



FY 2021 GOVERNOR'S RECOMMENDATION



Gary McDowell, Director
Michigan Department of Agriculture
and Rural Development

Mission and Key Goals

Assure the food safety, agricultural, environmental and economic interests of the people of the State of Michigan are met through service, partnership, and collaboration.

Four Key Goals



**FOOD SAFETY,
HUMAN &
ANIMAL HEALTH**



**ENVIRONMENTAL
SUSTAINABILITY**



**ECONOMIC
DEVELOPMENT**



**EFFICIENT
EFFECTIVE
GOVERNMENT**

2019

MICHIGAN DEPARTMENT OF AGRICULTURE & RURAL DEVELOPMENT ACCOMPLISHMENTS



ECONOMIC DEVELOPMENT

LAUNCHED MICHIGAN'S INDUSTRIAL HEMP AG PILOT PROGRAM



MDARD launched the state's first industrial hemp program cultivating new farming opportunities & creating an avenue for new businesses in the state.



ENVIRONMENTAL SUSTAINABILITY

SOLAR PANELS ALLOWED ON FARMLAND



MDARD's now allowing farms in the Farmland & Open Space Preservation Program to be used for commercial solar arrays ensuring farmland is preserved while balancing the need to develop renewable energy sources.



FOOD SAFETY, HUMAN & ANIMAL HEALTH

ANIMAL INDUSTRY ACT UPDATE



Updated the state's Animal Industry Act for the 1st time in nearly 20 years. Helped Michigan become the 5th state, and largest egg-producing state, to adopt a cage-free requirement.



MAEAP HITS 5,000

The Michigan Agriculture Environmental Assurance Program (MAEAP) achieved 5,000 verifications. With MAEAP as the foundation, Michigan farmers protected the environment.



EFFICIENT EFFECTIVE GOVERNMENT

GEAGLEY LAB – ONLY STATE IN NATION ACCREDITED TO RUN OCTANE TESTING

Motor Fuel Quality Section became the 1st and only state lab in the nation to become accredited to run octane testing under the International Standards Organization's 17025:2017 standard by the American Association for Laboratory Accreditation.

SAMPLING TEAM – MICHIGAN IS READY TO RESPOND

MDARD is committed to being prepared and ready to respond whenever a food and ag related issue crops up. This type of training is critical to protecting public and animal health in the state.

Licensing and Inspection IT Project Update

<https://www2.mda.state.mi.us/LPS/login>

- Licensing Portal

- Available to 48% of licensees by December
- Licensees will be able to apply, manage and pay for licenses on-line
 - Dairy licensing
 - Live on 2/2020
 - Renewal on-line capability in year 2
 - 3,800 licensees
 - Nursery Licensing
 - Being constructed
 - Scheduled go-live date: 9/3/20
 - 5,500 licensees
 - Food Service Licensing
 - Finishing statement of work
 - Anticipated go-live date: 12/31/20
 - 46,000 licensees



Licensing and Inspection IT Project Update

Key Goal: Food Safety, Human and Animal Health

• Inspection Systems

- 29% of inspections on-line by next summer
- Automate inspection process and track compliance
 - Pesticide Inspections
 - Go-live: 02/2020
 - Nursery Inspections
 - Under construction
 - Scheduled go-live date: 05/2020
 - Feed Inspections
 - Under Construction
 - Scheduled go-live date: 05/2020
 - Food Establishments
 - Completing Joint Evaluation Committee
 - Final vendor selection in March
 - Estimated go-live date: 05/2021



Challenges Faced by the Industry

Weather Conditions

An aerial photograph of a large agricultural field with distinct rows of green crops. The sky is overcast and grey, suggesting a cloudy day. The field is divided into sections by dirt paths or furrows.

Workforce and Housing

A close-up shot of a person wearing a white lab coat and blue pants, working with a large, complex industrial machine. The machine has various pipes, valves, and a large cylindrical component. A tag with the word "Key" is visible on the machine. The scene is dimly lit, possibly indoors or in a shaded area.

