

**STATE OF MICHIGAN
COMMISSION OF AGRICULTURE
MEETING MINUTES**

CALL TO ORDER: The first meeting of the May 10-11, 1989, session of the Michigan Commission of Agriculture was called to order by Chairperson Elwood Kirkpatrick at 4:00 p.m. The meeting was held in the Michigan Department of Agriculture Hearing Room, North Ottawa Building, Lansing, Michigan. Dr. S. Leon Whitney, Commission Secretary, called roll.

ROLL CALL:

Commissioners Present:

Elwood Kirkpatrick, Chairperson
Vernon L. Kretzschmer, Vice Chairperson
Dr. S. Leon Whitney, Secretary
Rita M. Reid
George A. McManus

MDA Staff Present (during portions of the afternoon):

Dr. Paul E. Kindinger, Director
Dr. Burton D. Cardwell, Chief Deputy Director
Darwin Gilbert
Ralph Kirch
S. M. Tomaszewski
Dr. David Wade
Sandra J. Yonker
Jean Valley

Others Present (during portions of the afternoon):

Bruce Ashley, HBPA/Public Affairs Association
Jann Ryan Baugh, Attorney General's Office
Dr. David Darby, Michigan Thoroughbred Breeders Association
Ron Nelson, Michigan Farm Bureau
Howard Wetters, Governor's Office

APPROVAL OF
MINUTES:

Mr. McManus asked that the minutes for the April 11-12, 1989, Commission of Agriculture meeting be corrected as follows: Page nine, sixth paragraph, sixth line--change the word, producers, to processors.

MOTION:

Commission Whitney moved that the minutes of the April 11-12, 1989, session of the Michigan Commission of Agriculture be approved as corrected. (Seconded) Motion carried.

COMMISSION
RESOLUTIONS:
MOTION:

Commissioner Whitney moved that Commission resolutions be prepared honoring the following employees upon their retirement from the Michigan Department of Agriculture:

- Orvis Holm, Dairy Products Division
- Wayne Otto, Dairy Products Division
- Frank Nagele, Food Division
- Robert L. Mesecher, Pesticide and Plant Pest Management Division.

(Seconded) Motion carried.

MOTION:

Commissioner McManus moved that the following resolution be prepared and presented to the Cooperative Extension Service in honor of its 75th anniversary:

The Michigan Commission of Agriculture and the Michigan Department of Agriculture congratulate the Cooperative Extension Service on its seventy-fifth anniversary on May 8, 1989. The Cooperative Extension Service, through its affiliation with the nationally recognized land grant university, Michigan State University, has provided an important outreach arm to the people of this state.

The basic mission of the Cooperative Extension Service (CES) has been to disseminate and encourage the application of research-generated knowledge and leadership techniques to individuals, families, and communities. The success of our nation's agriculture industry is due in a large part to the integrated partnership CES has developed with federal, state, and county levels of government; research; and the private sector.

The Cooperative Extension Service has also provided unique educational and demonstration programs for families. For example, the expanded nutrition program provides low-income families an opportunity to help themselves through the provision of food and education about nutrition which result in better health and a better quality of life. This program, as with other CES programs, helps people identify and understand their needs and problems and to use new technology or information in solving them.

Throughout the years the 4-H programs of CES have provided young people of rural Michigan with unique opportunities, and in recent years many youth from our state's urban areas have become involved in these programs.

The Commission of Agriculture commends the Cooperative Extension Service for the new ideas and practices which it has brought forth in the past. The issues facing agriculture today--youth at risk, economic well-being of the industry, marketing agricultural products in a global economy, diversifying the state's economy, preserving and improving the quality of surface and groundwater, and improving the quality of family life for all Michigan residents--present us with interesting challenges and opportunities to serve as we share together as CES "invests in America's future."

(Seconded) Motion carried.

COMMISSIONER'S PER DIEM AND EXPENSES: Commissioner Kretzschmer moved that per diem and travel expenses be approved for Commissioner Elwood Kirkpatrick to attend the Futures Team 2020 meeting held on May 1-2, 1989, in Lansing, Michigan. (Seconded) Motion carried.

