

MICHIGAN COMMISSION OF AGRICULTURE AND RURAL DEVELOPMENT

Bronson City Hall
141 S. Matteson Street
Bronson, Michigan 49028

MEETING MINUTES JULY 21, 2015

PRESENT:

Trever Meachum, Chair, Michigan Commission of Agriculture and Rural Development
Fred Walcott, Vice Chair, Michigan Commission of Agriculture and Rural Development
Dru Montri, Secretary, Michigan Commission of Agriculture and Rural Development
Diane Hanson, Past Chair, Michigan Commission of Agriculture and Rural Development
Bob Kennedy, Past Chair, 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 Meachum called the meeting of the Commission of Agriculture and Rural Development to order at 9:00 a.m. on July 21, 2015. Commissioner Montri called the roll with Commissioners Hanson, Kennedy, Meachum, Montri, and Walcott, and Director Clover Adams present.

APPROVAL OF AGENDA

MOTION: COMMISSIONER WALCOTT MOVED TO APPROVE THE MEETING AGENDA FOR JULY 21, 2015. SECONDED BY COMMISSIONER MONTRI. MOTION CARRIED.

APPROVAL OF MAY 13, 2015, MEETING MINUTES

MOTION: COMMISSIONER WALCOTT MOVED TO APPROVE THE MAY 13, 2015, MEETING MINUTES. SECONDED BY COMMISSIONER HANSON. MOTION CARRIED.

NEXT SCHEDULED MEETING

The next scheduled meeting will be held on September 9, 2015, at the Hesperia Community Library, 80 S. Division Street, Hesperia, Michigan.

COMMISSIONER COMMENTS AND TRAVEL

Commissioner Montri reported it has been a wet summer for their operations and they are in the peak of summer harvest of tomatoes, cucumbers, and peppers. They have also begun planting fall and winter crops.

For the Michigan Meat Association, she traveled to the American Association of Meat Processors meeting in June. Four Michigan processors were awarded five of the national awards, which was a good showing for the state.

The Farmers Market Association has been working with the Department of Agriculture and Rural Development (MDARD) on the Wild Foraged Mushroom Certification Program, which is progressing quite well. A webinar was held recently to share information with market managers about how foragers can sell mushrooms to farmers markets, co-ops, grocery stores, and restaurants. The department has done an excellent job developing this program.

Work is also progressing on a new licensing option for cooking demonstrations and sampling at farmers markets. This offers a great opportunity for markets because they no longer have to go through the very time-consuming and costly process of obtaining temporary food establishment licenses through their local health department. The Food and Dairy Division (FDD) has worked on developing this licensing option and she was in Marquette Saturday to witness the first farmers market become licensed.

Next week marks the 10th Anniversary of the "Farmers Markets on the Capitol Lawn." More than 70 vendors from across the state will be participating in this significant event.

During National Farmers Market Week, which is the first week in August, she will be traveling to the National Sustainable Agriculture Coalition meeting.

Commissioner Walcott reported his area has had very adequate rainfall and farmers are comfortable. Cherry harvest is complete in his region, and in speaking with owners of two operations, he was surprised to learn of the vast difference between the juice and fresh cherry markets, in particular, the significant reduction in value that only a small amount of hail can cause on a cherry crop. Those cherries selling for juice were 10 cents a pound, while the fresh market fruit was selling at 35 cents per pound. Wheat harvest is just around the corner for them.

He attended the Michigan Agri-Business Association meeting held at Zeeland Farm Services last week, which included an update on the legislative attempt to remove the 164,000 pound weight category from Michigan. They are attempting to lower that to 80,000 pounds, which would be financially devastating for Michigan's agriculture operations that are dependent upon the ability to haul double and large multi-axle single trailers.

Commissioner Hanson reported she attended a Breakfast on the Farm event the first week in June, which was sponsored by Menominee County Farm Bureau. Their marketing efforts were successful in bringing the desired target audience of city residents to the event and over 1,100 people participated.

On July 18, she attended the Menominee County Farm Bureau event sponsored with the Natural Resources Conservation Service (NRCS) that focused on foresters and the Michigan Agriculture Environmental Assurance Program (MAEAP).

Crops are somewhat behind in the Upper Peninsula (UP) due to cold weather, including recent temperatures in the low 30 degree range in several areas. Some regions have received sufficient waterfall, while others are somewhat dry, and their operation has

been irrigating potatoes for three-four weeks. The robust strawberry harvest is nearly complete, and cool weather produced an excellent hay crop.

The UP State Fair – the only state fair – will be held August 17-23 and she invited everyone to visit the UP to enjoy this exceptional event.

Commissioner Kennedy reported the Saginaw Valley is enjoying good weather this year and normal harvests are expected. An hour south of there, severe damage from the excess rainfall becomes evident across the southern part of the state and into Ohio and Indiana. Wheat in those areas is showing a high level of vomitoxin, while that in the Saginaw Valley looks fairly decent and yields are expected to be good.

