







2014 Executive Budget Overview

Director Jamie Clover Adams February 12, 2013



Overview



- Michigan's Food and Agriculture Industry
- MDARD's Mission, Goals, and Priorities
- 2013 Accomplishments
- 2014 Executive Budget

Michigan Food and Agriculture Industry



- Contributes \$91.4 billion annually to the state's economy
- * Employs 923,000 Michigan residents (22 percent of people working in Michigan)
- Leads the nation in production of 17 commodities

MDARD Mission



The Michigan Department of Agriculture and Rural Development's (MDARD) mission is to assure the food safety, agricultural, environmental, and economic interests of the people of the State of Michigan are met through service, partnership, and collaboration.

Goals



Outcomes	2011	2015	Status	
Increase economic impact	\$71 billion	\$100 hillion	\$91.4 billion	
of food and agriculture	Ψ1 ± 01111011	Ψ100 billion	ΨΟΣΙΤ OIIIIOΠ	
Double agriculture exports	\$1.75 billion	\$3.5 billion	\$2.77 billion	
Increase food and	1 million 🗪	1.1 million	923,000	
agricultural jobs		1.1 1111111011	923,000	
Improve access to healthy	40% of	60% of	TDD	
foods	residents	residents	TBD	
Increase sustainable food	1,000	5,000	1,427	
and agriculture systems	verifications	verifications	±,4∠ <i>1</i>	

Priorities



- Assure Food Safety
- Protect Animal and Plant Health
- Sustain Environmental Stewardship
- Provide Consumer Protection
- Enable Rural Development







2013 Budget Accomplishments



- Michigan Agricultural Environmental Assurance Program (MAEAP)
- Migrant Labor Housing
- Non-Industrial Private Forestry
- County Fairs







2013 Budget Accomplishments



- Food Safety
- Dairy Program
- Rural Development
- Value-Added Grant Program







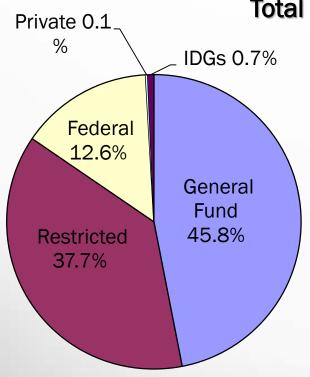


2014 Budget

(Oct 1, 2013 - Sept 30, 2014)



Total Budget by Funding Source



Funding Source	Amount	
General Fund/General Purpose (GF/GP)	\$	37,630,300
Restricted	\$	29,020,900
Federal	\$	9,720,900
Private	\$	96,900
Interdepartmental Grants (IDGs)	\$	524,300
Total Funding	\$	76,993,300

2014 Budget

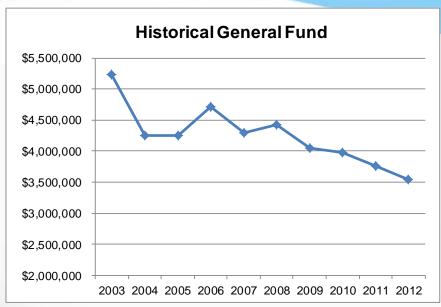
Program Enhancements

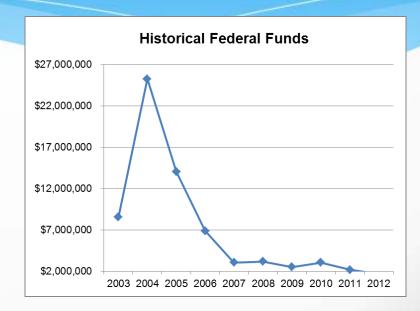


- Agricultural Product Assurance and Export Assistance - \$1 million
 - 3,500 export certificates a year
 - Export to 70 countries
 - Top Markets: Canada, Mexico, Japan, Korea, Taiwan, and China
 - Focus on key mission areas of feed and fertilizer
- Food and Agriculture Industry Growth Initiative - \$1 million

Why Funding for Ag Product Assurance and Exports?