INVITATION: The Michigan Sheep Breeders Association has invited the Commissioners of Agriculture to the Food and Fabric Festival on May 31, 1989, in Frankenmuth, Michigan.

PUBLIC APPEARANCE: Presentation of Horseman of the Year Award. Dr. David Darby, director of the Michigan United Thoroughbred Breeders and Owners Association, presented S. M. Tomaszewski, Director of the Financial Service Division, with the Horseman of the Year Award in recognition of his outstanding service to the Thoroughbred horse industry in Michigan.

RECESS AND RECONVENE: Chairperson Kirkpatrick recessed the meeting at 4:10 p.m. and reconvened the meeting at 4:25 p.m.

EXECUTIVE REPORT: MDA Food Safety Assurance Program. In April a food safety assurance program was presented to the Commission. The Senate approved that proposal and provided for 43 FTEs and funding was set at \$4.5 million. Since then, a compromise alternative program has been developed at the request of the

Governor's Office. The scaled down program and funding would provide 22 FTEs and \$2.5 million.

Funding for the alternative program would be sought from the scrapie indemnity funds which were returned to the department, MDA lapse funds, and some money from horse race revenues for fiscal year 1990. The concept of a food safety program appears to have acceptance by the Legislature; however, the funding mechanism and funding levels for FY 1990 will have to be worked out in the conference committee. It is anticipated that future funding will be provided through the appropriation process.

Dr. Kindinger asked the Commission to endorse the concept and funding for the food safety assurance program.

The Commissioners expressed a number of concerns about the department's ability to fulfill the requirements and goals of the program with the reduced funding and only 22 FTEs. The Commission decided to consider the alternative program further before endorsing the program.

MOTION:

Commissioner Reid moved to table the MDA Food Safety Assurance Proposal until May 11. (Seconded) **Motion carried.**

Director's Report. Dr. Kindinger reviewed the Director's Report (Attachment A) for the Commissioners. The report was received for the file.

Michigan Premium Program. Chairperson Kirkpatrick asked about the status of the Michigan Premium Program. The Director explained that there has been a delay in the start up of the program due to a conflict with a 1961 law that does not allow for the development of standards or a different seal which are needed under the Michigan Premium Program. MDA is promulgating emergency rules to provide temporary authority to get the program moving for the five commodities identified. Also, legislation is being redrafted and amended to allow the department to develop standards, design a seal, etc. as needed to carry out the Michigan Premium Program. It is hoped to have this bill through the Legislature before the summer recess.

Correspondence. Dr. Kindinger reviewed correspondence received and copies are on file in the Commission office.

Update of Michigan's Seed Law and Certification Process. The Director has appointed a committee to conduct an in-depth review of Michigan's seed certification process. The committee will present its recommendations to the Director early in 1990.

Report on Aflatoxin Found in Cottonseed Supplement. Sandra J. Yonker reported that aflatoxin was found in milk samples taken from a number of Michigan dairy herds that had been fed cottonseed supplemented animal feed.

Milk that tested positive for aflatoxin (over .5 ppb) was held from the market. As of April 10, 1989, eight farms were still off service and these were to be re-tested on April 11. No aflatoxin has been found in tests run on finished milk products.

Chairman Kirkpatrick asked that letters be written to dairy organizations that market milk for producers to explain the process necessary in this type of contamination problem. The Director said a letter would be prepared as requested.

Dr. Cardwell reported that the department had worked through the Cooperative Extension Service using its Com-Net system to alert farmers of the aflatoxin problem and to inform them that if they suspected a problem, they could have their milk and feed tested by Neogen in Lansing.

Dr. Cardwell commended Sandra Yonker on the professional manner in which she had handled this assignment.

Commission Request to Michigan State University for Information about Pesticides, Water Usage, Animal Welfare and Agriculture Labor for Preparing Right to Farm Guidelines: Dr. Kindinger met with Dean Anderson and other MSU staff about the Commissioners' request. Dean Anderson will be meeting with the Commission during its June meeting and will discuss the matter further at that time. MSU has begun to gather information on pesticides and water usage as requested.

Chairperson Kirkpatrick asked if the University has ongoing research programs related to animal waste for use in updating the animal waste guidelines.