Commissioner Meachum reported the strawberry crop in his region began phenomenally, then the rains came and a three-week season became just nine days. Cherry harvest was just completed, and while good for his operation, some other areas experienced significant hail damage. Wheat harvest has begun and most report good yields; although there is concern with vomitoxin, he has not seen any as yet. Because of the rainfall, soybean and corn producers are applying round-up for a second time this year. They are also seeing high disease levels in vegetable crops because of the wet, hot conditions.

Their county fair began this week, with excellent attendance and record numbers of hog projects reported. He has heard no complaints relative to there being no bird exhibits allowed this year and most people have taken advantage of the alternatives offered.

Commissioners Hanson, Kennedy, Meachum, Walcott, and Montri traveled to attend today's meeting. There was no other travel submitted for approval.

MOTION: COMMISSIONER KENNEDY MOVED TO APPROVE THE COMMISSIONERS' TRAVEL. SECONDED BY COMMISSIONER MONTRI. MOTION CARRIED.

DIRECTOR'S REPORT

Director Clover Adams introduced Peter Anastor, the department's new Agriculture Development Division Director. Mr. Anastor reported he is leading the reconstituted division group that includes the Economic Development, International Marketing, Grape and Wine, and Grant Programs, as well as working with the commodity groups. Previously, he worked for 15 years with the Michigan Economic Development Corporation in various positions, including working with companies on incentive packages, leading the Community Assistance and the Brownfield Development Teams, policy work, and most recently, coordinating development of the statewide Logistics and Supply Chain Strategy. He is excited to make the transition to MDARD and looks forward to being a part of the department.

The Director reported that Pure Michigan FIT, by collaborating with partners from other state agencies, has promoted healthy eating and nutrition, paired with information on physical fitness, food safety, and Michigan's numerous specialty crops. One of the promotion tools developed is a series of recipe cards that were created through a U.S.

Department of Agriculture (USDA) Specialty Crop Block Grant to promote nutrition through increased consumption of Michigan-grown fruits and vegetables. She shared copies of the cards, noting they will help consumers be more aware of the numerous different crops grown in Michigan and give them information on how to use them. The cards are currently being used at various events hosted by MDARD and its partners, and will also be available online at the Pure Michigan FIT webpage, www.michigan.gov/puremichiganfit.

She is working with Michigan State University (MSU) to develop specific metrics and measures to align with the new agriculture industry goals for 2015-2020 that resulted from various stakeholder meetings held early in 2015. Goals retained are to (1) increase the economic impact of the food and agriculture industry, (2) expand agriculture exports, and (3) increase environmentally sustainable food and agriculture systems. One of the goals added is to improve talent attraction to meet workforce needs, including job creation and job retention. MSU, through the Product Center, is helping to obtain data to provide a useful measure. The potential of a regular survey with businesses is also being explored. To assure consumer confidence in Michigan produced food is another goal added and will assist the department in measuring and improving facility compliance. With implementation of the new fee package, the department will have the ability to place additional staff in the field working with businesses to make that happen. To increase industry access to essential, non-transportation infrastructure is the final goal, which will primarily focus on broadband access. The goals will be finalized and launched in the near future. In response to question from Commissioner Kennedy, the Director advised that because the goals were developed by the agriculture industry, the sector stands ready to support them.

Dutch business dignitaries visited Michigan in early June. The department met with them and assisted with agriculture tours for the group. The founder of the Grand Traverse Pie Company provided lunch and shared his company's story, which is an excellent one because 98 percent of what they do is Michigan related. The Dutch are very interested in Michigan and have technological ideas for potential collaboration.

She recently attended the Midwest Association of State Departments of Agriculture (MASDA) meeting in Madison, Wisconsin, which included a dairy farm visit. An interesting fact is that Wisconsin incorporates a considerable amount of genetics into their agriculture production. The conference in general featured numerous excellent speakers and it was a very beneficial event.

MDARD's Operation Excellence initiative is progressing and although change is difficult, the department is seeing improvements. One example is in the Weights and Measures Motor Fuel Quality Program where 2,200 more devices were inspected during the first six months of 2015 with two fewer people than was accomplished during that same period the prior year. The value of that improvement is over \$200,000. The initiative is resulting in these types of improvement, a definite increase in productivity and a focus on consistency. Staff are now doing an even better job. During regional meetings with staff, she has been explaining how this initiative will better position the department, particularly when additional strain is placed on the general fund from other policy

choices. MDARD will be able to quantitatively demonstrate what it has accomplished and the value it adds for the industry and the state.

DIRECTOR'S TRAVEL

Director Clover Adams requested approval for travel September 12-16 for the National Association of State Departments of Agriculture meeting. She advised cost of the trip will actually be covered by Food Export Midwest.