2014 Budget Adjustments



- Continuation Funding
 - Food Safety \$250,000
 - Forestry \$600,000
- Adjustments
 - Producer Security \$150,000
 - Farmland Preservation \$392,500





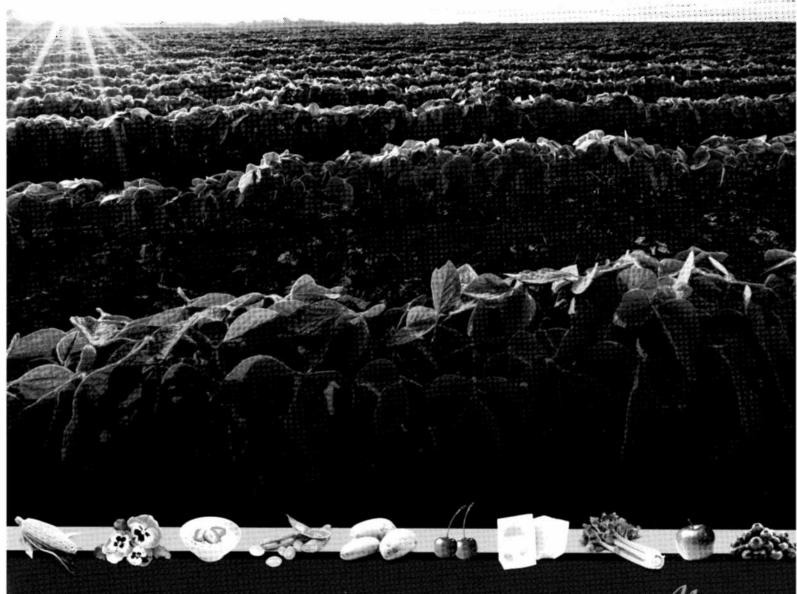


Discussion

MDARD SC 2-12-13

Michigan's

Food & Agriculture Industry



PURE MICHIGAN

Growing Forward.

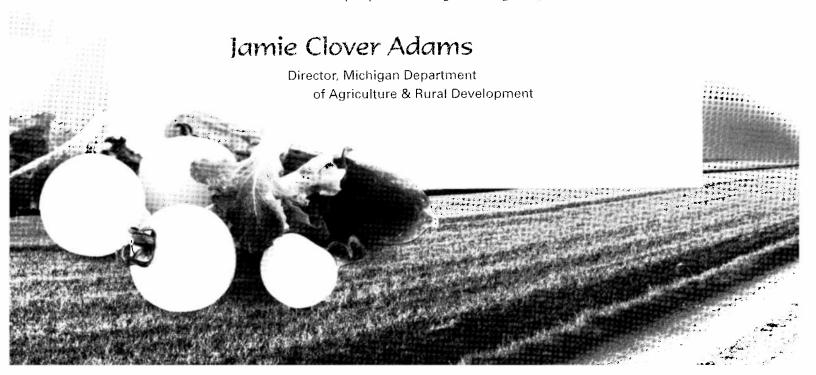
As the Michigan Department of Agriculture and Rural Development (MDARD) director, my passion is to continue planting the seeds of entrepreneurship, to encourage opportunities for rural development, and to watch the state's food and agriculture system continue to grow.

In May of 2012, the Michigan State University Product Center announced that Michigan's food and agriculture system grew by about \$20 billion since 2009, generating \$91.4 billion in economic activity each year.

I am proud of the role MDARD plays in ensuring a strong, viable, and safe food system, as well as in helping identify new opportunities for our talented workforce within the food and agriculture industry.

Michigan produces more than 300 commodities on a commercial basis, making us second only to California in agricultural diversity. In 2011, our annual agricultural exports generated nearly \$2.8 billion. Further, our state leads the nation in the production of 18 commodities and ranks in the top 10 of 56 other commodities.

Michigan's food and agriculture system is poised to be a vital leader in the continued reinvention of our state. We will continue to serve, promote, and protect the food, agricultural, environmental, and economic interests of the people of Michigan with great pride.

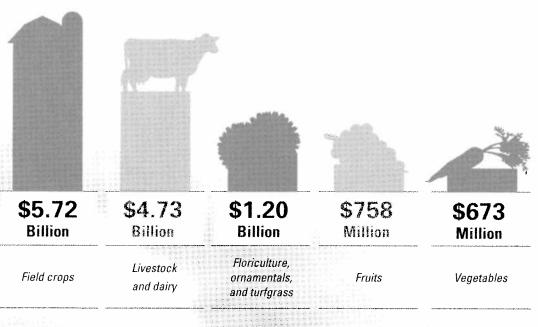


Economic Value of Production

Michigan's food and agriculture industry is flourishing with opportunity.