ADJOURN:

Chairperson Kirkpatrick recessed the meeting at 5:59 p.m. Session to be reconvened on May 11, 1989, at 9:00 a.m.

CALL TO ORDER:

Chairperson Kirkpatrick called the second meeting of the May 10-11, 1989, session of the Michigan Commission of Agriculture to order at 9:05 a.m.

Commissioners Present:

Elwood Kirkpatrick, Chairperson
 Vernon L. Kretzschmer, Vice Chairperson
 Dr. S. Leon Whitney, Secretary
 Rita M. Reid
 George A. McManus

MDA Staff Present (during portions of the day):

Dr. Paul E. Kindinger, Director
 Dr. Burton D. Cardwell, Chief Deputy Director
 Keith Creagh
 Debbie Day
 James Manning S. M. Tomaszewski
 Vince Parris Dr. David Wade
 Ken Rauscher Jean Valley

Others Present (during portions of the day):

Jann Ryan Baugh, Attorney General's Office
 Dan Hager, Great Lakes Fruit Growers News
 Howard Kelly, Michigan Farm Bureau
 Charles Kline, Northern Michigan Fair and Racing Assoc.
 Ron Nelson, Michigan Farm Bureau
 Scott Ross, Department of Natural Resources
 Kurt Thelen, Department of Natural Resources
 Harvey Warrick, House Republican Staff
 David Weinstock, Michigan Farmer
 Howard Wetters, Governor's Office
 Virginia Zeeb, Senator Smith's Staff

LEGISLATIVE REPORT:

Agricultural Field Sanitation Rules. Mr. Manning introduced Howard Kelly from the Michigan Farm Bureau who reviewed the field sanitation rules recently approved by the Joint Committee on Administrative Rules. The rules are more stringent than the federal standards. Copies of the rules were distributed and are on file in the Commission office.

Legislative Report: Mr. Manning distributed copies of the Legislative Report (Attachment B) and reviewed the report for the Commissioners.

Fair Enhancement Program. This program was established with excess horse race revenue money which was placed in an account for grants to cities with race tracks. However, over the years the Legislature did not appropriate all the money and an excess has accumulated. Beginning in 1988, this money was distributed to Michigan State University, two race tracks (Saginaw and Escanaba), the General Fund, and the remaining funds were placed in the fair enhancement program.

The fair enhancement program provides for matching grants to fairs to assist with capital outlay projects. Under Phase I, the department issues 50 percent matching grants (up to \$5,500) to qualified fairs. Phase II provides for up to 50 percent matching grants for qualified programs. May 31 is the deadline for applications for Phase I funds; about 13 fairs have applied as of this date.

One interpretation of the act would allow funds to be given to other associations that receive horse race revenues. A request has been received from the Silverdome and some State Representatives to grant the Silverdome \$1.5 million from these funds. The State Senate disagrees and argues that this interpretation was not part of the process.

The department has received conflicting directives from the Legislature.

Two Senate resolutions have been issued requesting the Commission to release the funds to the fairs.

The department is waiting for the Legislature to develop an interpretation on distributing the funds. It is the department's intent to fully distribute the money when the language is clarified and disbursement can be made in accordance with legislative intent.

The Commissioners expressed concern about the May 31 deadline and the possibility of loss to the fairs if this dispute is not resolved soon. Chairperson Kirkpatrick asked if there would be legal implications if the Commission authorized the disbursement of fair funds today. Mrs. Baugh

said Section 301, empowers the Commission to disburse the funds.

MOTION:

Commissioner McManus moved that due to the urgency regarding the situation with the fairs and the May 31 deadline for applications, and due to the uncertainty regarding the total amount of money to be appropriated for fair improvements, this Commission directs the Department of Agriculture to immediately disburse sufficient moneys to fund Phase I of the fair enhancement program for the fairs that are eligible and qualify. Further, that the distribution of the remaining funds be considered at the June meeting or between now and October after the Legislature determines the amount to be authorized for fairs; and that these funds will be distributed at that time. (Seconded) **Motion carried.**

Mrs. Zeeb suggested that the Commission Chairperson write to the chairpersons of the appropriations subcommittees and urge them to resolve the dispute over the distribution of the fair enhancement funds.