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

PUBLIC COMMENT (AGENDA ITEMS ONLY)

Mr. John Stears, Vicksburg, Brady Township, Michigan, advised Brady Township has had a long history of putting their thumbs down on agriculture in the township. About 20 years ago, they ran a farm out of business and used township funds to purchase the property because it was too close to Indian Lake, a large lake in the area. Also at that time, his agricultural rights were removed and he now pays \$250 for his rural residential classification. This is at the forefront of people bringing goods to the farmers markets in local communities. These are the 266 landowners consisting of about 16 to 150 acres each from whom Brady Township has decided to remove their commercial farming rights forever. The township advises none of the land in the township will be farmed again and they are not interested in learning about farming or the Site Selection Generally Accepted Agriculture and Management Practices (GAAMP). And, they will not allow those affected landowners to participate in the township meetings with MDARD or Michigan Farm Bureau (MFB). He believes MDARD has a choice to advise Brady Township the public must be allowed to participate in future meetings with the department. In response to inquiry from Commissioner Walcott, Mr. Stears advised he currently is not in violation of any township ordinances.

LEGISLATIVE UPDATE: Matt Blakely, Director of Policy Development and Legislative Affairs

Mr. Blakely reported the budget process is now complete and while predominately successful for the department, some compromises were required to complete the fee bills. MFB and the Michigan Agri-Business Association were pleased with that outcome, and although not quite what the department wanted, it still represented an increase. Without Representative Lauwers' leadership throughout the process, the MAEAP bill would not have been completed, and the other fee bills very likely followed because of his efforts as well.

At this point in time, bills not dealing with transportation are not being considered by the Legislature. He reported the weight limit bills have been discussed for years and although being discussed again, the current bill is not receiving much traction. Many have demonstrated to the legislators there is less wear on the roads because of the number of axles being carried on Michigan's trucks.

Senate Bill 217 was passed and combines Qualified Agriculture and Qualified Forest properties. In the past, an owner may have not been able to obtain a Qualified

Agriculture exemption because the forest product existed. Those can now be combined when a Forest Management Plan is in place and there is a use for that forest product. He acknowledged Senator Booher for championing this issue. The Director advised a press release will be issued this week outlining details of the legislation.

House Bill 4017, by Rep. Jeff Farrington, is now PA 41 of 2015 and provides limited liability or immunity for individuals donating food. While many believed protection existed under the Good Samaritan Law, some corporate lawyers were not comfortable with that when considering large businesses. This will give them more protection and hopefully bring more food from the waste stream to needy citizens.

House Bill 4391 is now PA 118 of 2015 and is the MAEAP, Pesticide, and Fertilizer Fee legislation. This required six versions in the Senate to bring it to a point where both houses and the department were comfortable with the bill. And while not the way MDARD envisioned, all partners were able to come to the table and reach a reasonable solution.

House Bill 4400, by Rep. Nancy Jenkins, passed and extended the livestock dealer fees and the sunset associated with the legislation.

House Bill 4451, by Rep. Nancy Jenkins, passed and is the department's Feed Fee legislation. In response to inquiry from Commissioner Walcott, the Director advised the fee had not been raised in 40 years.

House Bill 4470, by Rep. Jon Hoadley, passed and is the department's Food Fee legislation.

There is a package currently being considered that identifies service animals, and while not directly affecting MDARD, the department feels it is important. This would regulate individuals coming into grocery stores with service animals by helping to preserve that right and more clearly identifying service animals.

A few pieces of legislation, most likely brought forward by classrooms, are being introduced but not expected to move.

The Governor signed a proclamation declaring July as Michigan Wheat Month, celebrating also the 150th anniversary of the milling companies in the state.

In response to question from Commissioner Meachum regarding Senate Bill 243 that would require employers to allow one day of rest per week and meal breaks during certain work periods, Mr. Blakely advised the department is monitoring the legislation and is not anticipated to move.

BUDGET UPDATE: Maria Tyszkiewicz, Budget Officer

Ms. Tyszkiewicz advised the Governor signed the Fiscal Year (FY) 2016 budget legislation on June 18. The enacted budget for MDARD is \$86.6 million in gross funding, of which \$43.1 million is general fund, representing approximately 50 percent. The overall budget was increased by 2.5 percent; however, the general fund declined by

about 6 percent from FY 2015. The increase largely consists of \$4.2 million in increased fees included in separate changes to the various statutes.

Specific programmatic funding changes also included are (1) \$150,000 general fund/general purpose (GF/GP) for one-time laboratory equipment funding; (2) Tree Fruit Research Grants one-time funding of \$500,000 GF/GP; (3) \$1.2 million for Rural Development Value-Added Grants – \$650,000 on-going and \$550,000 one-time funding, resulting in a total grant funding decline; (4) small reductions in County Fairs Improvement and Shows and Expositions grants; (5) additional \$600,000 in Equine Industry Development Fund spending authority; (6) additional \$1 million appropriated for MAEAP, estimated to bring \$700,000 in new revenue; and (7) Commercial Forest Audit Program funded at \$300,000 GF/GP, an increase of \$150,000.

