

# MICHIGAN COMMISSION OF AGRICULTURE AND RURAL DEVELOPMENT

Hesperia Community Library  
Community Room  
80 S. Division Street  
Hesperia, Michigan

## MEETING MINUTES SEPTEMBER 9, 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 9:45 a.m. on September 9, 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 SEPTEMBER 9, 2015. SECONDED BY COMMISSIONER MONTRI. MOTION CARRIED.**

### **APPROVAL OF JULY 21, 2015, MEETING MINUTES**

**MOTION: COMMISSIONER KENNEDY MOVED TO APPROVE THE JULY 21, 2015, MEETING MINUTES. SECONDED BY COMMISSIONER WALCOTT. MOTION CARRIED.**

### **NEXT SCHEDULED MEETING**

The next scheduled meeting will be held on November 18, 2015, at Constitution Hall, 525 West Allegan Street, Lansing.

### **COMMISSIONER COMMENTS AND TRAVEL**

**Commissioner Montri** reported two Farmers Markets have been held this season at the Capitol. There was record attendance for the July event, in which Director Clover Adams and Lt. Governor Calley participated. The last one will be held September 24 from 10:00 a.m. to 3:00 p.m.

She attended the National Sustainable Agriculture Coalition meeting during National Farmers Market week. The Farmers Market Association has been working with the Michigan Department of Agriculture and Rural Development (MDARD) on a new licensing option for cooking demonstrations at farmers markets. Training sessions will begin soon – September 19 in Marquette, September 24 in Lansing, and October 4 in Canton. This new initiative is progressing well.

It has been a very wet season for their farming operation, causing a great deal of weed and pest pressure, as well as not being able to move equipment into the fields. They been able to begin winter planting in the tunnels this week.

**Commissioner Walcott** advised he and his staff have been involved in a variety of county fairs this summer. Cropping operations in his area have enjoyed adequate moisture, but the industry is very disappointed with current prices. The third cutting of hay is in progress and fruit harvest has begun.

He attended two local farmers markets and both were overflowing with people. It was unique to see a great deal of identification as to origin of the products.

**Commissioner Hanson** reported she attended three Michigan State University (MSU) Upper Peninsula (UP) field day events in Chatham, Garden, and Cooks.

Record attendance of more than 83,600 was reported for the UP State Fair last month. The Director attended and Donna LaCourt, also with the department, helped with setup of displays. The Governor and Representative McBroom both visited the fair, including the Michigan Agriculture Environmental Assurance Program (MAEAP) display. There are 41 MAEAP verified farms across the UP. The display included an agriculture quiz for the youth, with a prize of free ice cream. It provided a fun, educational experience and next year they plan to have a similar display. The fair overall was very successful.

She participated in a policy development meeting on September 2 in Marquette for Farm Bureau and attended the Houghton County Fair September 28. Next week, the UP State Fair Grounds is hosting the Logging Congress. It is a significant event and potentially will be held in Escanaba each year in the future.

Their weather had been hot and dry until fair week. Crops are primarily on schedule, but prices are down. Hopefully, they will be harvesting this year's corn crop in November instead of April, as they did last season.

**Commissioner Kennedy** advised he participated in several county fairs over the last two months, which were very well attended this year, with strong levels for the youth.

Crops in the Saginaw Valley are two weeks ahead of schedule and harvest of dry beans and sugar beets has begun, with record tonnage expected. Although the recent rains have hurt some of the bean crop, overall, the entire region looks good and maturity is at least five weeks ahead of last year.

**Commissioner Meachum** reported weather has been hot and wet in his area. As a result of strong encouragement from NRCS (Natural Resources Conservation Service) and the local Conservation District, a significant amount of cover crops have been planted this year. Most vine crops are experiencing disease issues and bacteria are appearing in tomatoes. Apple harvest season is in full swing across the state and their internal condition has progressed rapidly because of the heat, resulting in a softer, more mature crop. Because heat also causes apples to not turn red, they are waiting longer to harvest to develop the desired color. Because this causes shorter shelf life, that time needs to be carefully balanced.

The Berrien County Fair was well attended and had a record number of pig exhibits.

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

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

#### **DIRECTOR'S REPORT**

Director Clover Adams reported the regional staff meetings were completed recently, which involved many good conversations and excellent input from staff that resulted in several action items going forward. The series of meetings offered a great opportunity to meet with staff and hear what they have to say.

During the next Commission meeting, the Corn Marketing Program of Michigan will be presenting a redistricting request, information on which the Commissioners will have an opportunity to review in the interim.

The Director attended the UP State Fair, which as usual, was very interesting and well attended. She marveled at the weight of the hogs, which were an average 225 pounds when she was in 4-H and are in the range of 285 to over 300 pounds today.