Michigan's dynamic agri-food system generates \$91.4 billion in total economic activity. With strong public and private investment, the nation's second most

diverse commercial crop base, and an extremely diversified portfolio for food processing, the food and agriculture industry will continue to drive Michigan's economic development.



Source: Michigan State University Product
The Economic Impact of
Iture System

Michigan has...

Industry Goals

Michigan Food and Agriculture goals for 2015:

Increase the economic impact of the food and agriculture industry to \$100 billion.

Double agricultural exports.

Increase food and agricultural career jobs by 10%.

Improve access to healthy foods for Michigan consumers by 20%.

Achieve 5,000 Michigan Agriculture Environmental Assurance Program (MAEAP) verifications.

54,900 farms & 10 million acres of farmland

312 farmers markets ranking 3rd nationally

Top 10 National Commodities

Michigan leads the nation in the production of 18 commodities. Michigan also ranks in the top 10 for 56 other commodities.

We're #1

in the Nation!

Legumes



- Dry Black Beans
- Dry Cranberry Beans
- Dry Small Red Beans

Flowers

- Begonia Baskets
- Begonia Flats
- Easter Lilies Potted
- Geranium Baskets (cuttings)
- Geranium Pots (seed)
- Impatiens Baskets
- Impatiens Flats
- New Guinea Impatiens Baskets
- Petunia Baskets
- Petunia Flats

S

Fruit & Vegetables



- Blueberries
- Cucumbers (for pickles)
- Niagara Grapes
- Tart Cherries

Dairy

Ice Cream Mix (lowfat)



#2 in the Nation

- Dry Beans (ali)
- Dry Navy Beans
- Carrots (fresh market)
- Celery
- Geranium Baskets (seed)
- Geranium Flats (seed)
- Hostas
- Marigolds
- Pansy/Viola Baskets
- New Guinea Impatiens Flats
- New Guinea Impatiens Pots
- Other Flowering & Foliar Baskets
- Squash
- Vegetable-Type Bedding Plant Flats
- Vegetable-Type Bedding Plant Pots

#3 in the Nation

- Apples
- Asparagus
- Dry Light Red Kidney Beans
- Geranium Pots (vegetative cuttings)
- Hardy/Garden Chrysanthemum Pots
- Other Flowering & Foliar Flats
- Other Flowering & Foliar Pots
- Petunia Pots
- Snap Beans (for processing)

Source: USDA/NASS Allowers Field Office

#4 in the Nation

- Dry Dark Red Kidney Beans
- Concord Grapes
- Cucumbers (fresh market)
- Grapes
- Pansy/Viola Flats
- Other Herbaceous Perennials (potted)
- Sugarbeets
- Sweet Cherries
- Tomatoes (for processing)

#5 in the Nation

- Plums
- Pumpkins

#6 in the Nation

Peaches

#7 in the Nation

- Maple Syrup
- Snap Beans (fresh market)

#8 in the Nation

- Haylage & Greenchop
- Milk
- Potatoes

#9 in the Nation

- Egg Production
- Oats
- Tomatoes (fresh market)

#**10** in the Nation

Cabbage





Food Safety & Research

Michigan can trace ingredients back to their sources, preserving product identity throughout production and distribution. In addition to cultivating great crops, Michigan develops strong partnerships among government agencies, universities, and the business sector. Michigan's academic and government institutions foster an environment that supports agriculture production, research, and development.



Abundant Natural Resources

Michigan boasts an abundance of fresh water, a moderate climate, and a wide variety of soils to produce high quality, diverse commodities.



Infrastructure

Michigan is located within 500 miles of half of North America's population and income. Well-established infrastructure includes toll-free highways and railroads, as well as commercial airports and cargo ports.



Robust Manufacturing

The manufacturing infrastructure of Michigan is poised to improve food and agriculture products and processes, while using innovation to design new food and agriculture products.



Trained Skilled Workforce

Michigan's well-trained workforce is backed by a strong commitment to education and workforce development through training and skills updating.

International Exports

Michigan's top export markets are Canada, Mexico, Japan, South Korea, and China.

Michigan internationally exports one in every three rows grown annually.

