiBernardo, from department's Office of Agriculture Development, who contacted owner, Mr. Mansfield, to discuss other recovery efforts and rural development opportunities.

The Food and Dairy Division (FDD) has a memorandum of understanding with PPPMD whereby if there is a predominance of food for human consumption at an elevator, then FDD would license and inspect the firm. If it is primarily a feed facility, PPPMD would conduct sanitation inspections. Because this does create some grey areas, the divisions continue working together to develop effective strategies. In response to inquiry from Commissioner Kennedy, Mr. Halfmann advised the criteria for elevators needs to be further refined. Commissioner Coe asked about the potential of cross-training inspectors. Mr. Halfmann advised this type of training has already been accomplished over the last 18 months and pursuit of those opportunities will continue in the future.

Commissioner Kennedy complimented FDD staff on their most effective response to the Citizens elevator incident, advising it was a job well done throughout the entire process. Commissioner Coe suggested that effort should be acknowledged through a Commission resolution of appreciation. Ms. Ayers will draft a resolution for adoption by the Commission in April.

MIGRANT LABOR HOUSING UPDATE: Mark Swartz, Resource Conservation Section Manager, Environmental Stewardship Division

Mr. Johnson advised the Environmental Stewardship Division (ESD) has also experienced significant budget cuts that have seriously impacted some very important programs. At one time, the division staff level was 70, and before this year, they had only 41 employees. One program significantly impacted was the Migrant Labor Housing Inspection and Licensing Program (MLH), which went from having nine inspectors to only five to cover the state's nearly 900 locations. In the absence of agriculture inspectors, the U.S. Department of Labor (DOL) stepped in to conduct in-season inspections and the department is working to address the challenges created by that situation. Due to the significance of the program to the industry, for fiscal year 2013, the program received a general fund enhancement and the industry stepped up with a fee structure to help fund the program as well.

Mr. Swartz reported 38 of Michigan's agricultural crops are dependent upon labor intensive hand harvesting or processing and the annual farm gate value of these crops in Michigan is estimated to be in excess of \$2.3 billion. The migrant workforce comes

predominantly from Texas or Florida. As such, Michigan is the northern terminus for migrant laborers who have an opportunity to work in any of the states in between. Survey and evaluation results indicate two things draw workers to Michigan – diversity of our agriculture that gives season-long work opportunities and our national reputation for quality housing. There are an estimated 90,000 migrant workers and their families who come to Michigan annually. These workers have the skill and expertise necessary to handle the high-volume hand harvesting.

MDARD inspects and licenses approximately 850 migrant labor housing sites each year. These sites include 4,400 living units with a capacity to occupy 22,000 workers. Inspections cover structural safety, allowable occupancy, water quality, sanitation, and waste disposal at sites with five or more migrant workers engaged in agriculture.

The MLH program delivers outcomes in three complimentary areas: viability of specialty crop agriculture, migrant worker health, and food safety. Quality housing improves worker health, reduces the potential for transfer of communicable diseases via hand-picked crops, and provides Michigan with a competitive labor advantage.

Historically, the MLH program consisted of nine full-time general funded employees who administered over \$1 million in general fund construction grants. Because of the 2004 early retirement reduction in staff, a reduction in construction grants, further budget reductions in 2009, and a lengthy illness of one staff member, the program eventually had only four staff to coordinate the program. As a result, they needed to scale back to only pre-season licensing inspections, not being in the camps during the summer. Into that void came the U.S. DOL who began addressing in-season housing issues in the department's absence. Between the agricultural, commodity, and MLH advocacy groups, MDARD was able to move a fee package through the Legislature which brings approximately \$110,000 annually into the program. This demonstrated MLH was a program the industry deemed very important. They clearly wanted MDARD to be in the camps conducting the inspections and helping producers on a compliance assistance basis addressing the risks. That initial support in 2010 has been building over the last couple of years which will bring staff to full strength in 2013, including the reinstatement of in-season occupancy inspections. Being able to address those in-season risks should help reduce what U.S. DOL might find when they conduct inspections. The goal is for MDARD to handle all of the licensed housing and DOL focus on wage and hour objectives.

Program improvement activities in 2012 included current services baseline budget enhancement; search and selection of five new staff; redistricting of MLH regions, which reduced road time and increased time on the farms; MDEQ laboratory support; process improvement via IRMA (Image Repository for Michigan Agencies); rule interpretation review with DOL and MiOSHA (Michigan Occupational Safety and Health Administration); bilingual rules and guidelines for camp operations; bilingual business cards; interagency referral process via the Interagency Migrant Services Committee (IMSC); and expanding the program's role through workforce development.