She participated in a trade mission to China last month, which was an extremely busy, but rewarding trip. They visited Alibaba, which is China's large internet company. In the last two years, e-commerce has significantly expanded. In the cities, purchase of groceries via cell phone is becoming common practice. Alibaba ran a 30-day promotion of U.S. plums, which sold out in just one day. Having been in the China market for a decade, Michigan's Graceland Fruit will be debuting on Alibaba's Tmall grocery site with retail packages of dried fruits.

During this China mission, they met with many more private companies than on previous visits. Some are very interested in different flavors and unique products not seen in their market. They visited Wahaha Material and Resource Supply who was interested in red beans, cherries, and blueberries for their flavor properties. Meetings were also held with Alibaba Group in Hangzhou and Amazon in Beijing, as well as several other companies

across the region. Having focused on private companies during this mission, a great deal was gained that will help Michigan businesses.

The primary question when speaking with the press was relative to the stock market. Their economy may take a dip, but China continues to represent a huge market that offers a great opportunity.

The Governor signed a cooperative agreement with four China provinces to create an ongoing working group to include tourism, automobiles, and food and agriculture. The provinces involve larger populations and the agreement should be very beneficial in the future.

Commissioner Walcott asked if the Chinese government is beginning to release its hold on private companies. The Director advised she did see evidence of that and companies have been strongly encouraged to invest outside of China. Agriculture is consolidating and their five-year plan for dairy calls for ten large dairy companies, moving to the vertically integrated model. The concern for food safety remains very high and the desire for imported products continues.

Donna LaCourt, from MDARD, and three Michigan companies will be in China this week to participate in the hardwood trade show. They have 20 meetings scheduled at the show today to potentially develop trade opportunities.

The Director announced the annual Employee Award Ceremony will be held October 20, to include again this year a walking potluck before the ceremony. Nearly 100 people will be receiving service awards. A very successful local entrepreneur, Samuel Short, will be the featured speaker. She invited the Commissioners to participate in the event.

As reported in the news recently, MDARD staff has been detecting credit card skimmers at various gas stations. These devices capture the customer's credit card information, which is then used later. Weights and Measures staff are conducting a sweep of gas stations across the state and 1,282 pumps in 123 communities in the central and eastern parts of the state have been inspected to date, with 10 skimming devices detected. Next week, the operation will focus on the west side of the state. News releases are keeping the public informed, including advice to pay from inside the establishment or use the pump closest to the door, and to frequently monitor their credit card activity. The department is working with the Secret Service, and the FBI is involved as well. In response to questions from Commissioners Meachum and Montri, the Director advised the perpetrators open the pumps and attach the device inside, which is completely undetectable by customers. Gas station owners are being trained to inspect pumps and assist with deterring the criminals.

### **DIRECTOR'S TRAVEL**

Director Clover Adams reported she will be traveling to Guadalajara, Jalisco, Mexico, to attend the Tri-National Accord to be held November 11-14, 2015. Airfare for the trip will be covered with frequent flyer miles.

**MOTION: COMMISSIONER WALCOTT MOVED TO APPROVE THE DIRECTOR'S TRAVEL. SECONDED BY COMMISSIONER HANSON. MOTION CARRIED.**

**PUBLIC COMMENT (AGENDA ITEMS ONLY)**

There was no public comment relative to agenda items.

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

Mr. Blakely advised the Legislature has just returned from summer break, so it has been relatively quiet since the July meeting. Several bills of interest to the Commission are anticipated to come forward during the next few weeks.

The Restaurant Association is looking at what local community health is able to charge restaurants for inspections, because that varies from county to county. Some outliers exists in the state law which dictate one can charge what it costs to facilitate the inspection. This will result in at least a bill introduction.

He provided the Commission with a memorandum from Representative Cole regarding the Specialized Mushroom Certification Program. There is some interest in how the department reached its decision and why. Mr. Blakely and Commissioner Montri will be meeting with the representative on October 1 to address his questions and concerns. Commissioner Montri advised two additional Wild-Foraged Mushroom Certification trainings are planned October 17 in Lansing and October 24 in Mackinaw City. She asked if anyone is aware of an interested party, to please let them know information is available on the Midwest Association of Mycological Information (MAMI) website.

**GENERALLY ACCEPTED FRUIT, VEGETABLES, DAIRY, MEAT, AND GRAIN PROCESSING PRACTICES (GAPP): Jim Johnson, Division Director, Environmental Stewardship Division**

Mr. Johnson advised Public Act 381 provides nuisance protection to processing facilities, referred to as Right to Process. It requires the Commission to approve the standards used for that protection on an annual basis. Because of low activity, the department continues to educate processing facilities on the standards and the availability of the protection. Processors may not be experiencing nuisance complaints, or they may not be aware of the review process.