MOTION:

Commissioner Whitney moved that a letter be sent to the chairpersons of the House and Senate Appropriations Committees stating this Commission's regret that the procedure to carry out the disbursement of the fair enhancement funds was not clearly defined. Also, copies of this letter should be sent to the leadership of the House and Senate. (Seconded) **Motion carried.**

**PROGRAM
REPORTS:**

Financial Services Division. Commission Budget:
Mr. Tomaszewski distributed copies of the Commission Appropriation Status Report as of April 30, 1989 (Attachment C). There were no questions on the report; therefore, it was received for the file.

MDA Budget for FY 1989-90: Mr. Tomaszewski distributed and explained a report comparing departmental budget recommendations from the Senate, Department of Management and Budget, and the House Sub-committee. A copy of report is on file in the Commission office.

Update on Sale of U. P. Harness Raceway's Assets on the U. P. State Fairgrounds to the Michigan Department of Agriculture: The Auditor General, responding to the Director's request, verified the

value of the U. P. Harness Raceway's net assets on the U. P. State Fairgrounds at \$392,000. The Auditor General commented that the lease with Northcoast Raceway states that improvements made by the racing association automatically become the property of the Upper Peninsula State Fair and State of Michigan. Mr. Tomaszewski asked Mrs. Baugh to comment on the Attorney General's opinion in this matter.

Mrs. Baugh has researched the background and history of the relationship and lease between the state and the racing association and the appropriations for improvements made to the fairgrounds. The lease states the intention of the racing corporation to spend over \$500,000 for improvements and those improvements would become the property of the lessor. The lease also references the state statute that applies to leasing state property and improvements on the property are to be made at the expense of the lessee with no liens to be encumbered against the state.

Attorney General staff met with the concerned Representative and explained that as the result of the research, it was Attorney General's conclusion that most of the assets being offered were already owned by the state. This explanation was accepted.

EMPLOYEE
RECOGNITION:

Mr. Tomaszewski introduced Mrs. Debbie Day, the department's budget officer, and commended her for her excellent work in preparing the department's budgets. Dr. Kindinger also complimented Mrs. Day on her skills and work on the department's budgets. Mr. Warrick expressed appreciation for the help Mrs. Day gives the House Fiscal Agency during the budget development process.

RECESS AND
RECONVENE:

The Chairperson recessed the meeting at 11:06 a.m. and reconvened the meeting at 11:22 a.m.

FOOD SAFETY
ASSURANCE
PROGRAM:

Dr. Whitney moved that the matter of endorsing the alternative food safety assurance program be removed from the table. (Seconded)

MOTION:

Motion carried.

Dr. Kindinger said this scaled-down version of the original proposal is basically a food monitoring program as opposed to a food safety assurance program. Funding for FY 1989-90 is being sought

from the scrapie refund (\$1.1 million), MDA lapse funds for the current fiscal year, and from the horse race revenue funds. Funding for FY 1990-91 is anticipated to be from the general fund.

The adequacy of funding, source of funding, the department's targeted budget, and the possibility of funding from outside sources were discussed. Much concern was expressed about the ability of the department to fulfill the program with the limited funds and staff indicated in the alternative program.

The Director said there is intent to assure that there will be funding for the full program in subsequent years.

MOTION:

Commissioner Kretzschmer moved that endorsement of the food safety assurance program be tabled until after lunch. (Seconded) **Motion carried.**

**RECESS AND
RECONVENE:**

Chairperson Kirkpatrick recessed the meeting at 12:18 p.m. The meeting was reconvened at 1:10 p.m. Commissioners Kirkpatrick, Kretzschmer, McManus and Whitney were present; Commissioner Reid returned to the meeting at 1:12 p.m.

**PUBLIC
APPEARANCE--
Revisions to
Part 22
Groundwater
Quality Rules:**

**Scott Ross and Kurt Thelen, Groundwater Section,
Waste Water Management Division, Department of
Natural Resources:** Messrs. Ross and Thelen had been invited to the meeting to explain the impact on agriculture of the proposed revisions to the Part 22 Groundwater Quality Rules (a copy is on file in the Commission office).