He reviewed program objectives for 2013, which include continued interagency coordination and pre-occupancy licensing – updated inspection procedures, follow-up on

corrective actions, training of new field and operational staff, and guidance on DOL requirements to continue addressing the technical differences between rule settings. Continued interagency coordination will be key to the program as well.

The over 200 in-season occupancy inspections planned this year will include updated inspection procedures, occupancy levels, corrective action plans, compliance assistance, and a goal of reducing risks and shrinking the target. Through thorough and timely referral response, MLH program corrective actions can be implemented in a compliance-based format, working closely with producers. In response to inquiry from Commissioner Coe, Mr. Swartz advised in contrast, DOL works on a punitive regulatory fee-based format that lacks clarity as to details of the actual violations. MDARD issues fines only if a producer has occupied the housing without a license.

Work will continue with DOL and MiOSHA toward rule interpretation and integrated rules and inspector guidance. The goal is that through MDARD leadership and compliance assistance, the industry will grow.

In response to question from Commissioner Meachum, Mr. Swartz advised the program is working toward providing individualized fact sheets that will allow producers to be prepared prior to inspections.

RECESS AND RECONVENE

Chairperson Kennedy recessed the meeting at 10:20 a.m. for a brief break. He reconvened the meeting at 10:35 a.m.

BUDGET UPDATE: Gordon Wenk, Chief Deputy Director, and Maria Tyszkiewicz, Budget Officer

Mr. Wenk introduced Maria Tyszkiewicz, the department's new Budget Officer. Ms. Tyszkiewicz advised she began her career working for the Michigan Senate and the Senate Fiscal Agency and is very familiar with the budget process. More recently, she was Budget Manager for Treasury. She is excited to continue learning more about agriculture and working with the department in her new capacity.

Mr. Wenk reported the department has testified before both the House and Senate primarily around the Food and Agriculture Industry Growth Initiative, for which the Governor proposed \$1 million in general funds and \$2 million from the Michigan Economic Development Corporation (MEDC) toward helping food processors and other agricultural entities grow their businesses. Industry and MFB have also testified on the initiative.

In other areas of the budget, the Governor proposed \$1 million for PPPMD to help stabilize that division programmatically, \$600,000 for the Forestry Assistance Program, and \$250,000 in food safety.

The Director advised the most positive aspect of the department's budget is having come from \$2.5 million one-time funding in fiscal year 2013 to \$600,000 in one-time dollars in the Governor's fiscal year 2014 budget proposal, with the balance of those dollars being moved into base funding.

LEGISLATIVE UPDATE: Derek Bajema, Legislative Liaison

Mr. Bajema reported Senate Bill 48, which would allow direct handling of bear cubs 36 weeks old or up to 90 pounds, has passed the House with an amendment to ensure only those facilities that currently house bears could engage in this practice.

The series of bills dealing with private forestry have passed the Senate and should move in the House this week, followed by consideration of the House bills that are part of this package. MDARD is very excited about the potential of this legislation. The Environmental Stewardship Division (ESD) staff have spent a great deal of time on this program and feel very strongly this will be of great benefit to not only producers who have woodlots, but the wood processors of our state in adding value.

The department is also very excited about the Food and Agriculture Industry Growth Initiative, which is part of the Governor's budget proposal. Hearings held in both chambers were well received, and in particular, MDARD appreciates the leadership from Michigan Farm Bureau and the Cherry Growers in that effort.

He complimented Gina Alessandri and Jeff Zimmer on the outstanding legislative tour they coordinated. In addition to the impressive tours, there was engaging conversation on the bus while traveling to each destination. He also thanked Chairman Kennedy for hosting some of those tours. The event will go a long way in helping move PPPMD forward.

It is hoped House Bill 4132 will move soon. It would allow MDARD needed flexibility when dealing with Conservation Districts that might fall below a quorum level.

Commissioner Coe reiterated his request for tracking of legislation dealing with wine and brewery industries in the state that utilize agricultural products, such as Senate Bill 216 introduced by Senator Walker. Mr. Bajema advised as that legislation is considered, the department is anticipating the House package of bills, which may be more palatable, and he will ensure that all information in this area is included in the next status report.

In response to inquiry from Commissioner Meachum, Mr. Bajema advised that everything seems to be positive legislatively for the department at this point in time.