Since following review of the standards no changes were recommended by the committee, the Commission is being asked to approve the same set of standards that was in place last year. The Standards Committee will reconvene in November to begin addressing other processing types. The particulate issue, which will be a parallel discussion between MDARD and the Michigan Department of Environmental Quality (MDEQ), will attempt to identify an area where MDARD can assist processors so they can potentially avoid regulatory action.

**MOTION: COMMISSIONER WALCOTT MOVED APPROVAL OF THE GENERALLY ACCEPTED FRUIT, VEGETABLES, DAIRY, MEAT, AND GRAIN**

**PROCESSING PRACTICES FOR NOISE AND ODOR AS PRESENTED.  
SECONDED BY COMMISSIONER KENNEDY. MOTION CARRIED.**

**MICHIGAN AGRICULTURE ENVIRONMENTAL ASSURANCE PROGRAM (MAEAP)  
STANDARDS PROPOSED REVISIONS: Jim Johnson, Division Director, and Joe  
Kelpinski, MAEAP Manager, Environmental Stewardship Division; Jerry May, MSU Senior  
Extension Educator and Chair, MAEAP Livestock System Standards Workgroup; and  
Laura Doud, MDARD Environmental Engineer and Chair, MAEAP Farmstead System  
Standards Workgroup.**

Mr. Johnson noted the amendment to the Natural Resource Environmental Protection Act (NREPA), Part 87 codified MAEAP in 2011 and requires the Commission to approve the standards used for verification. Significant efforts of a large group of people resulted in the review and recommended changes to the standards. The Commission decided to consider approval of the standards as a group.

Mr. Kelpinski mentioned since this is the fifth iteration of the standards, they are very refined at this point and most of the changes are small edits, primarily to provide clarification and create consistency between various A\*Syst tools. In addition, changes to the statewide fueling law allowed relaxation of the standards to some degree.

Regarding the Livestock System, Commissioner Montri inquired about winter manure application, which had been noted as a contentious issue. Mr. Kelpinski advised there has been considerable discussion around Ohio's law to ban winter spreading. The issue for Michigan is that a ban of winter spreading would create considerable storage issues, and in particular, an access barrier for small and medium-sized producers. There are not sufficient cost share dollars to provide for the number of storage facilities that would be required in the state. Their ability to produce would be limited, forcing some to become Concentrated Animal Feeding Operations (CAFOs) and many others to go out of business. The alternative was to work closely with MDEQ and, through use of the Manure Application Risk Index (MARI), help producers identify fields suitable for winter application. This gives producers time to implement changes for a potential future ban.

In response to question from Commissioner Montri, Mr. May advised based on concerns, a survey of producers regarding practices is being conducted, research is being coordinated to determine what can be done to control runoff, and weather forecasting tools are being explored. The Director added Ohio banned winter spreading of not only manure, but all fertilizer, because they have a different practice of utilizing commercial fertilizer in the winter. This concern originates from the Western Lake Erie Basin. However, Michigan has only 15 CAFOs, whose animal numbers have not changed dramatically in the last 20 years, and the bulk of animals are on small farms.

In response to question from Commissioner Walcott, Mr. Kelpinski advised changes to the standard better define temporary storage. Mr. May advised a change to temporary spreading encourages spreading within the crop year.

Next considered was the Farmstead System, which contains the most revisions due to changes in the fuel law. In response to question from Commissioner Meachum, Ms. Doud advised there were no contentious issues during the review. Commissioner Montri

pointed out a typographical correction needed in Section 6.14 to indicate “less than 100 feet,” and Ms. Doud concurred. Mr. Johnson reported Ms. Doud came to the department from MDEQ, which provides a valuable resource, and she has done a great job, particularly with the fuel issue on farm operations. She spends a great deal of time educating Conservation District technicians on the fuel issues.

Mr. Kelpinski advised there were very few changes to the Cropping Field, Vegetable, Nursery, Christmas Tree, and Greenhouse Systems. Changes provide consistency between the various A\*Syst tools.

The Forest, Wetlands, and Habitat Systems tool will be implemented within the next few weeks. Again, changes are for clarification purposes only. In response to question from Commissioner Montri, Mr. Kelpinski advised special sites are considered by NRCS or state or federal law as unique areas, either geographically or habitat-wise, and need to be recognized and addressed appropriately in a producer’s plan.

Mr. Kelpinski thanked all of the committees for their outstanding efforts on the standards, which is an arduous task. Commissioner Walcott gave particular recognition to their incorporation of the new fuel standards. Those changes will open the MAEAP verification door to many more producers.