The total estimate for all restricted fees is \$3.2 million – \$500,000 for feed fees, \$1.2 million for fertilizer tonnage and pesticide registration, and \$1.5 for food establishment fees. In addition, 40 percent from the fertilizer tonnage fees for four years will be dedicated to a research program for grants to be administered by the department, which is expected to be \$250,000. The Director reported an advisory board will be established to provide advice on those research grants, and she asked Commissioners to advise her of individuals with knowledge of nutrient and fertilizer management who could be advantageous on that board.

Discussions have begun on the FY 2017 budget and some proposals will be submitted to the State Budget Office by October 1, 2015. Those are typically reviewed with the Governor the end of October.

In response to question from Commissioner Meachum, Ms. Tyszkiewicz advised initial projections for FY 2017 revenue will be made in January. The FY 2017 budget will be very dependent upon the road funding.

CITY OF BRONSON OVERVIEW: Mark Heydlauff, City Manager, and Lisa Miller, Executive Director, Branch County Economic Growth Alliance

Mr. Heydlauff welcomed the Commission and the Director to the City of Bronson. On behalf of the Mayor and the City Council, he advised they are very pleased to have everyone here today.

Like many small communities across the state, Bronson takes pride in what they make in their factories and their farmers take pride in what they grow. The city is focused largely on some automotive and metal fabrication companies, but surrounding that is the agriculture industry which demonstrates the transition to a very diverse industry and larger family agriculture businesses. This is a real strength and opportunity for Bronson going forward – being well situated in the heart of southern Michigan’s agriculture country to serve those farmers and their needs. They are focusing on assisting those businesses that are already thriving in the Bronson area to ensure their business remains.

In response to questions from the Director and Commissioner Meachum, Mr. Heydlauff advised the City of Bronson is approximately one square mile with about 2,400

residents. That population has remained basically static for several years. There are no agriculture processing facilities within the city, but it would be well suited to host such a business in the future and they would embrace that opportunity. Branch County has worked collaboratively to make those economic development opportunities available.

Ms. Miller reported the Branch County Economic Growth Alliance office is charged with retaining Branch County businesses and attracting new businesses to the area. The county is about 46,000 in population total, with the Cities of Bronson and Coldwater and the Villages of Union City and Quincy as the main communities.

The change seen in the last seven years from 14 percent down to 5.4 percent unemployment has been quite phenomenal. It was difficult to compete in the Michigan/Indiana/Ohio region, but the regional economic development changes implemented by Governor Snyder have significantly increased business interest in the county from outside the state during the last two years.

Branch County recruitment and retention of business has brought many expansions within the local manufacturing firms. The majority of them are at pre-2009 production levels, but doing more with fewer employees. They constantly hear throughout the region that workers are needed – from the farm to factory. The population is aging and skilled labor to replace those workers is not there.

From an agriculture perspective, the county was able to recruit Mastrondari Produce, which continues to expand. Also, Great Lakes Glads, Aunt Millie's, and Con Agra (Quincy address) continue to grow. Their latest accomplishment was the recruitment of the Clemens Pork Processing plant, which was announced in December. They have been working diligently with the company, the state, local government, educational institutions, and MDARD to get them operational and obtain the workforce they will need. They are very pleased with the project and it has been very well received by citizens of the county.

In response to inquiry from Commissioner Meachum, Ms. Miller advised they enjoy a great working relationship with MDARD, noting Jodi Gruner has done a fabulous job as the department's representative. She has witnessed first-hand the tremendous collaboration between the Michigan Economic Development Corporation (MEDC) and MDARD and that is the perfect movement to continue helping local partners. If there were something that could change, it would be to provide grants ahead of time, instead of a project being required before incentives can be considered. Opening avenues for communities to develop infrastructure before projects come would create a much more competitive atmosphere.

GREAT LAKES GLADS OVERVIEW: Bob Mayer, Owner/Partner

Mr. Mayer welcomed the Commissioners and the Director, noting he looks forward to hosting a tour of Great Lakes Glads for them this afternoon. Adding to Mr. Heydlauff's comments, he noted the City of Bronson owns 100 acres on which glads were grown last year and are contracted to be again in 2018; however, it is more than available for any viable development project.

The flower industry as a whole struggles with labor and the shortage is unbelievable. They shifted to H2A years ago, being one of the first farms to do so. This year, they have had numerous calls from producers asking how to utilize the program for needed workers. The shortage is not only affecting farmers, but his wife, who is Human Resources Director for a local business, reports they are struggling to find qualified workers for their factory.

There are six farms growing glads in the area and they are all relatives. Branch County is the largest glad producing county in the state and Michigan is the largest producer in the U.S. Great Lakes Glads is the largest producer of cut glads in the world. They ship to most major grocery stores throughout the U.S. and Canada, and to wholesale houses that in turn deliver to local florist shops. He will provide greater detail regarding his operations during the tour.

