

MICHIGAN COMMISSION OF AGRICULTURE AND RURAL DEVELOPMENT

Bay de Noc Community College
Joseph Heirman University Center, Room 952AB
Escanaba, Michigan

MEETING MINUTES AUGUST 14, 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 8:04 a.m. on August 14, 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 AUGUST 14, 2013. SECONDED BY COMMISSIONER WALCOTT. MOTION CARRIED.

APPROVAL OF JULY 16, 2013, MEETING MINUTES

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

NEXT SCHEDULED MEETING

The next scheduled meeting will be held on Wednesday, September 18, at the Southwest Michigan Research and Extension Center in Benton Harbor.

COMMISSIONER COMMENTS AND TRAVEL

Commissioner Coe attended the July 22 Michigan Agriculture Environmental Assurance Program (MAEAP) Advisory Council meeting at the Horticulture Station in Leelanau County. He also participated in a July 24 Northwest Food Network meeting and the July 30 Communication Officers of State Departments of Agriculture (COSDA) planning meeting in preparation for their upcoming annual meeting to be held in the Grand Traverse area. On August 1, he hosted a Farm Bureau and Farm Services Agency (FSA) tour which focused on value-added agriculture and agriculture tourism.

He attended the August 8 Michigan Grape and Wine Industry Council Gold Medal Wine Reception in East Lansing.

The Northwest Michigan Fair was held last week, which was the most successful in its history, with 45,000 visitors. Because cattle numbers in the area are down, a record number of more than 200 4-H hogs were auctioned.

Weather in the region has been cool and higher degree days are needed to better move the crops along.

Commissioner Meachum hosted or has been part of three different tours recently. One was the Decision Makers Tour for Environmental Protection Agency (EPA) leadership. A majority of the horticulture commodity leaders were present, as well as the Department of Agriculture and Rural Development (MDARD), the U.S. Department of Agriculture (USDA), and Michigan State University (MSU). It provided an opportunity to showcase Michigan agriculture for representatives from Washington, D.C., who literally have never been on a farm and to discuss various areas of need. He hosted a tour for the new incoming MSU graduate students majoring in the university's vegetable program. Additionally, he hosted a tour for Michigan Farm Bureau (MFB) leadership that highlighted many real-world issues in the fruit and vegetable industry.

He is preparing for the upcoming Commission meeting in the southwest Michigan area in September. He has big shoes to fill following the wonderful dinner and excellent tours in the Escanaba area yesterday and he appreciates Commissioner Hanson's efforts on those events.

Crops in his region are looking phenomenal and rains have been timely. One year has certainly made a significant difference for the agriculture industry.

Commissioner Hanson attended an MSU Extension Council meeting in Delta County and a Natural Resources Conservation Service (NRCS) meeting hosted by the MSU Upper Peninsula (UP) Research and Extension Center in Chatham. She attended that facility's recent open house event.

Weather in the UP region has been cooler than normal and recent rains have been very welcome. However, dairy farmers have issues because of the resultant wet hay. Warm weather is needed to help crop growth.

Commissioner Kennedy attended several fairs, all of which were well attended and the definite shift from beef to hogs is evident. He attended the Ag Expo event in East Lansing last month.

Crops in his region look excellent, but are in need of heat, and up until a month ago, there had been excessive rain. The wheat crop is harvested; however, there were issues with falling numbers and vomitoxin in various areas throughout the state. Overall, the wheat yield was average.

In addition to travel previously mentioned, Commissioners Coe, 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 joined Senator Moolenaar and Representative Pettalia on their Route 23 tour that began in Standish and included various agriculture stops along Highway 23. On July 19, she joined Animal Industry Division staff in northeast Michigan for a shelter inspection and a meeting with a livestock dealer to discuss new legal requirements. She attended the Michigan Potato Industry Commission field day at the Montcalm Station, during which she learned a great deal about the complicated issues and risks involved with growing potatoes. She will be traveling to Asia the first two weeks in September.

She reminded the Commission of the Employee Awards Ceremony to be held in Lansing on October 23 and encouraged them to attend.