**MOTION: COMMISSIONER WALCOTT MOVED APPROVAL OF REVISIONS TO THE MICHIGAN AGRICULTURE ENVIRONMENTAL ASSURANCE PROGRAM STANDARDS AS PRESENTED. SECONDED BY COMMISSIONER HANSON. MOTION CARRIED.**

**WILD-FORGED MUSHROOM CERTIFICATION AND SPECIALIZED MEAT PROCESSING VARIANCE: Tim Slawinski, Acting Deputy Director, Food and Dairy Division**

Mr. Slawinski reported Wild-Foraged Mushroom Certification and Specialized Meat Processing Variance are two efforts engaged by the department to address long-term food challenges. Both areas are regulated under the Food and Drug Administration (FDA) Model Food Code that Michigan has adopted by reference since 2000. These specific sections are left for each adopting agency to determine how to implement, which is where the challenges arise.

Relative to wild mushrooms, the current Michigan Food Law adopts the 2009 FDA Model Food Code, which sets standards for approved food sources at retail and food service. Identifying that approved source is addressed in the Wild-Foraged Mushroom Certification Program.

Driving the need to regulate and develop certification are various facts, including (1) many poisonous species and look-alikes exist; (2) wild-foraged mushrooms are very popular, not just morels; (3) they are best identified when picked; (4) previous certification efforts no longer worked; and (5) awareness of the issue was raised by a Traverse City Record Eagle article in 2014. Prior to the certification program, individuals submitted information to the department, which was reviewed by five supervisors who determined if they were able to approve that person as a source. That process was viewed as being non-specific and subjective, and it was further felt that it prevented

people from selling mushrooms. Commissioner Montri added there had been only eight people approved in the prior 15 years. Mr. Slawinski advised he felt that most people simply were not aware of the process.

The annual Food Safety Education Fund Grant was initiated as a result of a proposal submitted by MAMI, who is partnering with the Michigan Farmers Market Association, and ISLAND (Institute for Sustainable Living, Art, and Natural Design). Together, they submitted a proposal to create a Wild-Foraged Mushroom Certification Program in Michigan. The grant provided for the development of the course curriculum.

Three one-day certification courses, taught by recognized experts, have been offered to date. The course certifies individuals in 20 mushroom varieties, requires an exam score of at least 80 percent, and is good for five years. As a result of the courses, 109 certifications were issued, with 82.5 percent passing on the first attempt. Two additional courses are being offered later this year.

The \$175 fee for the course goes to the course provider to fund future classes so the program can be self-sustaining. No money is received by the department or the State of Michigan. Certified individuals receive a certification card and are listed online. There has been some legislative interest in exempting morels from the certification requirement. In response to question from Commissioner Meachum, Mr. Slawinski advised the certification program adds nothing new and is intended to make it easier for individuals to sell mushrooms to restaurants and at farmers markets by making it easier to locate those approved sources. Commissioner Montri added she has received considerable positive feedback regarding the program and feels the issue raised by Representative Cole is a minor one.

Commissioner Meachum asked how accumulated course fees for the classes are recovered if the course provider decides to no longer teach future classes. Mr. Slawinski advised he would inquire and report back to the Commission.

Regarding specialized meat processing, the U.S. Department of Agriculture (USDA) regulates wholesale meat processing, and again, the current Michigan Food Law adopts the 2009 FDA Model Food Code and regulates retail meat processing. That code sets standards for food processing, preparation, handling, and storage at retail and food service. For Retail Specialized Meat Processing (typically cured products such as jerky, ham, bacon, and sausage), it (1) doesn't set specific standards for making these products; (2) requires a specific HACCP (Hazard Analysis and Critical Control Point) Food Safety Plan from each firm; and (3) requires the regulatory agency to approve the plan and issue a variance from the Food Code's normal standards.

High-risk food products with serious illness and death consequences drove the regulation process. There have been several outbreaks related to these types of meats. In addition, more businesses are starting to produce these specialized meat products, both at retail and in restaurants, where chefs are experimenting with old traditional methods of preparation and preservation. Inspectors are finding unsafe practices at retail meat processors and food service establishments relating to curing, cooking,

storage, packaging, and labeling. It was also recognized that the method of having a variance was not consistent across the industry.

MDARD developed the Specialized Meat Variance Process with the American and Michigan Meat Associations (MMA) in 2011. Development of the process included (1) policies for review, approval, shelf-life, and enforcement; (2) application form; (3) web resource: [www.Michigan.gov/meatprocessing](http://www.Michigan.gov/meatprocessing); and (4) deadline of March 2015, a three-year window. The structure includes a General Advisory Committee (MDARD, Industry, and MSU), Technical Advisory Committee (MDARD, USDA, MMA, MSU, and Ohio State), and MDARD processing senior staff (four senior specialists almost 100 percent devoted to desk and on-site reviews).