Farm Stress

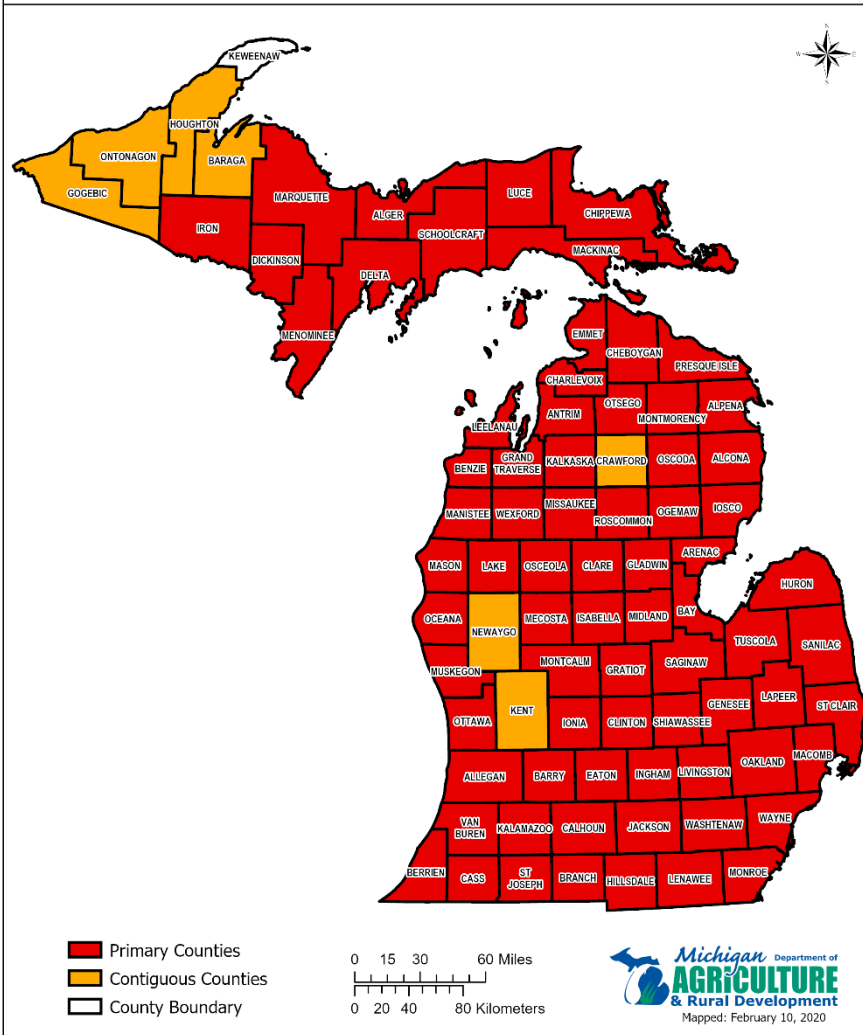
A black and white cow stands in a lush green field, looking directly at the camera. The cow has a white face and neck with black patches. It has two ear tags, one of which has the number "5026" visible. In the background, another cow is grazing in the field.

Commodity Prices and Trade Uncertainty

A large container ship is docked at a port. The ship is heavily loaded with colorful shipping containers in shades of red, blue, green, and yellow. The ship's name "KEMO OCEAN" is visible on the side. The ship is situated in a body of water, and a small tugboat is visible nearby.