The Director recognized Marty Fittante from Senator Casperson's office, who is joining the meeting today.

DIRECTOR'S TRAVEL

Director Clover Adams requested approval for travel to Raleigh, North Carolina, August 26-27, 2013, for the Food and Drug Administration (FDA) Food Safety Modernization Act (FSMA) implementation meeting; to Asia with the Governor September 3-13, 2013; and for Chief Deputy Director Wenk to Asheville, North Carolina, September 8-11, 2013, who will be attending the National Association of State Departments of Agriculture (NASDA) meeting on behalf of the Director.

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

SITING SELECTION GENERALLY ACCEPTED AGRICULTURE MANAGEMENT PRACTICES (GAAMP) AND BACKYARD ANIMAL AGRICULTURE

The Director invited the Commission to address the backyard livestock issue and discuss how they wish to proceed. She asked Jim Johnson, Director of the Environmental Stewardship Division, to join the discussion.

The Director acknowledged the department understands the Commission's situation in attempting to solve the issues around backyard chickens and other livestock. Following several meetings, the Site Selection GAAMP Committee recently sent a letter to the Commission advising that the committee is struggling, was basically again at a standstill, and requested assistance in this regard. In the meantime, Mr. Johnson has been

meeting with stakeholder interest groups to discuss an idea that could potentially solve the problem.

Mr. Johnson reiterated the challenge has been the use of the Right to Farm (RTF) Act to justify circumvention of local decision making with regard to land use within areas that are residential in nature. The Director has very effectively organized several meetings with various agriculture interest groups to consider the problem from a broad perspective. It is very clear that this is a legal question dealing specifically with animal agriculture, and resolution must be made within the Site Selection GAAMP, because that GAAMP is the one that pertains to siting of animal agriculture facilities.

What is being proposed to the various larger stakeholder groups is language in the GAAMP that clarifies the definition of a livestock facility and indicates such facilities located in non-agricultural zoned areas are not in conformance with the Site Selection GAAMP. If a local community allows for livestock as an exception in areas zoned residential, the operator must abide by whatever restrictions that local unit of government has established. It is believed this language will provide clarity in terms of where it is legitimate under the Siting GAAMP to have livestock within an agricultural setting. MDARD is reviewing this potential language with the Attorney General's Office and the major stakeholders.

In response to questions from Commissioner Coe, Mr. Johnson advised MAEAP verification aligns very closely with RTF. MAEAP states if the livestock facility is new or expanded before 2003, that facility must go through the siting process, which is critical to protection of the environment. If the siting GAAMP does not apply, then it is not an issue. The Director noted this solution recognizes the ability of the local units of government to establish the community standard. Commissioner Coe summarized this language applies only to a narrowly defined area of animal agriculture and only within the Site Selection GAAMP. Mr. Johnson added, and only in places where agriculture is excluded.

In response to questions from Commissioner Kennedy and the Director, Mr. Johnson advised that farms on the fringe of or within a township that existed at the time when zoning allowed for agriculture would not be affected – they would be grandfathered in and protected under RTF.

The Director advised Chief Deputy Director Wenk will respond to the Site Selection Committee's letter and the department will keep the Commission informed as they progress with meetings regarding the language addition to the GAAMP.

PUBLIC COMMENT (AGENDA ITEMS ONLY)

There was no public comment relative to agenda items.

AGRICULTURE EXPORTER OF THE YEAR ANNOUNCEMENT AND COMMISSION RESOLUTION: Jamie Zmitko-Somers, International Marketing Manager

Ms. Zmitko-Somers noted agriculture exports are very important to Michigan's economic aspects. In 2008, total exports from agriculture products were about \$2.8 billion and that segment of the industry employed about 20,000 people both on the farm and in food

processing, storage, and transportation. Past winners of the Agriculture Exporter of the Year award have included all aspects of the agriculture industry; namely, Graceland Fruit, Cherry Central, Zeeland Farm Services, Cooperative Elevator, Honee Bear Canning, and Walters Gardens. Michigan's companies recognize the importance of exporting and work very hard toward that process.