COMMISSIONER ISSUES

Commissioner Kennedy reviewed the proposed Commission meeting changes and tours for 2013. It is proposed the June 12 meeting be held at the Detroit Eastern Market in conjunction with a tour of that facility, the August meeting be changed to August 14 in Escanaba in conjunction with tours in the UP, and the September meeting be changed to September 18 in conjunction with tours in southwest Michigan.

MOTION: COMMISSIONER MEACHUM MOVED TO APPROVE THE PROPOSED COMMISSION MEETING CHANGES AND TOURS FOR 2013. SECONDED BY COMMISSIONER HANSON. MOTION CARRIED.

Commissioner Coe encouraged the Commission to maintain focus on the deer management rules that MDNR is promulgating and to ensure agriculture is included in discussions before they proceed any further. He will have an opportunity to discuss the issue with the NRC Chair tomorrow. MDNR conducted a test program in his ten-county region and the agriculture community is responding quite negatively because of the amount of proven deer damage in Leelanau County. Based on preliminary information, three percent of the cherry trees have been destroyed through deer rubs and browsing, which equates to four trees per acre per year. The loss of income on just one tree for a cherry grower over the life of that tree is \$6,000, and that is compounded by additional trees being damaged each year. The early estimate is a loss of \$1.5 million to the cherry trees in Leelanau County from the physical contact of yearling bucks. Grape growers are experiencing similar damage. The other disturbing factor is yearling bucks travel long distances to establish their territories, which could jeopardize tuberculosis control efforts. In order to increase the social hunting population for antlerless bucks, mounting economic agricultural damage and increased disease incidence will result.

Following additional discussion, the Commission gave their support for Commissioner Coe to represent the Commission in communicating concerns to MDNR in an effort to ensure the agriculture community is included when deer management programs are discussed and the risk is fully assessed prior to implementation of new deer management rules.

WETLANDS UPDATE: Maggie Datema, Director of Legislative Affairs, and Amy Lounds, Water Resources Division, Michigan Department of Environmental Quality

Ms. Datema reported MDEQ is currently updating their Wetlands Program. The state passed their Wetlands Statute in 1979 with the sole intention of trying to assume EPA's Clean Water Act. In 1984, Michigan did assume that program and EPA deemed the state to be functionally equivalent to their program. In 1998, environmental groups pushed for an audit of the state's program, EPA spent ten years auditing MDEQ's program, and it was determined the state was no longer compliant. The Wetlands Advisory Council was established to develop proposals toward keeping the program within the state and Governor Synder and Director Wyant have re-established that commitment, including finding a long-term funding source. For almost a year, MDEQ has been working with stakeholders on the Michigan Wetland Reform Proposal. Overall, they propose to change some statutory exemptions, add new types of wetlands, change permit fees, enhance mitigation banking, allow wetland preservation, provide low interest loans and grants to municipalities, improve mitigation flexibility, and consider functions and values of a wetland.

Specific to agriculture, EPA's audit identified that MDEQ's current exemption of allowing agriculture to expand into wetlands without a permit was not consistent with the Clean Water Act; therefore, permits will be required in the future. MDEQ is attempting to clarify and streamline that process for agriculture.

The Michigan Wetland Reform Proposal would create a functionally equivalent state program by clarifying agricultural exemptions to make the State of Michigan's program consistent with federal regulations and create a new program to assist farmers with complying with the new requirements.

Details of the proposal were reviewed, including that it would establish an Agricultural Assistance Program that would create an agricultural “ombudsman” to provide education and outreach on wetland regulations and agricultural activities; provide wetland delineation and pre-application services, and assistance with avoidance and minimization; assist Michigan Farm Bureau (MFB) or other farming organizations with siting and design of a wetland mitigation bank; and coordinate a program with MDARD.

Being that mitigation is one of the most significant hurdles for farmers in the permit process, it would provide a mitigation tool box to allow farmers to provide non-traditional mitigation. It would include providing flexibility in mitigation ratios for uses of wetlands (e.g., farming) by allowing consideration of functions and values, instead of a strict ratio; allow for farmed wetland easements; and create a stewardship fund.

Additionally, it proposes expedited permit categories for blueberry farming that includes minimal drainage and earth moving if the farmed wetland is placed under permanent protection, and for other agricultural activities. It also clarifies that wetlands are not contiguous (i.e., regulated) if there is no direct physical contact and no surface water or interflowing groundwater connection to the Great Lakes or Lake St. Clair, an inland lake or pond, or a river or a stream; and that a drainage structure such as a culvert, ditch, or channel, or a temporary obstruction of drainage, in and of itself, is not considered wetland.