2019 Weather Disaster Designations

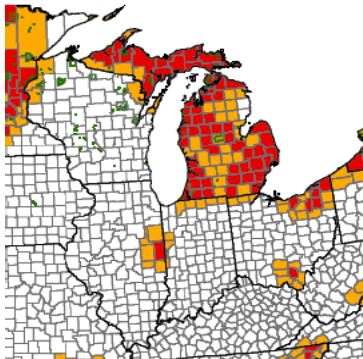
USDA Disaster Designations for Michigan Counties



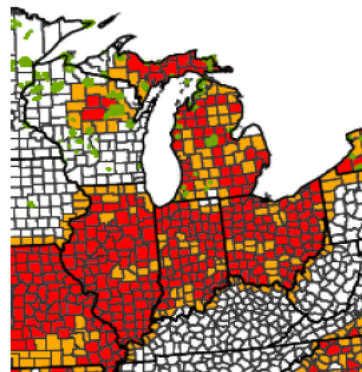
Historical **Weather** Disaster Designations

Disaster Declarations for Michigan Counties - 6 Years and Counting

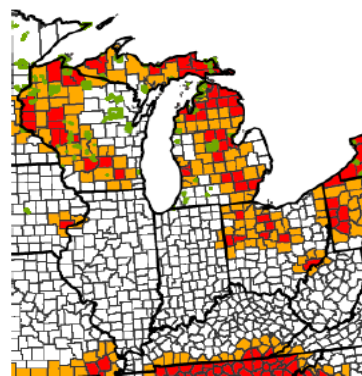
CY 2014



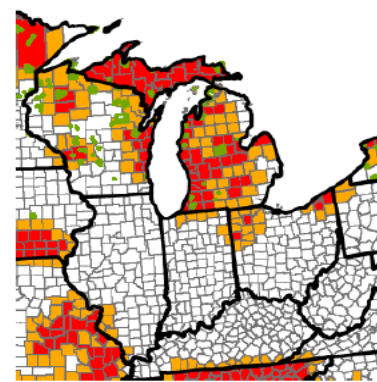
CY 2015



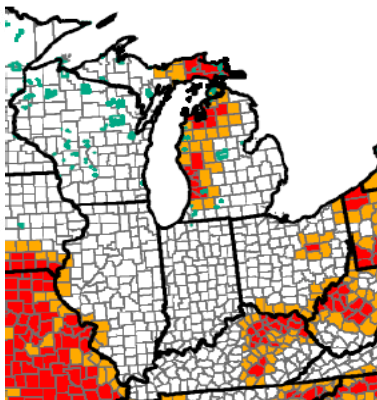
CY 2016



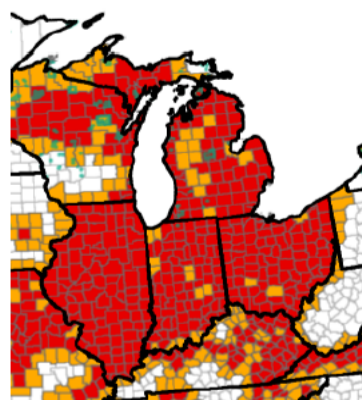
CY 2017



CY 2018



CY 2019



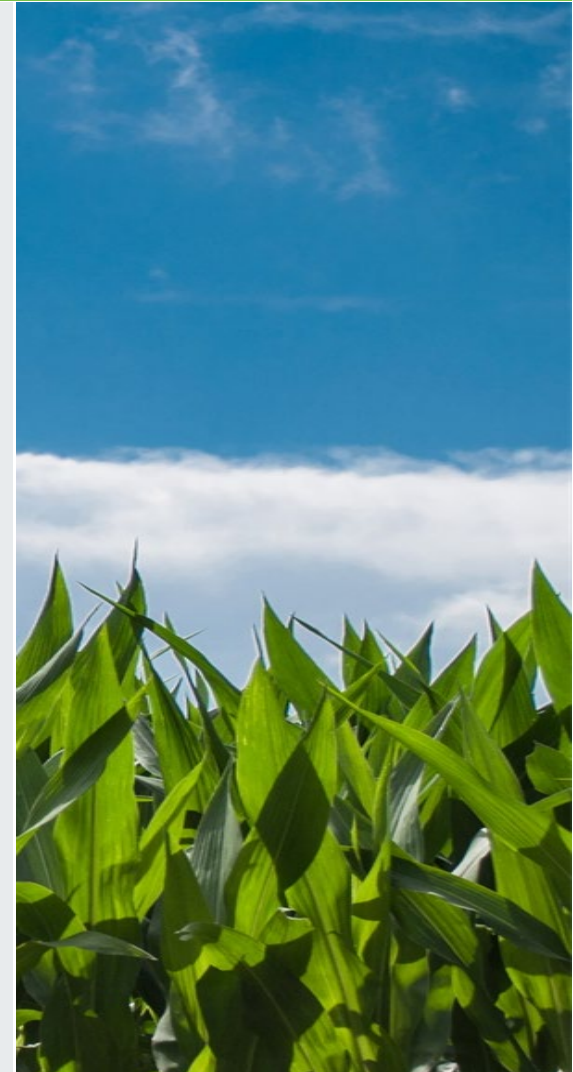
All Crop Disaster Incidents

Total All Crop Approved Designations

- State Boundary
- County Boundary
- Tribal Lands
- Primary Counties
- Contiguous Counties

MDARD - Stepping Up to Help Meet Challenges

- Weather Conditions
 - Crop Summit – March 11, 2020
 - Convening stakeholders and industry experts to plan for 2020 growing season
- Workforce and Housing
 - Food and Agriculture Housing Task Force
 - Focus exclusive to farm and ag processing
 - Made up of federal, state and industry experts
- Farm Stress
 - PA 154 of 2020 appropriated \$500,000 GF
 - Sent out request for applications from providers
 - Partnering with MSU to provide training to MDARD field staff
- Commodity Prices and Trade Uncertainty
 - Hemp pilot program and PA 116 solar program