Each year, companies submit applications to MDARD for this award. A stakeholder committee involved in exporting and international trade then reviews those applications and makes a recommendation to the Director for her final approval. This year's Agriculture Exporter of the Year is Connor Sports from Amasa, Michigan.

Connor Sports was established in 1872 and began exporting in 1992. They currently manufacture northern hard maple from Michigan into strip flooring for sports flooring applications. They export to over 40 countries on six continents, including Canada, Mexico, China, South Korea, Poland, New Zealand, and many other countries. In 2012, Connor Sports saw a 20 percent increase in their export sales, accounting for over 20 percent of their annual sales. Connor Sports is very deserving of this award, for which the formal presentation will be tomorrow at their facility with the Governor and the Director honoring them.

Mr. Rob Grom, International Operations Manager for Connor Sports, advised they are very proud of their workforce, 75 percent of which have been with them over ten years. 115 employees work on site, coming from as far as 45 miles away. In response to questions from Commissioner Coe, Sales Manager Conrad Stromberg advised they envision growth opportunities to include pre-finished material and expansion of their facility to accommodate that new line. One challenge is the high tax level of product exported into South America. Another challenge is competing with Chinese maple emerging in the market, which is inferior to northern hard maple because of its growing environment. They have not encountered any regulatory barriers in their business. In response to inquiry from the Chief Deputy Director, Mr. Grom advised supply is an issue for Connor Sports; they purchase lumber from 22 different suppliers across Michigan and Wisconsin, a number that has dwindled over recent years. They have been able to purchase enough lumber, but it has become extremely competitive. Michigan needs to continue to promote harvesting of its forests in an environmentally safe manner. The Chief Deputy Director advised the department is working on the Qualified Forest Program that will provide additional incentives to private landowners to participate in a forest management program to harvest their woodlots, and it is anticipated this program will increase the lumber supply in Michigan.

Commissioner Kennedy congratulated Connor Sports and reviewed a Commission resolution recognizing their achievement.

**MOTION: COMMISSIONER HANSON MOVED THE RESOLUTION
RECOGNIZING CONNOR SPORTS AS THE EXPORTER OF THE YEAR BE
APPROVED. COMMISSIONER MEACHUM SECONDED. MOTION CARRIED.**

RECESS AND RECONVENE

Chairperson Kennedy recessed the meeting at 8:45 a.m. for a brief break. He reconvened the meeting at 8:55 a.m.

BUDGET UPDATE: Gordon Wenk, Chief Deputy Director

Chief Deputy Director Wenk advised the department is preparing for 2015 budget priorities. Focus areas include the Food and Dairy Division (FDD) for additional staff required to complete inspections in a more timely and effective manner as a result of expansion in the dairy industry. The Laboratory Division is another focus area to ensure basic support is available for completing necessary analyses in FDD and Pesticide and Plant Pest Management Division (PPMD) areas. MDARD has been working with stakeholders on the feed issue, considering the potential of increasing fees and making changes in the statute. This year, the department was fortunate to receive \$1M for the Strategic Growth Initiative, as well as an additional \$2M in cooperation with MEDC, and it is hoped that can be continued for 2015. The Private Forestlands Assistance Program is an area needing some general fund assistance until it becomes self-funding in the future. The Director has accelerated efforts in assuring field staff have the mobility and technical capacity to be most effective, which requires an upgrade of MDARD's information technology data collection and inspection system. It is anticipated a business licensing system, making it easier for businesses to obtain licenses online, will be included in that upgrade. This is an ambitious list of projects to be focusing on with the Governor and the Legislature; however, they are very necessary.

Commissioner Coe inquired about potential concern regarding MAEAP funding. Mr. Wenk advised there are several places from which MAEAP funding is drawn, one is general fund dollars and another is groundwater fees within the pesticide and fertilizer registration fees, which sunset at the end of 2015. A request to the Legislature for extension of that sunset will be required and is being pursued. In addition, the department is considering an increase in the pesticide and fertilizer registration fees, which have not been raised in over 20 years.