> Agriculture exports from Michigan generated nearly \$2.8 billion in economic activity.

Agriculture exports help boost farm prices and income, while also supporting over 23,985 jobs both on and off the farm in food processing, storage, and transportation.

Top Exported Commodities

Estimates, 2011 Fiscal Year









Soybeans

Revenue:

\$477.1 Million

Corn

Revenue: \$358.7 Million Wheat

Revenue:

\$261.5 Million

Dairy Products

Revenue:

\$214.5 Million

Fruit

Revenue:

\$180.2 Million

Source: USDA/NASS-Michigan Field Office

Michigan Food Processing...

Employs more than 130,000 residents

Has 1,841 licensed food processors

Generates nearly \$25 billion in economic activity

Ranks 19th in the nation



Big State, Big Names

Hundreds of big-name companies are already reaping the benefits of Michigan. When will you join them?

The Andersons Grain & Ethanol Group

Awrey Bakeries

Ball Park

Better Made Snack Foods

Birds Eye Foods

Cargill Kitchen Solutions

Coca-Cola Bottling

Country Fresh

Chelsea Milling Co./Jiffy Mixes

Domino's Pizza

Garden Fresh Salsa

Gerber

Eden Foods

Hacienda Mexican Foods

Hausbeck Pickle

Heinz, U.S.A.

Herbruck Poultry Ranch

The Honeybaked Ham Company

Honee Bear Canning

JBS

Joseph Campbell Company

Keebler

Kellogg's

Kraft Foods

Kowalski Sausage

Leprino Foods

Little Caesars

Michigan Milk Producers Association

Michigan Turkey Producers

Michigan Sugar Company

Minute Maid

Melody Foods

Monsanto DeKalb Seed Plant

Pioneer Seed Plant

Pioneer Snacks

Post Foods

Purina Mills

Quality Dairy

Raiston Foods

Sara Lee Bakery

Vlasic Pickles

Welch's

Yoplait.

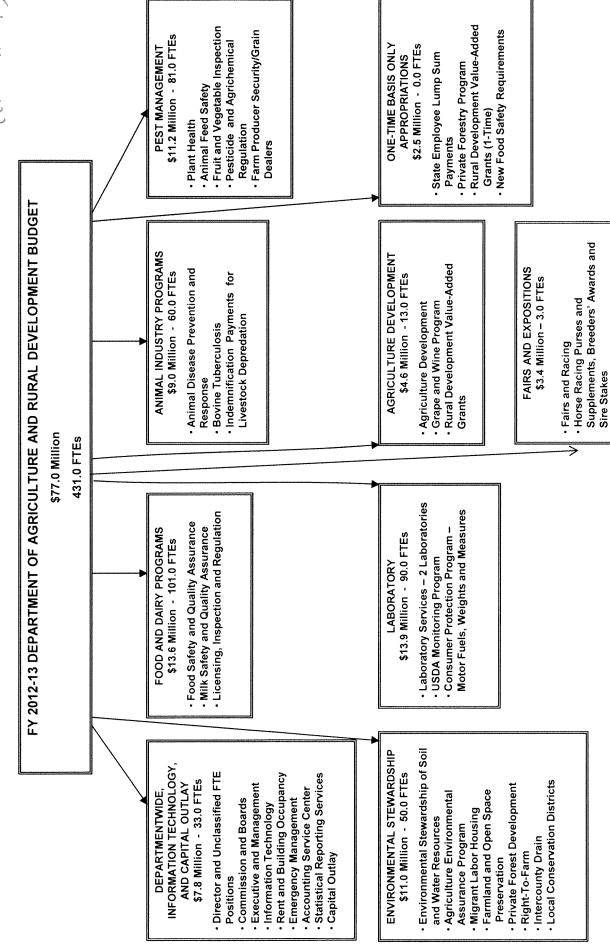
Zeeland Farm Services

Zelenka Nursery

Zingerman's Bakehouse



www.michigan.gov/mdard (800) 292-3939



2/12/2013 House Fiscal Agency

County Fairs Capital Improvement

Grants



AGRICULTURE AND RURAL DEVELOPMENT Summary of FY 2012-13 Enacted Appropriations Article I, 2012 Public Act 200 (House Bill 5365)