Mr. Thelen and Mr. Ross presented background information and the historical perspective behind the proposed revisions to the rules and explained a number of the definitions. The intent of the revisions is to provide a legal mechanism for most agriculture operators to be exempt from the discharge process of the rules.

Mr. Thelen said that the Department of Natural Resources did not make decisions regarding good management practices for agriculture, and it did not want to be involved in that process which is the responsibility of the Commission of Agriculture.

The revisions were designed to make the rules consistent with the Right to Farm Act and the Air Pollution Control Law.

FOOD SAFETY
ASSURANCE
PROGRAM:

MOTION:

Commissioner Whitney moved that the food safety assurance program issue be removed from the table and endorsement considered. (Seconded)

Motion carried.

Commissioner Whitney read a portion of the Commission of Agriculture Policy No. 7, Food Safety and Animal Health, which states that "It is the policy of the Commission of Agriculture to help safeguard the health and welfare of consumers of this state and to protect the food chain by assuring safe, wholesome and accurately labeled food, dairy, meat, poultry and consumer products.

"It is also the policy of the Commission of Agriculture to prevent, control and eradicate infectious, contagious and communicable diseases of animals and contamination by noxious materials or toxic substances; [to] safeguard the health and welfare of consumers of this state; and [to] protect consumers' financial interest by maintaining a safe and wholesome animal industry."

MOTION:

Commissioner Whitney moved that based on the Commission's policy which supports a clean, healthy, and wholesome food supply and our concerns for consumer health, the Commission support the Food Safety Assurance Proposal and the concepts embodied therein; and further, that the Director work with the Governor and Legislature to provide adequate funding in this fiscal year and in future budgets. (Seconded) Motion carried.

PROGRAM
REPORTS

(Continued):

Pesticide and Plant Pest Management Division.

Analysis of Groundwater Testing Program: Dr. Wade reported on the pilot program for monitoring groundwater for pesticides and fertilizers which was conducted around the state. Tests were run at 50 business sites which were considered at risk because they were involved in custom pesticide and fertilizer blending and application; no farm sites were monitored.

Results of the tests were announced in a news release (Attachment D) on May 10, 1989. Dr. Wade also discussed a table (Attachment E) which identified the nine sites with positive results and those that exceeded the EPA health advisory standards.

Owners of wells that tested positive have been notified. Re-testing to confirm the results began

the week of May 8. If confirmed, adjacent wells will be tested by the Michigan Department of Public Health and efforts will also be made to identify sources of contamination, to assure proper construction of bulk storage facilities, and to administer the pollution incident prevention plan (PIPP) for bulk storage plants.

Commissioner McManus requested that the depth of the wells be included in reports of future tests.

Additional monitoring (approximately 1,000 sites) is planned for later in the year.

Alar Survey: Dr. Wade surveyed agrichemical dealers to determine the amount of Alar sold and the quantity used by apple growers in Michigan. Because Alar is not a restricted-use pesticide, it was difficult to get accurate statistics on the use and sale of the product. It is estimated that combined sales of Alar totaled around 5,000 pounds. However, that quantity was spread over all potential commercial uses and less than 5 percent of the apple crop was treated with Alar.

The Environmental Protection Agency has initiated the process to cancel the registration for daminozide.

Final Approval of Amendments to MDA Regulation 635, Commercial Feed: In accordance with administrative rules, Mr. Ken Rauscher presented amendments to Regulation 635 for final approval by the Commission. A public hearing was held March 22. The amendments are supported by the industry.

The rules will take effect 15 days after filing with the Secretary State.

The amendments are as follows:

R 285.635.15 and R 285.635.17 of the Michigan Administrative Code, appearing on page 1305 of the 1979 Michigan Administrative Code, are amended to read as follows:

R 285.635.15 Good manufacturing practices;
adoption by reference.

Rule 15. (1) For the purposes of enforcing section 8(f) of the act, the director adopts by reference the following as current good manufacturing practices:

(a) The regulations prescribing good manufacturing practices for medicated feeds as published in 21 C.F.R. §§225.1 to 225.115 AND 225.120 to 225.202 as in effect on December 1, 1988.