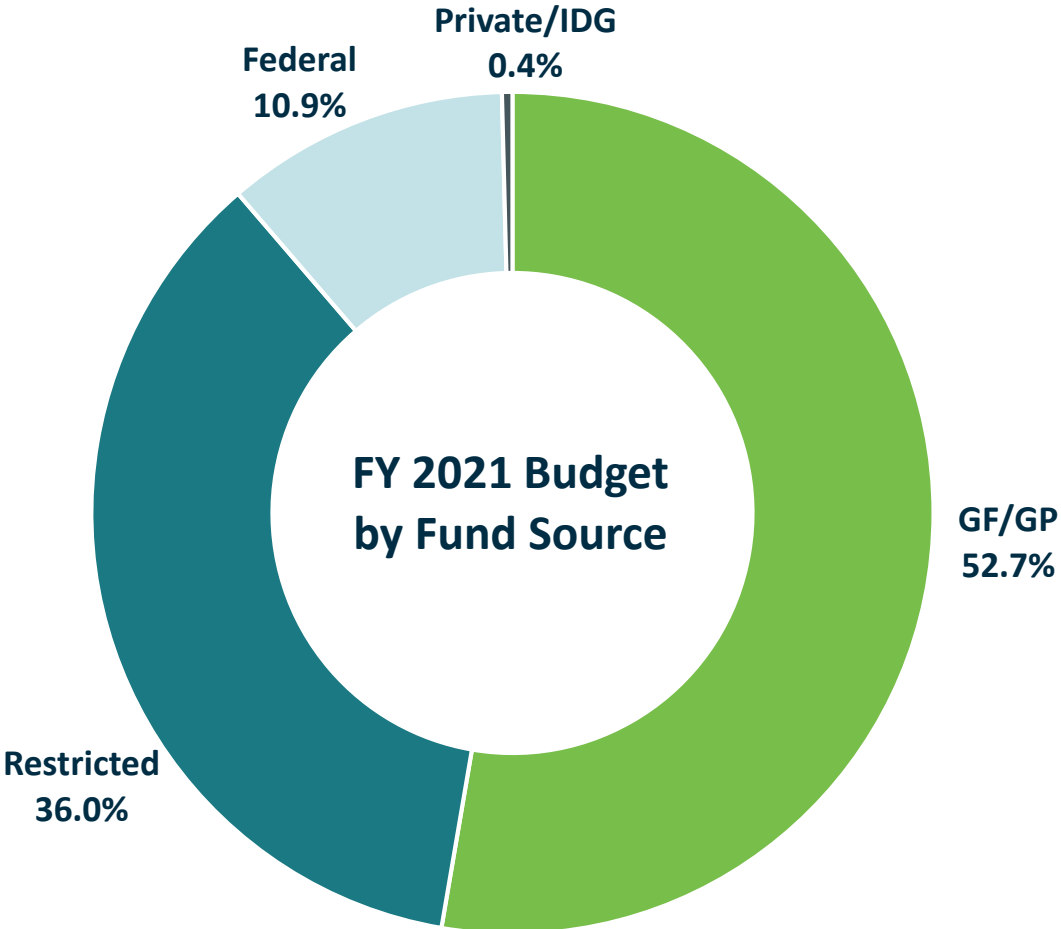


FY 2021 MDARD Executive Recommendation

Fiscal Year 2021
State of Michigan