He thanked the Commission for visiting the area, which is very diverse. A great deal of seed corn and potatoes are grown, and irrigation use is also critical to those crops. He was interested in purchasing 120 acres of nearby farmland that became available. However, after being told by the Michigan Department of Environmental Quality (MDEQ) they would not issue an irrigation well permit nor allow him to pump from the river that runs through the property, he stopped bidding on the acreage. MDEQ advised there already is too much water being taken from the watershed and no more permits will be issued. This is a grave concern for all farmers in the area and what the future will bring is completely unknown. He encouraged the Commission and the department to assist farmers in whatever way they can to address this significant issue.

In response to inquiry from Ms. Miller, Mr. Mayes advised the labor shortage has shifted over the last two years, especially in light of new federal guidelines that prevent hiring workers under the age of 16 if they would be near a tractor or any machinery. The work ethic itself is another issue, young people do not want to labor in the fields. Mastronardi, a large greenhouse operation in the area, reported they are losing millions of dollars because they are unable to find labor to harvest the crops. H2A is a great program, but it needs to be expanded. MFB is working toward that, but it needs to move forward quickly, or farms will be lost.

RECESS AND RECONVENE

Chairperson Meachum recessed the meeting at 10:15 a.m. for a brief break. He reconvened the meeting at 10:30 a.m.

SAFEGUARDING MICHIGAN'S GLADIOLUS INDUSTRY: Mike Hansen, Region 2 Supervisor, and Mike Bryan, Nursery and Export Specialist, Pesticide and Plant Pest Management Division

Mr. Hansen reported he has been involved with the Gladiolus industry for about 25 years and has always strived to maintain a helpful working relationship with the growers. He coordinates inspections for Mr. Mayer when his operation is ready to ship cut flowers to California and southern states that regulate their import. He appreciates the growers, noting they are excellent partners in the industry.

About ten years ago, he participated in a meeting with USDA to address the issue of Gladiolus Rust (GR), which was being found in Florida. A major concern raised was the fact that many gladiolus flowers come to Michigan as cut flowers for trade in early spring. There are numerous cemeteries next to Mr. Mayer's fields and if flowers full of disease are placed outside, it creates a high risk for a gladiolus farm. USDA has long required flowers being imported from countries where rust exists to strip the lower leaves and dip those flowers in order to protect our industry. USDA presented a plan last winter to deregulate the GR organism because it was becoming too difficult to manage. MDARD has expressed their concerns and USDA has proposed some plans for safeguarding the industry. Mr. Bryan, the department's Nursery Manager, will expand on those issues.

Mr. Bryan advised he also oversees quarantine compliance for the department. He reported GR presents several regulatory challenges and is a plant disease of quarantine significance in the U.S. and Europe. The worldwide distribution includes Africa where it was first described in 1876. The major pathway for movement of GR is trade in cut flowers. The current distribution of the disease includes much of Africa, a number of other countries, and is known to occur in Mexico. GR was confirmed on two commercial gladiolus farms in Florida in 2006 and had been detected in California in 1996 in three residential gardens and one nursery.

The pathogen requires living green host plant material to survive. The disease can be extremely damaging in nurseries where severely infected plants fail to produce flowers in the absence of aggressive fungicide treatments.

In Florida and California in 2006, USDA implemented a national plan to manage GR and import requirements were placed on commercial shipments. The management option did not work very well, to the point that any future actions by USDA in their opinion will not eradicate the disease from the country.

In May, USDA issued notice that basically stated they would not be pursuing any additional regulatory actions. Although they have discontinued the domestic program, they still have import requirements in place for cut flowers entering the U.S. from known infected countries. The U.S. imports an average of 10.5 million gladiolus spikes, of which over 90 percent originate from Mexico. Entry criteria include (1) commercial shipments are only permissible under inspect and release at point of entry, (2) commercial cut flowers must be absent of leaves, (3) leaves must be removed before the cut flowers reach the port of entry, (4) movement of non-commercial cut flowers is prohibited, and (5) shipments must be accompanied by a phytosanitary certificate.

As the production of gladiolus in Florida is essentially gone, the risk for Michigan at this point in time is from material from California, production from which still fills a certain portion of the market. With the USDA deregulation, Michigan is wide open for receiving material from California with the leaves on and that poses a risk for our industry. Long term, when USDA removes regulations on material from foreign countries that will pose additional risks.

There a number of regulatory options being considered by the department. One is a state exterior quarantine which could be implemented almost immediately. The

quarantine draft includes requirements similar to material coming from Mexico, with a timeframe that matches the growing season in Michigan. The department is also working toward regional collaboration, especially with nearby states. Another option is a Federally Recognized State Managed Phytosanitary Program which could regulate foreign origin material. This would require a long, involved process, but once approved, the USDA would add that to the import requirements for the U.S. USDA has assured the department it will work with them toward that document in order to protect Michigan's industry. Local options of regulating materials placed into cemeteries are also being pursued.