Analyst: William E. Hamilton

	FY 2011-12 YTD	FY 2012-13 Revised	FY 2012-13	FY 2012-13	FY 2012-13	Difference: Enacted From FY 2011-12 YTD	
	as of 2/9/12	Executive	House	Senate	Enacted	Amount	%
IDG/IDT	\$437,700	\$319,300	\$319,300	\$319,300	\$5 19,300	\$81,600	18.6
Federal	14,587,700	11,199,600	11,199,600	11,199,600	11,199,600	(3,388,100)	(23.2)
Local	0	0	0	0	0	0	
Private	178,400	175,800	175,800	175,800	175,800	(\$2,600)	(1.5)
Restricted	29,600,500	28,659,400	28,959,400	28,959,400	28,959,400	(641,100)	(2.2)
GF/GP	29,878,700	34,160,500	34,160,500	35,612,200	36,098,900	6,220,200	20.8
Gross	\$74,683,000	\$74,514,600	\$74,814,600	\$76,266,300	\$76,953,000	\$2,270,000	0.3
FTEs	443.0	424.0	424.0	427.0	431.0	(12.0)	(2.7)

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post-Employment Benefit prefunding under Senate Bill 683.

(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

Overview

The Department's key programs and priorities include ensuring food safety and security, protecting animal health and welfare, managing invasive exotic species, regulating pesticide use, certifying agricultural commodities, ensuring environmental stewardship, protecting consumers, and promoting the state's agricultural economy.

Major Budget Changes From FY 2011-12 YTD Appropriations	1	Y 2011-12 YTD (as of 2/9/12)	Enacted Change From YTD
 Unclassified Salaries Adds 4.0 unclassified FTE positions and \$486,700 GF/GP. 	FTEs	2.0	4.0
	Gross	\$213,300	\$486,700
	GF/GP	\$213,300	\$486,700
2. Information Technology Includes economic adjustments and shifts \$20,000 from the Agriculture Equine Industry Development Fund (AEIDF) to Light Horse Breeders' Awards (Item 15 below).	Gross IDG Restricted GF/GP	\$1,356,300 2,900 156,100 \$1,197,300	\$28,600 100 (14,600) \$43,100
 Food and Dairy - Milk Safety and Quality Assurance Recognizes economic adjustments; includes \$300,000 GF/GP increase as compared to the Executive recommendation, and 3.0 additional FTE positions. 	FTEs	23.0	3.0
	Gross	\$3,103,200	\$371,600
	Federal	35,700	800
	Restricted	165,800	3,800
	GF/GP	\$2,901,700	\$367,000
4. Animal Industry - Indemnity Livestock Depredations Adds new line item to account for indemnity payments for livestock depredations as provided in boilerplate Section 453 (2) and (3).	Gross	N/A	\$50,000
	GF/GP	N/A	\$50,000
5. Pesticide and Plant Pest Management - PPPM Recognizes economic cost reductions and \$400,000 restricted fund reduction to reflect actual anticipated revenue. Includes \$70,000 GF/GP increase to provide for nursery inspections.		88.0 \$11,025,400 2,043,900 86,500 5,224,900 \$3,670,100	(11.0) (\$415,300) 5,100 300 (387,200) (\$33,500)