UPPER PENINSULA FOOD EXCHANGE UPDATE: Natasha Lantz and Michelle Walk, Co-Leads, UP Food Exchange

Ms. Walk advised the UP Food Exchange (UPFE, the Exchange) is a collaboration that began several years ago as they experienced a growth of farmers markets in the UP and challenges of their selling to local restaurants, as well as the increased interest in local food initiatives. Several meetings were held with farmers to identify issues and determine what assistance producers needed.

UPFE is an entity created in November of 2012 with funds from a Regional Food Systems Grant from MDARD. UPFE supports the local food activities already taking place within the UP's district regions (eastern, central, and western), and assists with the development and ongoing maintenance of the three successful regional food hubs. UPFE serves as a resource portal for farmers, businesses, and individuals looking to connect with and actively participate in their local food system – it serves as the central exchange for all things related to local food systems in the UP.

The Regional Food Systems Grant provides support for all three regional networks.

The structure of UPFE includes the Western Food Hub, which is coordinated by the Western UP Health Department; the Central Food Hub, coordinated by Marquette Food Co-op; and the Eastern Food Hub, coordinated by Michigan State University Extension. The various project components include the Food Exchange website, the UP Food and Farm Directory, west end coordination, increased storage capacity, a distribution study, food summits, farm food safety, farmer education and training, community education, online marketplace, and marketing through a media campaign.

UPFE has already enjoyed many successful results, including establishing a solid network on the west end. The UP Food and Farm Directory is online in a searchable format, and the virtual marketplace, utilizing the local orbit platform, is finishing its pilot phase and becoming live. Nearly 60 small farms have been through farm food safety training, and development of a parallel program to USDA Good Agricultural Practices (GAP) was designed for the small diversified farm. They were also included as part of a Michigan Integrated Food Farming System (MIFFS) specialty crop block grant to conduct a Group GAP pilot in the UP.

Specifically looking at Harmony Health Foods and a sample of results seen there, through UPFE's help, they were able to display local products in a better way and add multiple products. Harmony has realized significant growth in their product sales and daily customer visits are up by 30 percent. They have hired five new employees to support increased sales and inventory.

Ms. Lantz noted one of the greatest strengths of the programs and what UPFE is able to accomplish in the UP is working together and benefiting from the strengths of their partner agencies. The Western UP Health Department focuses on the community health aspect of food and agriculture, the Marquette Food Co-op works very closely with the local growers and looking at retail issues, and the MSU Research and Extension Center is tied to the MSU Product Center and the value-added agri-tourism aspects. The UPFE is different from other food hubs in that it is striving to build a framework that can sustain itself by using their one-time funding to create things that will sustain the program and already be part of the day-to-day activities of the three agencies.

UPFE serves as a resource portal for people looking for food and agriculture information related to local food systems. They refer people to the resources they need, while at the same time providing those things Ms. Walk talked about. GAP has been a significant issue for small and very small farmers and UPFE has been chosen as one of five entities within the country to work directly with USDA to determine the best way to roll out a group GAP implementation. This will allow the UP's very small and small farmers to enter the marketplace and sell to institutions.

Another bonus to these growers is UPFE's online marketplace. It allows a farmer to create an account and establish an online store. An institution also creates an account and can then learn about the farmers and easily order product through the online marketplace direct from the farmer. The system also handles the billing. To help grow the service, they will partner institutions with farms as they come online.

The Food and Farm Directory is available on the UPFE website. It is searchable by product, county, and farm name. It is a free listing of farms that sell directly to the public. This provides an easy way for people to connect with local food.

Moving forward, the beauty of the Exchange is that it is not an organization, but an extension of work already being done by the partner businesses and agencies. The Exchange represents a visible collaboration of the local food efforts, activities, services, and resources that the partners have been providing from the start. All businesses and organizations involved in the Exchange will play a role in ensuring its ongoing success through continued collaboration and shared responsibility.