As of August 24, 2015, 247 firms have submitted variance applications, which is 73 percent of the 339 total facilities required to submit. Of those, 51 firms were identified as "No Variance Needed." Processing seniors have completed 129 desk reviews and 96 firms have been visited. Final approval has been issued to 44 firms and 30 are in the final review stage. The program goal is to complete most approvals by October 1, 2016. Steps will be taken to identify firms not yet submitting and violations issued if necessary.

The process results in a food safety plan that (1) improves safety of meat processors, (2) allows for accurate and safe extended shelf-life determinations, (3) allows inspectors to inspect against the owner's own plan, and (4) provides a path towards USDA wholesaling. No fees are charged by MDARD to the industry. The training course development was funded by MSU and MDARD Food Safety Education Funds.

Commissioner Montri advised in her work with the Michigan Meat Association, she is not receiving much positive feedback from the industry regarding this process and there are hurdles moving forward. One slightly unfair part is that although it mentions processors were given a three-year window, both the training by MSU and the application have changed several times, and MDARD's staff were trained in February 2015, just 10 days prior to the deadline. These are things to keep in mind as the program moves forward.

The Director noted much has been learned from this process that can be applied as we bring technical assistance and education to the small and medium-sized vegetable and fruit growers to help them comply with federal laws when we begin to implement requirements of the Food Safety Modernization Act (FSMA).

### **RECESS AND RECONVENE**

Chairperson Meachum recessed the meeting at 11:08 a.m. for a brief break. He reconvened the meeting at 11:24 a.m.

### **AVIAN INFLUENZA AND CHRONIC WASTING DISEASE UPDATES: James Averill, State Veterinarian and Division Director, Animal Industry Division**

Dr. Averill reported Avian influenza is a viral infection caused by influenza virus, there is no known treatment, and is a reportable disease. There are three forms of the virus, non-pathogenic, low-pathogenic, and high-pathogenic. The Avian influenza that began in the Pacific Northwest during December 2014 is of the high-pathogenic variety (HPAI). Approximately 50 million poultry have been impacted, with 232 affected premises. The

disease has been found in 21 states, with six only being in the wildlife. It has become the largest animal disease outbreak this country has ever experienced. There are currently no known cases of HPAI in domestic flocks in Michigan.

Of the 211 commercial operations affected, 102 are back in business and eligible to restock at this point in time. We are now approaching 90 days since the last poultry flock was found in Iowa. It is an arduous process for the affected producers to depopulate, dispose of animals, clean, and disinfect to reach a point, several months later, to be able to begin repopulating their operation.

Biosecurity is of utmost importance because there is no method to treat the disease nor is there an effective vaccine, which is demonstrated by the significant economic impact it can impose. USDA Veterinary Service (VS) has spent over \$500 million combating the disease. Exports are down by 14 percent in the first six months of the year as a result of trade restrictions placed on U.S. poultry. Minnesota, the largest turkey producing state, reports losses of over \$500 million, and in Iowa, the largest egg producing state, losses are estimated at \$1.2 billion.

Michigan was surrounded by the disease – it had been found in Wisconsin, Indiana, and Ontario. To help protect the state's 25 million commercially raised poultry, public health well-being, and integrity of 4-H exhibits, on June 1, 2015, all poultry events in the State of Michigan were cancelled. An opportunity was developed for youth to still experience their projects without bringing their poultry to the fair. As of yesterday, pigeon racing will be allowed to resume in the state, because the breed is at a very low risk for the disease.

On June 8, 2015, three wild geese from Macomb County tested positive for HPAI. The Michigan Department of Natural Resources (MDNR) subsequently canceled all goose relocation efforts. Twelve geese in total were found to be positive. MDNR has been conducting extensive outreach to the poultry industry and those with backyard poultry to stress the importance of biosecurity. The industry's understanding of that has protected Michigan's poultry. There may be a resurgence of the disease as the wild birds migrate south this fall and there could still be a threat during next spring's migration.

Michigan's response plan includes (1) control zones – movement control and conduct surveillance; (2) quarantine affected premises – depopulation, disposal, cleaning, and disinfecting; (3) communications; and (4) human safety. The department continues to further refine the plan to be prepared if the disease does reemerge.

In response to questions from Commissioner Walcott, Dr. Averill advised the infected goslings were acting abnormally in the retention ponds at a local mall and a concerned citizen reported that to MDNR. Small flock producers are encouraged to follow good biosecurity practices – minimize who is interacting with the birds, quarantine new birds, do not share equipment with neighbors, incorporate good nutrition, use only well water, and keep them indoors to avoid contact with wild birds. Clinical signs can range from no signs at all to neurological inconsistencies, imbalance, walking in circles, and bluing of combs and legs.