(b) The regulations prescribing good manufacturing practices for ~~medicated premises~~ TYPE A MEDICATED ARTICLES as published in 21 C.F.R. §§226.1 to 226.115 as in effect December 1, 1988.

(2) The provisions of 21 C.F.R. §§225.1 to 225.115 and 225.120 to 225.202 may be obtained from Food and Drug Administration, Industry Information Staff, HFV 12, Center for Veterinary Medicine, 5600 Fishers Lane, Rockville, Maryland 20857, free of charge or from Michigan Department of Agriculture, P.O. Box 30017, Lansing, Michigan 48909, at a cost of \$2.

R 285.635.17 Tonnage inspection fee.

Rule 17. The tonnage inspection fee determined in accordance with the provisions of section 6(3) of Act No. 120 of the Public Acts of 1975, as amended, being §287.526(3) of the Michigan Compiled Laws, is established at \$3 20 cents per ton.

April 21, 1989

The Director recommends the Commission approve the amendments.

MOTION: Commissioner McManus moved that the amendments to Regulation 635, Commercial Feed, be approved as presented. (Seconded) Motion carried.

PUBLIC
APPEARANCES
(Continued):

Howard Wetters from the Governor's Office had requested to speak to the Commission about the departmental budget which the House of Representatives has approved at approximately \$450,000 over the Governor's proposed budget. He said that efforts will be made to bring the budget down to the targets set in the Executive Budget.

Mr. Wetters expressed appreciation for the Commission's endorsement of the food safety proposal and assured the Commission that he would work with the Director and the department to find sources of revenue for this program.

Mr. Wetters requested to be on the agenda for each Commission meeting.

Chairperson Kirkpatrick asked if it is possible to raise the department's budget target. One of the Department of Management and Budget's recommendations transferred a Department of Agriculture program to the Department of Commerce and provided approximately \$320,000 for the program. Since it appears the program will remain in MDA, it is requested that the funding be transferred to the department's budget and MDA's target raised accordingly. Mr. Wetter's said he would check to see if this is possible. The Director said he had written a letter to the director of the Department of Management and Budget requesting the transfer.

RECESS AND
RECONVENE:

The Chairperson recessed the meeting at 2:31 p.m. and reconvened the meeting at 2:40 p.m.

PROGRAM
REPORTS
(Continued):

Pesticide and Plant Pest Management Division--
Proposed Policies for Purchase and Disposal of
Pesticides by the Michigan Department of
Agriculture: Mr. Creagh reviewed the proposed policies (Attachment F). The department has not had formal policies for purchasing and disposing of pesticides and these will allow for those activities in accordance with statute and in a safe and effective manner.

The Director recommended approval of the proposed procedures.

MOTION:

Commissioner Whitney moved that the proposed policies for the Michigan Department of Agriculture's purchase and disposal of pesticides be approved. (Seconded) Motion carried.

Chairperson Kirkpatrick expressed concern about the need for the safe disposal of toxic pesticides and other chemicals stored on farms. He suggested the Department of Agriculture develop an anonymous program to collect and dispose of these products, and that it might be possible for MDA to develop the program in cooperation with the Soil Conservation Districts and the Cooperative Extension Service.

PUBLIC
COMMENT:

The Commission is in the process of reviewing the Right to Farm Guidelines; therefore, a period for public comment was set for persons to make suggestions for additions or amendments of the

guidelines. Information about the public comment period was announced by a press release and on the meeting agenda.

No one commented on the guidelines during the May session of the Commission of Agriculture.

NEXT MEETING: The next meeting of the Michigan Commission of Agriculture will be held on June 6 and 7, 1989, in the MDA Hearing Room, North Ottawa Building, Lansing, Michigan.

LaJEAN
MARSHALL
LAWSUIT:

Mrs. Baugh updated the Commissioners on the status of the LaJean Marshall lawsuit regarding scrapie-infected sheep.

The Commissioners expressed their appreciation to Mrs. Baugh for attending and participating in the Commission meetings.

ADJOURNMENT: Chairperson Kirkpatrick adjourned the meeting at 3:10 p.m.