MICHIGAN STATE UNIVERSITY UPPER PENINSULA RESEARCH AND EXTENSION CENTER: Ashley McFarland, Center Coordinator, MSU UP Research and Extension Center

Ms. McFarland advised through MSU's restructuring process, she was hired as the new Center Coordinator for the MSU UP Research and Extension Center (UPREC/Center), which is the MSU research station located in Chatham, Michigan. She is attempting to reinvigorate the farm and the research being conducted at the Center.

She came to Chatham from the University of Idaho Extension, where she was a Benewah County Educator. As coordinator for UPREC, she spends 50 percent of her time in the agriculture bio-research area, overseeing research program operations at the Center and serving as a liaison with the four campus researchers. The other half of her time is spent as the Extension Educator, working with the Community Food Systems and Greening Michigan Institute organizations.

There are about 1,200 acres at the site, with two farm locations. One is just south of Chatham and is known as the new or south farm site, and the other just north of Chatham, called the north or old farm site. Historically, dairy farming had been a large focus of the Center; however, it was dissolved through the restructuring, leaving two empty dairy barns. Those barns will be used as much as possible in the future.

Her goals for the Center include plans to collaborate with regional conservation efforts, connect with UP youth to expand agricultural education opportunities, promote utilization of UPREC facilities, and support present and future agricultural ventures in the UP.

Through the restructuring, three research schools have been identified: 1) integration of cropping and livestock systems; 2) improving soil quality/health; and 3) supporting regional food system research, education, and outreach. Next year, a 5-year integrated cropping and livestock research trial will be launched, where various schematics will be explored. A student incubator farm will be developed at the north farm, and although grant funding still needs to materialize, there are commitments to develop an MSU degree program for students from various colleges to become a part of that farm and learn how to accomplish year-around farming through the use of hoop houses.

Also being conducted are corn and potato variety trials, forage research, and small grain research. Because farmers are often growing small grains at a loss for crop rotation, the Center hopes to develop value-added products to increase the capacity for processing in

the UP so small grains could actually be produced in a profitable way. Barley research for the malting community is being conducted to produce a quality suitable for the local brewing industry. Wheat is being studied in the same perspective to increase potential for wheat ales being produced, as well as for the local flour market.

In response to questions from Commissioners Hanson and Kennedy, Ms. McFarland confirmed the Center has corn and potato variety trials being conducted at various locations throughout the UP and that engagement with the local producers has been a great benefit to their research. Wheat trials show a great deal of promise because UP wheat experiences fewer problems than down-state crops with disease issues and the extreme heat problems. Also, they are participating in a nursery trial program with USDA-Agriculture Research Service on the stem rust research project because UPREC is recognized as having the capacity to coordinate that type of research. The Center also collaborates with partner universities in Wisconsin and Minnesota.

She invited the Commission to visit UPREC on their next visit to the UP to experience first-hand what they are accomplishing under the restructuring efforts.

UPPER PENINSULA STATE FAIR UPDATE: Jim Gale, Past Chair and Member, Upper Peninsula State Fair Authority

Mr. Gale reviewed the timeline history and achievements of the UP State Fair as an independent entity. In February 2009, the state announced the UP State Fair would no longer receive any state aid beginning in 2010. The following month, an interested group of over 200 individuals met to discuss ways to preserve the UP State Fair. After discussions and actions by legislative members and the Governor, in the summer of 2009, it was agreed to transfer assets of the fair to the Delta County Board of Commissioners with the understanding the UP State Fair would continue. MDARD was extremely helpful and supportive throughout all aspects of the transfer process.

The UP State Fair Authority was established in August 2009 and entered into a contract with the Delta County Chamber of Commerce to be the managing agency of the UP State Fair. The Upper Peninsula Commission for Area Progress (UPCAP) was contracted to be the administrative agent of the UP State Fair. With support of early revenues from various sources, the UP State Fair was able to finance its operations without debt issuance.