Commissioner Walcott advised he heard negative reports regarding USDA and the large poultry operations in Minnesota and Iowa not being able to get assistance and having difficulty with disposal and control. Dr. Averill advised USDA has learned a considerable lesson from the disease incident, including that a delay in depopulation creates a virus factory. USDA is trying to move toward a metric requiring depopulation and disposal within 24 hours of a flock being confirmed positive for the first time in a state. And after that, actions could be initiated with only a presumptive positive if clinical signs align. In broilers and turkeys, that probably can be accomplished. The issue comes with layers – trying to depopulate those large numbers of birds is not logistically feasible with the current methods being used. What has been discussed is a method used in Europe where, following very specific criteria, ventilation is shut down and heat is increased, which will cause the birds to expire very quickly. This is currently not an approved method of humane euthanasia, but it is effective and could help tremendously. USDA advises it is up to each state to make that decision. Michigan is involved in those discussions and is developing the required criteria in case it potentially needs to utilize that method.

In response to questions from Commissioners Meachum and Walcott, Dr. Averill advised currently either carbon dioxide or foam is used. Onsite composting is the preferred disposal method, in the barn or just outside the building. Burial, landfills, and incineration are other options. The department is hoping to bring the major landfill companies into an agreement to accept birds if needed. In MDARD conversations with each individual poultry producer, each owner is identifying the appropriate methods for depopulation and disposal of their flock should that be required. The Bodies of Dead Animals Act allows burying of up to 5,000 pounds per acre and anything beyond that requires special permission between the Directors of MDARD and MDNR, which is being changed to more correctly be in conjunction with MDEQ.

Commissioner Walcott advised he is glad to see the department is ahead of the curve and working on solutions to avoid the disposal issues that occurred in the Midwest earlier this year. Dr. Averill pointed out it is unfortunate what happened in Minnesota and Iowa; and the magnitude of the event quickly overwhelmed them, as well as USDA resources. USDA is hinting that if good biosecurity practices are not being followed, there may not be indemnity in the future. Michigan predominately relies on USDA to pay indemnity and if that does not exist, the Director can authorize up to \$100,000 in indemnity, which subsequently requires asking the Legislature for additional funding.

The Director asked Dr. Averill to point out the top biosecurity lessons learned from the incidents in Minnesota and Iowa. Dr. Averill advised the number one lesson is although you are always practicing some level of biosecurity in commercial operations, when there is a disease issue and you begin to ramp up those practices, it requires constant diligence to sustain that increased level. Next, given the number of operations and the number of people coming and going, even trying to do their best, they did not prevent the virus from coming off the farms. The third lesson that has resulted from the research is that in certain circumstances, specifically in Minnesota, this is the first time we have seen aerosolized transmission of the virus. Working some of the farms in heavy spring winds, downwind a few days later, the virus emerged. It brought an entire new meaning to biosecurity that the swine industry has been dealing with since the onset of Porcine

Epidemic Diarrhea Virus. Poultry operations are now considering installation of very expensive HEPA filters.

In response to questions from Commissioner Hanson, Dr. Averill advised the virus does not like heat or cold. This is why it died down after the middle of June and it is not typically seen in winter. He hopes absence of the disease doesn't lead to complacency, because it could very well reemerge next spring. The disease initially came from the wildlife, but once introduced into domestic poultry, it spread from operation to operation.

Another disease now of concern in Michigan is Chronic Wasting Disease (CWD), which is a slow progressive neurological disease of cervids that can cause death. It is related to other transmissible spongiform encephalopathies (TSE), including Mad Cow, Scrapie, and Creutzfeldt-Jacob. Like other TSEs, CWD is caused by prions, which are infectious proteins. Prions multiply, accumulate, and kill nerve cells creating "holes" in the brain, resulting in severe neurological disease. Clinical signs and symptoms include emaciation, abnormal behavior, loss of fear, drooling, isolation, and increase in thirst and urination.

Transmission can be through direct or indirect contact with saliva, feces, urine, and blood of an infected animal. Environmental contamination is a special problem. Body secretions and carcasses from infected animals can contaminate soil for years.

CWD is not a public health issue, as there is no evidence it has any impact to humans. However, out of an abundance of caution, when a deer is found positive, it is advised the meat be discarded.

On May 20, 2015, a six-year-old whitetail doe was confirmed positive for CWD. After being reported by the landowner, it was found emaciated in Meridian Township, Ingham County. This is the first wild deer found with CWD in Michigan. Prior to this, one captive deer was identified in Kent County in 2008.

Historically, MDNR had tested over 34,000 deer, 1,600 elk, and 70 moose prior to the positive deer, and all were negative for CWD. Genetic tests at MSU suggest the positive wild doe, as well as two additional CWD positive deer, were Michigan deer and are in some manner related. How they became infected is unknown.