HOUSE FISCAL AGENCY: JULY 2012

AGRICULTURE AND RURAL DEVELOPMENT

Major Budget Changes From FY 2011-12 YTD Appropriations		FY 2011-12 YTD (as of 2/9/12)	Enacted Change From YTD
6. Producer Security/Grain Dealer Licensing Recognizes \$8,200 in economic increases, and \$300,000 in additional restricted revenue from the passage of Senate Bill 887 and Senate Bill 888, bills that would amend the Grain Dealers Act (licensing program) and the Farm Produce Insurance Act, respectively; reduces GF/GP support by a like amount.	FTEs Gross Restricted GF/GP	4.0 \$566,000 253,600 \$312,400	0.0 \$8,200 303,800 (\$295,600)
7. Environmental Stewardship Recognizes economic increases and \$200,100 restricted revenue reduction to reflect actual anticipated revenue.	FTEs Gross Federal Restricted GF/GP	18.0 \$6,252,500 1,387,600 4,864,800 \$0	0.0 (\$106,000) 21,400 (127,400) \$0
8. Michigan Agriculture Environmental Assurance Program (MAEAP) Recognizes economic increase and \$200,100 restricted revenue reduction to reflect actual anticipated revenue; provides \$1.0 million GF/GP increase to baseline funding with the aim of achieving goal of 5,000 MAEAP verifications by 2015.	GF/GP	3.0 \$575,400 299,900 \$275,500	4.0 \$1,046,100 23,900 \$1,022,200
9. Private Forestry Program Recognizes \$200,000 IDG from MDNR (Forest Development Fund) for private forestry program. Department currently administers this program under an agreement with MDNR, but the program is not currently recognized in budget.	GF/GP	N/A N/A N/A	\$200,000 200,000 \$0
 Local Conservation Districts Retains \$100 placeholder. 	Gross GF/GP		\$0 \$0
11. Migrant Labor Housing Recognizes economic adjustments of \$42,500, and elimination of federal fund source. Adds \$400,000 in baseline GF/GP funding for program which helps ensure safe housing for seasonal farm workers. Department currently conducts pre-season inspections at 850 licensed migrant labor camps in Michigan. Increased funding would support 3.0 additional FTE positions in order to also provide in-season inspections.	Federal Restricted GF/GP	\$1,202,600 488,200 148,200	3.0 (\$45,700) (488,200) 8,800 \$433,700
12. Agriculture Development Recognizes \$45,700 in economic adjustments; adds \$600,000 in baseline GF/GP funding and 5.0 FTE positions to assist with local and regional economic development activities, including promotion of agricultural exports.	Federal	\$2,066,300 1,532,800 102,200	5.0 \$645,700 34,000 2,300 \$609,400
13. Rural Development Value-Added Grant Program Includes funding for ongoing program in Agriculture Development appropriations unit, with additional funding in the one-time section of the budget. See Item 16 below, and related boilerplate Section 710.			\$1,050,000 \$1,050,000
14. County Fairs Capital Improvement Grants Includes a new grant program as an ongoing line item in the Fairs and Racing appropriations unit of the budget. See related boilerplate Section 805.			
15. Horse Racing Program - Light Horse Breeders' Awards Adds line item for Light Horse Breeders' Awards, funded from redirection of AEIDF from Information Technology line item.	Gross Restricted		· · · · · · · · · · · · · · · · · · ·
16. One-Time - State Employee Lump Sum Payment Includes \$470,300 Gross (\$235,300 GF/GP) for negotiated one-time state employee lump sum payment.	Gross IDG Federa Restricted GF/GF	N/A N/A N/A	2,400 85,000 146,100

HOUSE FISCAL AGENCY: JULY 2012

Major Budget Changes From FY 2011-12 YTD Appropriations	FY	2011-12 YTD (as of 2/9/12)	Enacted Change From YTD
17. One-Time - Private Forest Development Program Includes \$600,000 GF/GP for Private Forestry Initiative program to provide assistance to private landowners in managing forest land; program to be carried out through grants to local conservation districts. See related boilerplate Section 1103.	Gross	N/A	\$600,000
	GF/GP	N/A	\$600, 0 00
18. One-Time - Healthy Food, Food Safety Modernization Includes \$500,000 GF/GP to develop and implement preventative food safety measures associated with FDA Food Safety Modernization Act; \$93,200 would be used in the Food and Dairy, \$270,000 in Laboratory, and \$136,800 for Animal Health.	Gross	N/A	\$500,000
	GF/GP	N/A	\$500, 0 00
19. One-Time - Rural Development Grant Program Includes \$900,000 GF/GP for new grant program as defined in boilerplate Section 1101.	Gross	N/A	\$900,000
	GF/GP	N/A	\$900,000

Major Boilerplate Changes From FY 2011-12

Sec. 219. DTMB Office Space Plan - NEW

Directs state executive branch agencies to cooperate with DTMB office space consolidation plan.

Sec. 231. Measuring Outcomes - NEW

Requires department to identify and report on 10 measurable outcomes.

Sec. 450. Bovine TB - Reimburse DNR for Monitoring/Testing - DELETED

Does not include current year language which had required department to reimburse DNR for monitoring and testing for Bovine TB.

Sec. 453. Indemnification Payments - REVISED

Authorizes department to provide for indemnity pursuant to Animal Industry Act; limits indemnification orders to \$100,000 per order; provides for report. Subsection (2) authorizes department to indemnify for livestock killed by wolves, coyotes, or cougars. Provides new reporting requirement.