Budget Invests In:

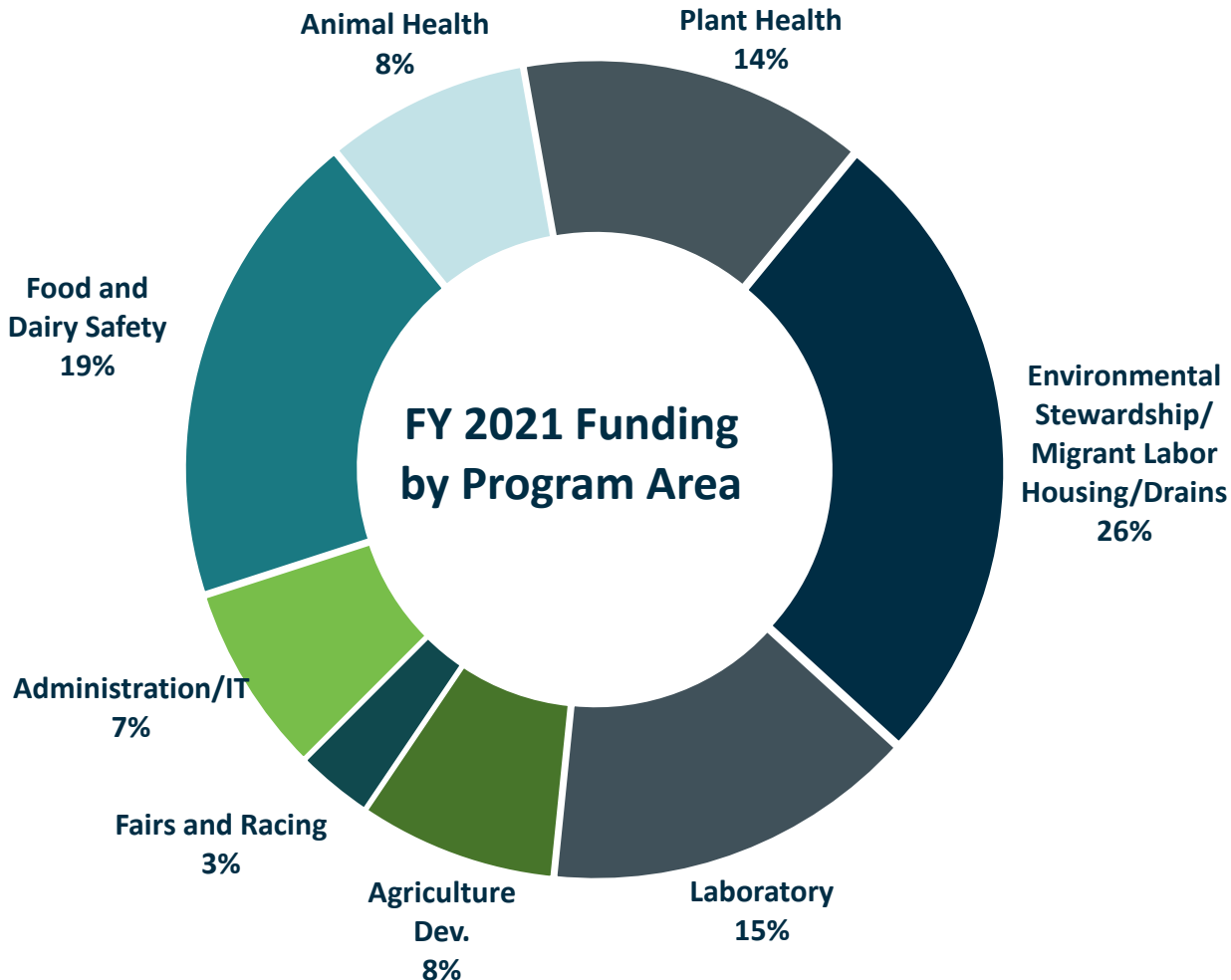
- Education and Skills
- Health and Families
- Climate and Water