Michigan has had a CWD Response Plan in place for over 10 years that was updated in 2012 and it is what both agencies are following at this time. MDNR is following a 10-mile circle concept in which any counties that touch that radius are part of the CWD management unit. Baiting has ceased, surveillance has been increased, within a two-mile radius (or nine-township area) they have been harvesting deer with the assistance of USDA Wildlife Services, and controlled movement is placed on all deer harvested in that area this year. In addition, there are less strict movement controls for the remainder of the three-county area involved.

On the MDARD side, a 15-mile circle has been established and three privately-owned cervid (POC) operations exist within that circle. Those operations have 30 cervids, two have only reindeer, a breed never found to have the disease. Although the risk for these

POCs to contract the disease is very minimal, the department is monitoring the herd inventories twice a year and surveillance is increased in those facilities.

As of August 20, over 600 deer have been harvested within the two-mile radius since the finds in May and no additional CWD positives have been identified. USDA Wildlife Services will cease their targeted harvesting within the next week or so in preparation for early hunting season. At the end of hunting season, the number of deer harvested, any additional CWD positive finds, and the overall estimated deer population will be analyzed and targeted culls may resume in January if deemed prudent. MDNR will continue to conduct surveillance for a total of three years.

Michigan has had plans in place for HPAI and CWD, has updated those as appropriate, and is prepared. These diseases demonstrate the importance of how we need to be considering the impact of wildlife/domestic animal interactions. The department's goal is to protect, regulate, and promote animal health and MDARD continues to do its best toward that goal.

In response to question from Commissioner Montri, Dr. Averill advised that MDNR is in the process of re-estimating the deer population in various areas of the state. However, the current area under surveillance for CWD is an area where the deer population is well over 60 deer per square mile.

**GRANT PROGRAMS UPDATE: Peter Anastor, Division Director, and Nancy Nyquist, Market Development Specialist, Agriculture Development Division**

Mr. Anastor noted the Agriculture Development Division (AgD) Grants Programs are primarily administered by Nancy Nyquist and Amy Bearss, who do a great job coordinating the endless paperwork involved. Several grant programs are coordinated, including Specialty Crop Block Grants (SCBG), Rural Development Value-Added /Regional Food System Grants, Strategic Growth Initiative (SGI), and one-time grant opportunities. The grants are important tools for AgD in helping to move forward some of the priorities, initiatives, and economic development projects. Analyzing the impacts of the projects funded in previous years assists direction of the programs in the future.

The current active grant portfolio is 137 projects, of which 72 are SCBG, 28 are Value-Added, and 37 are SGI. That does not include 25 new SCBG projects that will be approved by September 30 of this year. The grant cycle for many of the projects represents a three-year process, which includes monitoring report receipt and ensuring projects are staying on track.

Funding for the SCBG Program comes to Michigan from the Farm Bill. The program is designed to enhance the competitiveness of specialty crops – fruits, vegetables, tree nuts, dried fruits, horticulture, and nursery crops (including floriculture). Goals of the program include (1) enhance the marketability and competitiveness of specialty crops; (2) expand access to healthy and safe Michigan-grown specialty crops; (3) expand stewardship practices, natural resource conservation, and the development of ecosystem services; and (4) ensure the viability of Michigan specialty crops by investing in the next generation of operators. Funding for the program is typically around \$1.5 million per year, with typically 25-30 projects being funded. USDA is currently

considering ways to measure the impact of these grants, much like we are trying to accomplish with the state grants.

Ms. Nyquist advised examples of positive outcomes from the SCBG Program includes the Cherry Marketing Institute project. They were awarded a \$75,000 grant to increase the awareness of cherries' unique athletic recovery advantage and research substantiating various other health benefits. They created and produced the *Red Report: The Science Behind Tart Cherries* and conducted 25 interviews with television and radio, including FoodNetwork.com. Seven meetings were also held with national publications such as *Health* and *Family Circle* magazines. Sales for 2013, when the results of this project were completed, totaled about 222 million pounds nationally, compared to 123 million in 2012. Although some of that can be attributed to the poor tart cherry crop in 2012, much can be attributed to the product focus through the project.

Another project example is the Michigan Christmas Tree Association. They received a \$75,000 grant to increase awareness and purchase of Michigan-grown poinsettias and Christmas trees. They were able to coordinate a number of great public service announcements. The project resulted in increased consumer knowledge and a significant growth in sales.