The proposal also incorporates changes to MDEQ’s Wetland Reform package pursuant to MFB’s feedback, including clarification of the Private Agricultural Drains exemption, a reworded recapture clause, removal of the word normal, and removal of “not more than five years” for defining normal crop rotation. It also keeps the hydric soils requirement pursuant to the Federal Delineation Manual requirement; de-regulates wetlands in drains constructed in uplands; and allows spoils to be placed in areas where they have been previously placed that do not have wetland hydrology.

The proposal will also provide a date certain that a producer would be considered as on-going farming. Anyone in farming or under consent order would potentially be considered on-going farming and would retain their exemptions going forward, thereby, not needing a permit.

The results of this proposal are that it creates a state program that is consistent with federal law, but that provides significantly superior customer service as compared to the federal program. Additionally, it provides clear and predictable regulation of Michigan’s wetlands and streams.

In response to question from Commissioner Meachum relative to permanent protection, Ms. Datema advised the concept allows farming, but prevents that land from being converted to other uses.

Commissioner Walcott inquired regarding the value of wetlands. Ms. Lounds advised it relates to the quality of the wetland and how that is taken into consideration in the permit process. In response to question from Commissioner Coe, Ms. Lounds advised steps

will be taken to create consistency of rulings across the state, including staff training, publication of educational documents, and utilization of the agricultural ombudsman.

In response to inquiry from the Director, Ms. Lounds advised the proposal does not impact USDA and Farm Service issues with wetlands. The Director emphasized this needs to be kept in mind when working with producers.

Commissioner Meachum advised it is difficult for agriculture to expand into wetland areas in Michigan as opposed to other regions of the country. Ms. Datema advised this proposal will help the state be more competitive at a national level and Michigan will be the only state to provide an exclusive permit category for blueberry farming.

Ms. Datema advised although they had hoped to have the Michigan Wetland Reform Proposal for agriculture finalized by now, the legislation was just introduced in the Senate and there are some issues needing reconciliation with agriculture partners. To address the blueberry expansion situation in southwest Michigan in the meantime, MDEQ is attempting to craft a consent order to allow planting this spring.

Commissioner Kennedy complimented MDEQ on developing the Michigan Wetland Reform Proposal and emphasized that if the department or Commission can assist with the effort in any way, to please let them know.

PUBLIC COMMENT

Randy Zeilinger, Michigan Small Farm Council (MSFC), provided a brief update on the group, which was formed earlier this year to address issues that small farmers have in dealing with local ordinances and state rules. They feel their concerns are valid because they are farmers on a small scale trying to follow similar, or the same rules that large scale operations are required to follow. Even though they feel they are protected, for those who are facing local ordinance challenges, there has been a change in tactics from some local prosecutors. Instead of considering local zoning and nuisance issues, they are now charging criminal action resulting in threat of jail time and/or fines. MSFC is hoping to address issues with local officials, but it will be a long battle. Two members, Wendy Banka and he have been invited to address the Site Selection GAAMP (Generally Accepted Agricultural and Management Practices) Committee on April 12.

MSFC is gaining additional exposure through internet forums and local communities, and they have been working with MAEAP staff, who have been very helpful. MSFC members are trying to be supportive and proactive of the state agriculture systems.

He thanked the Commission for their attention, complimenting them on the scope and breadth of the presentations presented at their meetings.

In response to question from Commissioner Coe, Mr. Wenk advised the 2012 Site Selection GAAMP remains in force until a new GAAMP is approved by the Commission. At this point, proposed changes will be processed on the same timeline as the other GAAMPs. Having Ms. Banka and Mr. Zeilinger address the Site Selection Committee is allowing them to be part of that process.

Mr. Wenk advised that in the City of Detroit, the City Council has approved the Urban Ordinance covering urban agriculture exclusive of animals. MDARD staff will now be working with them to develop the livestock portion of that ordinance.

ADJOURN

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

The meeting was adjourned at 11:31 a.m.

Attachments:

- A) *Agenda*
- B) *Agriculture and Rural Development Commission Meeting Minutes February 13, 2013*
- C) *Director Jamie Clover Adams – Issues of Interest Report*
- D) *PPPMD Overview*
- E) *Citizens LLC Update*
- F) *MLH Inspection and Licensing Program Overview*
- G) *MLH Update*
- H) *Legislative Status – March 2013*
- I) *MDEQ Proposal for Agriculture in Part 301/303*