In its first year of independent fair status (2010), the fair was a success in terms of exhibitors, attendance, finances, and entertainment, and a surplus was actually achieved. In 2011, the fair continued its successful run with excellent grandstand entertainment and organization of a race track and auto racing venue. In 2012, the need for a new building for the Miracle of Life exhibits was realized. After careful strategic analysis, a means for construction was determined and it was completed in time for that year's fair and proved to be an important exhibit area. The fair is poised for another successful year in its fourth year of operations this summer.

Many important factors have brought about the fair's continued success. The Delta County Chamber of Commerce, with Vickie Micheau as director, has provided effective

training for existing and new employees to make sure fairgoers have the best time possible.

Sponsorships have been critical. The Hannahville Community assists the UP State Fair with direct financial support and human resources for grandstand entertainment and other areas. Greenstone Farm Credit Services and the Michigan Farm Bureau have stepped up support for the Miracle of Life building. Tractor Supply Company has provided important assets for the operation of the fair during fair week.

And volunteers are essential. The Steam and Gas Engine organization, strictly a volunteer group, has constructed new buildings and established an interesting and historical area on the fair grounds. Many other volunteers are utilized throughout the year, as well as during fair time.

The mission of the fair is to provide a venue for highlighting production in the agriculture industry, to promote an educational experience for fairgoers, and to encourage and support economic development in the UP and the State of Michigan. The UP State Fair Authority supports this mission and reviews it periodically.

The Commission complimented the UP State Fair Authority and the community for the tremendous accomplishment of assuming management of the fair and initially realizing four successful years of operation.

BAY DE NOC COMMUNITY COLLEGE UPDATE: Dr. Laura Coleman, President, Bay de Noc Community College

Dr. Coleman acknowledged the level of cooperation that goes on across the UP, the UP State Fair Authority being just one inspiring example.

Bay College is working on sustainability in several different areas. Those include community service, various programs at the college, and energy conservation. One program is the Bay College Greenhouse, which is a student success story. Students work in the greenhouse and the Math Science Club coordinates sales, which raise over \$1,500 each year. Those proceeds are allotted to operations, scholarships, and the Math Science Club. And a bonus of student engagement is the higher likelihood of their persisting in completing their degrees and becoming successful citizens.

Community is another important aspect. Each year, over 100 flats are donated, which ultimately provide food for local pantries and native plants for ecosystem projects. And the increase in native plants has assisted in restoring the health of the area's ecosystem.

Energy conservation has been another main focus for the college. Lighting and boiler replacements and updates have been installed. As an institution, they signed the American College and University Presidents Climate Commitment, which creates an action plan for Bay College to become climate neutral and includes many climate neutrality and sustainability projects within the curriculum. Their sustainability program is developing through joining other organizations to collaborate on sound practices. They were a founding member of the Community College Affiliate Program of the National Council of Science and Environment which will promote the connection

between community colleges and four-year institutions and the connections between environmental education, training, and research at community colleges and their application in the workplace.

Being in the UP, the college has amazingly had one of the historically lowest per square foot maintenance costs in the entire state. They maintain below average energy usage for similar buildings in Michigan for every building on their campus and have made significant progress in various energy uses. This helps the college be a sustainability partner for the entire UP.

Bay College offers programs in various specialized areas, including successful programs in water treatment technology, which can benefit various constituents in agriculture. Industry-specific certificates can be developed to meet specific industry needs.

Commissioner Hanson noted that the agriculture history of Delta County provided the foundation for Bay College. Dr. Coleman announced the college is celebrating its 50th anniversary this year, serves over 2,500 students, and offers scholarships and dual enrollment courses to each local high school in the area.

RECESS AND RECONVENE

Chairperson Kennedy recessed the meeting at 10:10 a.m. for a brief break. He reconvened the meeting at 10:25 a.m.

BELL'S BREWERY UPDATE: Larry Bell, President and Founder, Bell's Brewery

Mr. Bell reported Bell's is in the process of opening a new brewery in Escanaba, called the Upper Hand Brewery, and he is looking forward to having that division in the UP.