Sec. 552. Clean Sweep Program - NEW

Encourages department to work with local public health departments and the USDA to maintain and expand Clean Sweep program, including disposal of prescription drugs. Provides reporting requirement.

Sec. 608. MAEAP and Lake St. Clair Water Quality - NEW

Directs the department to address water quality issues affecting Lake St. Clair, including non-point source pollution.

Sec. 710. Rural Development Value-Added Grant Program - NEW

New section references boilerplate Section 1101 regarding administration of new program.

Sec. 803. Thoroughbred Program Escrow - RESTORED

Provides for "escrowing" of funds for thoroughbred program. The Governor's signing letter asserted that this section is unenforceable.

Sec. 805. County Fair Capital Grant Program - NEW

Provides for matching program for county fair capital grants appropriated in part 1.

Sec. 1101. Rural Development Value-Added Grant Program - NEW

Provides criteria for Rural Development value-added grant program. Provides for reports.

Sec. 1103. Private Forestry Program - NEW

Provides guidance for one-time Private Forestry Program.

HOUSE FISCAL AGENCY: JULY 2012

February 12th, 2013

Public comment: House & Senate Agriculture Appropriations Subcommittees

From: Jim Casha – acting on his own – on behalf of the People of the State of Michigan

Re: The proposed Give-away of the 164 acre Michigan State Fairgrounds by the MI State Land Bank Authority to Magic Plus, LLC for No-Money

House Committee

Phil Potvin R- Chair, 102 nd District Nancy Jenkins R- Maj. V.C., 57th District Jon Bumstead R-100th District Terry Brown D- Min. V.C., 84th District Senate Committee

Mike Green R-Chair, District 31
John Moolenaar R, VC, District 36
Hoon-Yung Hopgood D, District 8

Chairs and Committee Members,

Greetings on behalf of the people.

Last Thursday, the MI Land Bank Authority Board, voted to 'move ahead with discussions' with a group known as Magic Plus, LLC on a proposal that would effectively transfer the historic, State owned property, commonly known as the Michigan State Fairgrounds at Woodward & 8 Mile, in Detroit, to three private individuals. This 164 acre parcel has been in use as the State Fairgrounds since 1905. The purchase price? ZERO dollars - as in notta – nothing. The main feature of the proposed development is a Big Box Store.

Contrary to popular belief, and news reports, this is far from a done deal.

I come to you today to offer a better deal. On behalf of the 'People', I respectfully request a loan of \$25 million of the 'people's' money to purchase the 'people's' land, for the use of the 'people'. You can use the money Detroit's City Council voted down for restoring the long neglected, City owned, Belle Isle and use it instead to restore the long neglected, State owned, Michigan State Fairgrounds & Exposition Center. (over)

With this money, we will construct a 20 acre commercial greenhouse (estimated cost \$10-12 million) — a Crystal Palace if you will — that will insure the long term viability of restoring the Fairgrounds not only to it's historic use - but much, 'much more'.

Once this property is transferred to a Fair Authority, or non-profit, we will retain as needed, 7-10 acres for an iconic, 100% federally funded, Regional Inter-modal Transit Station, and transfer such to the new Regional Transit Authority when needed.

The goal is to restore the Fairgrounds in time for a 2015 META Expo & State Fair as a Sesquicentennial Civil War Celebration showcasing not only 'What Michigan Can Show the World' but the bravery of its citizen soldiers. Oh yea, and honoring General Grant, 'The Savior of Our Country', whose house sits on this historic site. He and his new bride occupied this home in 1849, ironically, the year of the first Michigan State Fair. Members — is this a 'sign'?

To sweeten this deal even further. I propose that the loan be contingent upon a corporate, foundation and individual matching amount, payable over three years.

At the conclusion of the 2015 Fair, any land deemed surplus to the needs of the Fair Authority, could be sold or developed as a public/private partnership, or additional greenhouses could be constructed.

I trust you would all agree this is a superior option than giving away this land for nothing. I would be pleased to speak with any members about this deal in more detail at any time.

Regards, on behalf of the people,

Jim Casha

a.k.a. - Chicken Jim

540-717-9240 or jim.casha@gmail.com