In response to inquiry from Commissioner Meachum, Mr. Bryan advised there is no alternate host for GR that would bridge the winter months. Mr. Mayer advised his production of glads would be totally done if rust were to be introduced into his crop. This is exactly what happened in Florida, which had been number one in the production of glads prior to the arrival of GR. For protection of Michigan, GR needs to be stopped at the farm level, because many shipments go straight to the consumer. In response to question from Commissioner Hanson, Mr. Mayer advised they grow their glad bulbs in the Netherlands, which has a strict quarantine of GR.

REGIONAL CONSERVATION PARTNERSHIP PROGRAM (RCPP) FUNDED PROJECTS IN THE WESTERN LAKE ERIE BASIN AND ST. JOSEPH WATERSHED: Jim Johnson, Division Director, Elaine Brown, Grants and MAEAP Training and Standards Liaison, and Jack Knorek, Regional Coordinator, Environmental Stewardship Division

Mr. Johnson noted various water efforts have been coordinated by the Environmental Stewardship Division (ESD) on the farming side as related to technical outreach with growers. The division is constantly looking for opportunities to augment that with funding from other sources, including dollars that can be used by growers to implement practices and those that can provide for more staff resources to assist growers with assessment processes. The Regional Conservation Partnership Program (RCPP) is one of those opportunities for the department to augment the ability of our workforce to actually implement practices within the agriculture community. He recognized Ms. Brown and Mr. Knorek for the work they have accomplished to coordinate with all of the partners necessary to develop the concepts, in addition to writing the grant proposals; they have done a tremendous job in working through that process.

Ms. Brown advised RCPP is a new program that was authorized under the 2014 Farm Bill and is administered through USDA-NRCS. The intent was to bring more partners to the table to support conservation practices through dollars being available to farmers, which makes for a very positive program. \$235 million was awarded on three scales, which are (1) critical conservation areas – Great Lakes; (2) national – regions or multi-state; and (3) state level. The program promotes coordination with NRCS and partners to deliver conservation to producers. Awarded projects are given five years to complete their work.

The QOL (Quality of Life) agencies facilitated the submission of seven projects and five were funded. These projects represent over \$30 million of federal dollars with a 50-50 partner match. In response to question from the Director, Ms. Brown advised that amount represents Michigan's share.

Goals of the WLEB Phosphorous Reduction Initiative include (1) reduce phosphorous, (2) reduce sediment, (3) improve soil health and water quality, and (4) improve fish and wildlife habitat. These will be accomplished through (1) target key practices for phosphorous reduction, (2) all projects having Nutrient Management Plans, and (3) focusing on both agricultural and structural practices.

Michigan facilitated a request for \$20 million from the Critical Conservation Areas Great Lakes Area fund pool. A five-year \$17.5 million agreement was signed May 1, 2015. The Tri-State project is being coordinated among Michigan, Ohio, and Indiana partners. The priority watershed area is over seven million acres in size, with 76 percent being agriculture land, primarily row crops. Michigan has 18 percent of the watershed and received \$2.5 million for cost share projects, and there is a 40-partner match of \$28 million. Ohio and Indiana have 70 and 12 percent of the acres respectively. In response to question from the Director, Ms. Brown advised the dollars are “no-year” dollars, which is unique. There is a potential of implementing the total amount in two years and subsequently asking for additional dollars through a variance in the agreement providing that if a state could not spend all of their dollars, it can be shifted to another. The partnership as a whole could also apply for additional dollars. She shared copies of the brochure they are distributing to publicize the initiative.

There are a number of priority practices being engaged. Nutrient management involves a new template approved by NRCS for Certified Crop Advisors (CCA) and technician use. Technicians can upload maps for specific areas to assist farmers with all of the environmental risks. Practices to control erosion and improve soil health include cover crops, grass waterways, and no till. Those engaged for water management and wildlife habitat include tile outlet control/drainage water management, underground outlets, filter strips/conservation crop rotation, and wetland restorations – all ways to slow down release of that water to allow the dissolved reactive phosphorus to remain in the soil.

Project selection priority will be targeted toward applicants in the identified priority watersheds, implementation of priority practices, and Nutrient Management Plans. Some tools used for project evaluation include various watershed modeling tools, calculated results for a practice, water quality monitoring stations results, and MAEAP environmental impact calculations.

Lake Erie is in the eye of the algal bloom storm. With the June rains, predictions are this will be the third highest algal bloom on record. To help mitigate that, EPA provided funding to ensure four technicians are assigned to assist growers in the area; in addition, an incentive program will be implemented utilizing the 4R (right source, right place, right time, and right rate) nutrient management program. Since August of last year, 187 risk assessments were completed in WLEB and 86 percent were for cropping systems, which is a good sign growers are paying attention. Updates on harmful algal blooms for WLEB can be found on the NOAA (National Oceanic and Atmospheric Administration) website.

Mr. Knorek reported the Michigan/Indiana St. Joseph River Watershed (SJRW) Conservation Partnership consists of over 40 partners and \$6.8 million in federal

financial assistance funds, \$4 million of which is designated for Michigan. The SJRW considers irrigation water use management optimization because that use varies from year to year. Access to irrigation water is a sensitive subject and this project seeks to ensure water is being used in the correct ways and to provide for growth of agriculture within the watershed. In order to apply for these funds, a producer must complete a Crop*A*Syst for the field in question; therefore, MAEAP is frontloaded into the process.