Breweries tend to be urban manufacturers that rely on agricultural products. In their operations in the Lower Peninsula, they own an 80-acre farm from which they recently harvested barley for their fifth year. They currently are the most successful group growing two-row malting barley in the state. The farming partner with whom they work has nearly 800 acres and uses two-row malting barley in his rotation. Bell's farm has been transitioning to a no-till process, which has been quite successful.

Although Michigan's climate is difficult for growing hops, that activity is beginning to expand. The Pacific Northwest high desert provides the perfect dry conditions for hops. Challenges in Michigan, because of more humidity and wetter weather, include higher input costs and concerns with residue at harvest when growing hops. It is a very expensive industry to delve into. The average hops farm in America is 500 acres and costs \$8 million to establish. Bell's is supportive of new hops growers in the state; however, it will be a challenge. Barley has more potential as a crop in Michigan.

Michigan brewers as a whole use a great deal of other Michigan agriculture ingredients in their products. Bell's purchases a considerable amount of honey, cherry concentrate, raspberries, and any number of various fruits for specialty beers. The brewery industry is certainly becoming a larger part of agriculture in the state and that local aspect helps to sell their products. Bell's is working with MSU and other groups to increase usage of Michigan-grown agricultural products and is excited about using some locally grown

products in their new UP location. Bell's Brewery has been growing at 20 percent each year for quite some time and broke ground last week on three additional buildings for its Comstock facility. They currently employ 250 people and sell their products in 18 states and Puerto Rico. Overall, the future is bright for Michigan breweries and the agriculture industry.

In response to questions from Commissioner Coe, Mr. Bell advised Michigan's regulatory environment for brewers is among the best in the country. This is evidenced by the booming nature of the business in the state. The three-tier distribution system, which allows for a level playing field, is also favorable to growth of the industry. While there may be opportunities for amending the laws, we need to be very careful to not repeat the mistakes of the past and remove choice for consumers. Commissioner Coe advised that through what he has been hearing in the Regulatory Reform meetings, there are differing opinions and many small brewers in this state still feel the regulatory environment is not welcoming to those wishing to enter the business.

In response to question from Commissioner Kennedy, Mr. Bell advised their barley is processed by a malting facility in Wisconsin, since there are no malting facilities in Michigan. Small malting production for novelty grain is being considered by Bell's, as well as others in the industry. However, the volumes in Michigan would not support a large-scale malting facility at this point in time.

MICHIGAN AGRICULTURE ENVIRONMENTAL ASSURANCE PROGRAM (MAEAP) STANDARDS PROPOSED REVISIONS: Jim Johnson, Director, and Jan Wilford, MAEAP Program Manager, Environmental Stewardship Division

Mr. Johnson congratulated Commissioner Hanson on her farm's MAEAP verification in the Cropping and Farmstead Systems. Having Commissioners become MAEAP verified provides significant leadership and support for the program.

When MAEAP was codified in 2011, part of that process included a review of the standards that are used by the department for verifying a MAEAP farm operation in addressing all of the environmental risks on that farm. The law requires an annual review of those standards. The MAEAP Advisory Council (Council) appointed three subcommittee chairs to develop and review the sets of standards, one each for Farmstead, Cropping, and Livestock. The Council advises the Director on the standards for consideration by the Commission of Agriculture and Rural Development. There is a tremendous amount of work completed by the subcommittees and the Council and they are to be commended for their outstanding efforts. Recommended revisions to the standards are being provided today and will be presented to the Commission next month for approval.

Ms. Wilford thanked the Commission for their support and knowledge of the program, noting their recognition of MAEAP verified farmers is extremely important and much appreciated. The three MAEAP subcommittees work to improve and clarify the standards in order to be as helpful to producers as possible. And as laws change, sometimes an educational question may become an actual standard.

She reviewed the MAEAP Standards materials provided, explaining their organization and some of the major changes being recommended. Current year standards were included for reference, and she noted the bold lines around questions represent the standards; those without boxes are educational questions. Blue bold indicates something that is a Right to Farm Generally Accepted Agriculture Practice (GAAMP) and black bold refers to an item that is a state law, which provides for easy reference for the farmers.