Mr. Anastor advised the goal of the Value-Added/Regional Food Systems Program is to establish, retain, expand, attract and/or develop value-added agricultural processing and/or develop regional food systems by enhancing or facilitating aggregation and distribution of Michigan-grown agricultural products. It has been in existence for three years, was originally funded at the \$2 million level and at about \$1 million for the past two years, and averages 15 projects each year. Projects awarded are significantly less than the number of project proposals received, indicating there is a need for additional assistance. The department carefully reviews all proposals to ensure impactful projects are chosen. Total funding for Fiscal Year 2016 is \$1.2 million for this grant program, \$550,000 of which is one-time funding.

Ms. Nyquist reported Value-Added/Regional Food Systems projects included the Great Lakes Pork Feasibility Study, whereby the \$100,000 grant to conduct an initial feasibility study for a pork processing facility in Michigan led to the location of the Clemens Food Group 550,000 square-foot pork processing facility in Coldwater. It represents a \$255 million investment and will bring 810 jobs to the area. The department is excited about this project and continues to work with Clemens Food Group to help bring the processing plant to fruition.

The Uptown Reinvestment project received a \$70,000 grant for Flint Food Works (FFW), a nonprofit commercial kitchen and small business incubator designed to provide low-risk opportunities for new food businesses in Flint and the surrounding area. It is part of the Flint Health and Wellness District, which includes the new 32,000 square-foot Flint Farmers Market.

Mr. Anastor advised the Strategic Growth Initiative (SGI) strives to increase the economic impact of the food and agriculture industry in Michigan through the priorities of removing existing barriers and leveraging opportunities identified as critical to business

development and growth. The State of Michigan Legislature has funded the program for the past two years. In 2014, \$2.7 million in grants was awarded for 18 projects and \$2.2 million was awarded in 2015 for 19 projects. Again, there was significantly more demand than funds available for these projects. Unfortunately, funding for this grant program was not continued for Fiscal Year 2016.

Ms. Nyquist noted a prime example of an SGI project is the Michigan Agri-Business Association (MABA) Michigan Resource Mapping Tool for Agricultural and Business Growth project. The \$75,000 grant to develop this publicly available tool resulted in its being awarded an "AE50 Award" from the American Society of Agricultural and Biological Engineers. This interactive tool gives Michigan agribusinesses access to key information that will guide strategic business decisions, allow agriculture to seize new opportunities for economic growth, and provide guidance in developing priority areas for agricultural expansion in response to new markets, climate change, and other factors. The tool is available on MABA's website at <http://www.miagbiz.org>.

Another exciting example is the Square Son LP project which received a \$250,000 grant for the commercialization of a proprietary processing innovation that removes up to 95 percent of the natural sugars from traditional fruit juice. The fruit juice product is called EDIT and will be marketed in the very near future. The company relocated from Wisconsin, redeveloped an existing building in Traverse City, and anticipates creating at least 20 jobs during the initial phase of the project.

Mr. Anastor reported future improvements will be implemented to enhance the grants programs and include (1) align grant opportunities with industry priorities that will produce the greatest impact for Michigan, (2) continue to partner with grant recipients to document successes and long-term impacts to create sustainability, and (3) evaluate previous grants to gain better understanding of high-impact projects and opportunities.

Commissioner Montri asked if divisions other than Agriculture Development and Food and Dairy offer grants. The Director advised the Animal Industry Division offers shelter grants and the Pesticide and Plant Pest Management Division offers grants funded with nursery fees. The bulk of the other departmental grants have basically been developed as a result of some partner industries desiring a portion of the money paid in fees to be returned to the industry. Mr. Anastor advised the Grape and Wine Program also extends some grants for research activities.

### **COMMISSIONER ISSUES**

Commissioner Hanson noted during the recent meeting in Garden, one farmer raised the issue of wildlife problems. Although she advised those issues are handled by MDNR, he asked that his concerns be shared with this Commission, advising that between Sandhill cranes, wolves, and deer, they have a huge problem in the Garden Peninsula. Commissioner Hanson added the wildlife problem exists across the entire UP.

Commissioner Meachum asked everyone to join him in wishing Director Clover Adams a very happy birthday today.

## **PUBLIC COMMENT**

No public comment on non-agenda items was requested.

## **ADJOURN**

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

There being no further business, the meeting was adjourned at 12:37 p.m.

### Attachments:

- A) *Agenda*
- B) *Agriculture and Rural Development Commission Meeting Minutes July 21, 2015*
- C) *Director Jamie Clover Adams – Issues of Interest Report*
- D) *Specialty Mushroom Certification Memorandum from Representative Cole*
- E) *Generally Accepted Fruit, Vegetables, Dairy, Meat, and Grain Processing Practices For Noise and Odor*
- F) *Michigan Agriculture Environmental Assurance Program Standards Proposed Revisions*
- G) *Wild-Foraged Mushroom Certification and Specialized Meat Processing Variance Presentation*
- H) *HPAI and CWD Update Presentation*
- I) *Grant Programs Update Presentation*