SJRW covers 1.6 million acres of farmland, 60 percent of which are on the Michigan side, involving over 8,200 farms. Practices incorporated include (1) water use management through irrigation scheduling and system calibration; (2) water infiltration through cover crops and grass waterways; and (3) phosphorous and sediment management through conservation buffers, filter strips, and wetland restorations.

Although MDARD is the partner of record with USDA, it is a true partnership with the Friends of the St. Joseph River Association and their local partners having led the charge on the project. The partnership will 1) reduce enough sedimentation to fill at least 4,200 dump trucks; (2) reduce enough phosphorus loading to cover an area the combined size of the six largest lakes in the watershed with one-quarter inch of algae; and (3) optimize the use of water used for crop irrigation, increasing water conservation and agricultural profitability. The project has the flexibility and technical assistance to modify as it progresses to ensure that cost share dollars are available to as many landowners as possible.

Project selection will use state and customized local ranking tools to select successful RCPP applications. As the SJRW Partnership moves forward, there is flexibility to further customize scoring criteria. They are seeking to include landowners who have never participated in a USDA program. Conservation Districts are the key partners to provide boots on the ground for the project.

Single-practice applications will receive priority over multi-practice applications that do not impact the SJRW. The partnership seeks to implement conservation practices on at least ten percent of the landscape in priority areas by targeting outreach and promotional methods. It is expected the funding will be exhausted before the end of the five-year period and the remaining time will be spent assisting producers implement the practices and complete the contracts.

In response to questions from Commissioners Walcott and Meachum, Mr. Knorek advised nothing will happen for a farm until an FSA number is in place. The program has the technical expertise to assist producers with the FSA process and bring practices closer to where they need to be for the MAEAP process. Project partners are helping to identify those producers without experience in working with state and federal programs. This is where the strength of the program becomes evident and MDARD is striving to make it as user friendly as possible.

**MICHIGAN AGRICULTURE ENVIRONMENTAL ASSURANCE PROGRAM (MAEAP)
STANDARDS PROPOSED REVISIONS: Jim Johnson, Division Director, and Joe
Kelpinski, MAEAP Manager, Environmental Stewardship Division**

Mr. Johnson distributed to the Commission binders containing the proposed MAEAP Standards revisions. The Commission has the statutory responsibility to annually approve this set of standards, changes for which are being introduced today for review, with consideration for approval presented during the September Commission meeting. He introduced Joe Kelpinski, the new MAEAP Program Manager, noting he has done a tremendous job coordinating review of the standards within the Advisory Council (AC) to provide these recommendations.

Mr. Kelpinski also provided a summary of changes to the AC, programmatic MAEAP structure, and fees as a result of recent legislation. Under the current bill, MAEAP is 75 percent funded by agriculture and 25 percent by non-agriculture. With the registration fee revisions, that funding changes to being 75 percent funded by specialty products and 25 percent by agriculture products. The new sunset date established is December 31, 2021.

Mr. Kelpinski advised, with this being the fifth year for the standards review process, the recommended changes this year are not significant. As each system tab within the binder is constructed similarly, he reviewed an example of how it is organized. The first item under each system tab is a document summarizing the changes the Systems Committees requested for this year, highlighted by standards numbers, section numbers, and educational question numbers. Educational questions are those asked by the technicians when on the farm, but are there only for the producer's information and are placed behind the standards pages within each section. All revisions are provided in red strike-out mode so the item as it existed before the recommended change can be viewed.

Essentially, three things happened with the standards this year. Changes were made to provide consistency between standards documents, items were clarified to eliminate potential questions, and revisions were made to be consistent with recent changes in the fuel law.

The Director noted through the statutory change, the verification period was increased from three years to five years. Mr. Kelpinski confirmed that will be effective for any farm that is verified as of September 30, 2015.

Commissioner Meachum asked if there were any controversial issues this year. Mr. Kelpinski advised when the AC approved the standards, there were two descending votes on winter spreading, which will continue to be an issue moving forward. One of his staff is meeting this week with MDEQ to discuss how best to allow that practice to continue for small to medium producers because those producers are unable to implement the over \$500,000 in changes that would be needed for their operations. Mr. Johnson advised they are holding tight to the national standard until it is proven to be non-protective.

Mr. Johnson advised the AC will be considering the new requirement of a tiered system for MAEAP recognition. Until this point, the program has not recognized farmers as progressing toward verification until they are actually ready for verification. There are numerous steps from the educational level to the assessment process to practice

implementation. There are 2,700 MAEAP verified producers and over 10,000 have completed at least the educational phase. The tiered system will allow us to acknowledge and track progress toward verification, as well as provide analysis on the environmental impacts those producers are making. It will be one of the larger discussions over the next six months for the AC in determining how best to structure that program. The Director added there most likely will be pressure to reduce the standards so operations can receive some form of recognition within the tiered system.