FY 2021 MDARD Executive Recommendation



FUNDING SOURCE	AMOUNT
General Fund/General Purpose (GF/GP)	\$63,471,200
Restricted	\$43,353,000
Federal	\$13,129,500
Private	\$71,300
Interdepartmental Grants (IDGs)	\$324,400
Total Funding	\$120,349,400

FY 2021 MDARD Executive Recommendation



PROGRAM AREA	AMOUNT
Food & Dairy Safety	\$23,012,400
Animal Health	\$9,694,700
Plant Health	\$16,541,400
Environmental Stewardship/Migrant Labor Housing/Drains	\$31,093,900
Laboratory	\$17,842,400
Ag Development	\$9,444,800
Fairs and Racing	\$3,669,200
Administration/IT	\$9,050,600
Total Funding	\$120,349,400

FY 2021 MDARD Executive Recommendation

Key Goal: Environmental Sustainability

Conservation Reserve Enhancement Program (CREP)

- Federal, state and local government coordination
 - USDA, MDARD, EGLE, DNR, local conservation districts
- Target high-priority conservation concerns in key watersheds around the state
 - Western Lake Erie Basin, River Raisin, Saginaw Bay, Lake Macatawa
- Support incentives to increase participation
 - 100% reimbursement for installation of conservation practices
 - Annual land rental payments to maintain enrolled acres
- \$10.0 Million GF/GP One-time
 - Leverages up to \$250 million in federal funding
- \$600,000 GF/GP On-going
 - Support outreach, education, technical assistance and research



FY 2021 MDARD Executive Recommendation

Key Goal: Food Safety, Human and Animal Health

Feed and Fertilizer Tonnage Program

- Ensure compliance with Michigan laws
 - Training and assistance so companies only pay what they owe
 - Create a level playing field between in and out of state companies
- Estimated \$500,000 in uncollected revenue
- \$0.5 million restricted funding
 - 4.0 FTEs



FY 2021 MDARD Executive Recommendation

Key Goal: Food Safety, Human and Animal Health

Captive Cervid Program Enhancement

- Implement new certification requirements included in PA 132 of 2019
 - Requires all licensed facilities to participate in herd certification program
 - All intrastate movement will require a movement permit
 - New TB testing requirement for certain herds
- Expanded certification will improve traceability of CWD in private licensed facilities
- \$76,900 GF/GP
 - 1.0 FTE



FY 2021 MDARD Executive Recommendation

\$5.0 MILLION IN GF/GP REDUCTIONS

FY 2020: \$1.0 million programmatic reductions

FY 2021: \$4.0 million Food & Agriculture Investment Program



Michigan Agriculture Magazine

Check out the Michigan Agriculture Magazine at www.miagriculture.com



Questions?



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