The proposed standards are provided in a separate set of documents with changes indicated in red-lined and strike-out mode. She noted there is some overlap of standards between the three systems and the committees work to ensure continuity of questions and language between each standard is maintained. An overview summary of the proposed major changes is provided in the front of each section for easy reference of what is being recommended. She highlighted some of the major changes that Commissioners should be considering, in particular emphasis on the question asking if a facility has been verified in the Site Selection GAAMP if they are new or have expanded since August 2003. Site Selection provides a good partnership with the MAEAP Standards. Also, several new questions were added in the section related to the bodies of dead animals to correctly reflect a component of the law related to static composting. Another change relates to well isolation distances and work that MDARD engineers completed with the Michigan Department of Environmental Quality (MDEQ) where they were able to establish under certain circumstances the well isolation distance can be shortened from the previous standard requirements, which is great news for producers and a credit to the agencies' dedication to working together in these areas of regulation.

In response to question from Commissioner Walcott, Ms. Wilford advised challenges to above-ground fuel storage have been met for the most part. If an operation is required to be registered, those associated environmental requirements are incorporated into the MAEAP Standards.

As Commissioners review the materials over the next month, they may contact Ms. Wilford with any questions and she will be glad to provide that clarification.

**AGRICULTURE PROCESSING RENAISSANCE ZONE FOR DAIRY FARMS OF AMERICA:
Mike DiBernardo, Grants/Economic Development Specialist, Office of Agriculture
Development**

Mr. DiBernardo asked if the Commissioners had any questions regarding the Dairy Farmers of America (DFA) project proposed in Cass City. There being no questions about the documentation provided, he recommended the Commission approve the DFA Agriculture Processing Renaissance Zone resolution.

MOTION: COMMISSIONER MEACHUM MOVED THE RESOLUTION RECOMMENDING THE APPLICATION FOR A PROPOSED AGRICULTURAL PROCESSING FACILITY SUBMITTED BY TUSCOLA COUNTY, MICHIGAN, AND DAIRY FARMERS OF AMERICA, INC., BE DESIGNATED AS AN AGRICULTURAL PROCESSING RENAISSANCE ZONE BE ADOPTED. COMMISSIONER HANSON SECONDED. MOTION CARRIED.

COMMISSIONER ISSUES

Commissioner Kennedy reviewed retirement resolutions before the Commission recognizing Jeanne Y. Davis, Susan K. Esser, and Sydney Ellen Good.

MOTION: COMMISSIONER WALCOTT MOVED THE RESOLUTIONS FOR JEANNE Y. DAVIS, SUSAN K. ESSER, AND SYDNEY ELLEN GOOD BE ADOPTED WITH BEST WISHES FOR THEIR LONG AND HEALTHY RETIREMENTS. COMMISSIONER COE SECONDED. MOTION CARRIED.

Commissioners expressed their appreciation to these employees for their many years of service.

Commissioner Hanson encouraged everyone to take the opportunity to attend the UP State Fair.

PUBLIC COMMENT

No public comment was requested.

ADJOURN

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

The meeting was adjourned at 11:10 a.m.

Attachments:

- A) *Agenda*
- B) *Agriculture and Rural Development Commission Meeting Minutes July 16, 2013*
- C) *Director Jamie Clover Adams – Issues of Interest Report*
- D) *Commission Resolution Recognizing Connor Sports as the 2013 Michigan Agriculture Exporter of the Year*
- E) *Upper Peninsula Food Exchange Briefing Information*
- F) *Upper Peninsula Research and Extension Center Briefing Information*
- G) *Report on the Establishment, Operations, and Success of the Upper Peninsula State Fair*
- H) *Bay College Sustainability Report*
- I) *Memo and Commission Resolution: Dairy Farmers of America Request for an Agricultural Processing Renaissance Zone*
- J) *Commission Retirement Resolutions for:*
 - *Jeanne Y. Davis*
 - *Susan K. Esser*
 - *Sydney Ellen Good*