As a producer who has completed 90 percent of the process toward MAEAP verification, Commissioner Meachum advised he doesn't feel he needs recognition until he is fully qualified and does not want anything diluted in the standards simply to provide for more producers being able to reach verification. Mr. Johnson advised, given the diversity and character of the AC and the individual Systems Committees, he does not foresee that as being an issue. Mr. Kelpinski advised that part of the impetus toward a tiered system is that some of the MAEAP partners are being pressured for sustainability data from their end users and they see the department's ability to collect key data pieces for them to demonstrate they are moving toward sustainability. The Director advised the other benefit is the ability to quantify the total actual environmental benefits realized from the dollars spent toward MAEAP verification as producers are moving along the process.

COMMISSIONER ISSUES

The Director reported Star of the West Milling Company was in Lansing recently for a presentation by the Governor recognizing them as the 2015 Exporter of the Year. MDARD and MFB visited the company on the following day for a media presentation. Star of the West Milling is an outstanding company that is excelling in helping to meet the global demand for Michigan agriculture products. Commissioner Meachum presented a Commission resolution recognizing Star of the West Milling as the 2015 Exporter of the Year, which read:

WHEREAS, Michigan's agricultural exports generate \$3.53 billion and support over 29,000 jobs both on the farm and off the farm in food processing, storage, and transportation; and

WHEREAS, Star of the West Milling Company located in Frankenmuth, Michigan, was established in 1870 and began exporting in the 1970s; and

WHEREAS, Star of the West Milling Company has proven its ability to provide high quality products to their international customers in the global market while also creating strong ongoing relationships with customers; and

WHEREAS, Star of the West Milling Company exemplifies Michigan's agricultural diversity and highlights the importance of food and agriculture exports to the Michigan food and agriculture economy; and

WHEREAS, Star of the West Milling exported dry beans, soft white and soft red winter wheat, and edible soybeans to nine countries, which are Mexico, Japan, Guatemala, Italy, Jamaica, Canada, South Korea, South Africa, and Malta.

THEREFORE BE IT RESOLVED that Star of the West Milling Company of Frankenmuth, Michigan is the 2015 Michigan Agriculture Exporter of the Year.

FUTHER BE IT RESOLVED that the Michigan Commission of Agriculture and Rural Development congratulates Star of the West Milling Company as the 2015 Michigan Agriculture Exporter of the Year and for their long history as a manufacturer and exporter in Michigan.

MOTION: COMMISSIONER KENNEDY MOVED THE RESOLUTION RECOGNIZING THE STAR OF THE WEST MILLING COMPANY AS THE 2015 EXPORTER OF THE YEAR BE ADOPTED. COMMISSIONER HANSON SECONDED. MOTION CARRIED.

PUBLIC COMMENT

Mr. John Stears, Vicksburg, Brady Township, Michigan, mentioned he views the MAEAP Standards from the perspective of someone entering the program as saying they can become part of the farming community as long as certain things are accomplished. What he believes is not being understood by many people in the farming community, and possibly in Lansing, is that he and his fellow farmers have no way of aspiring to be good farmers because if Brady Township takes away their future commercial farming rights, they can never farm. The Michigan Township Association has used them as a case and is trying to destroy commercial farming on these parcels across Michigan. He asked if the department would like for them to apply for MAEAP and subsequently be sued by the township – to step forward as the test case so they can continue farming. This is not a small amount of land; it is 266 large parcels in Brady Township alone. He requested information that would allow him to contact those throughout the state who are fighting their township in order to begin a grass roots movement to lead farmers into MAEAP. He feels he is out on his own at this point and believes there are a tremendous amount of acres at risk because of what the townships are doing – a risk to all future farming. He encouraged the Commission and department to view this as a threat to the Right to Farm Act in Michigan.

Subsequent to the meeting, correspondence was received from Mr. Stears requesting information be added to the record. That correspondence is *Attachment K* to these minutes.

ADJOURN

MOTION: COMMISSIONER WALCOTT MOVED TO ADJOURN THE MEETING. COMMISSIONER KENNEDY SECONDED. MOTION CARRIED.

There being no further business, the meeting was adjourned at 11:58 a.m.

Attachments:

- A) *Agenda*
- B) *Agriculture and Rural Development Commission Meeting Minutes May 13, 2015*
- C) *Director Jamie Clover Adams – Issues of Interest Report*
- D) *Michigan Produce Availability Chart*
- E) *Pure Michigan Fit Commodity Recipe Cards*
- F) *Legislative Status – July 2015*
- G) *Gladiolus Rust Regulatory Challenges Summary and Presentation*
- H) *Gladiolus Rust Draft Quarantine*
- I) *Regional Conservation Partnership Program – Western Lake Erie Basin and St. Joseph Watershed Projects Presentation*
- J) *Resolution – 2015 Michigan Agriculture Exporter of the Year*
- K) *John Stears Correspondence*