

Agri-business Community Work Group 2014
Meeting Notes
September 8, 2014
Location: 300 Monroe Avenue N.W.

Members Present: Commissioners Saalfeld (Chair), and Jones; Steve Grimm, Patty Birkholz, Mimi Fritz, Rick Chapla, Rick Baker, Bryan Posthumus, Dr. Paul Isely, and Ed Robinette

Members Absent: Commissioner Ponstein, Bert Bleke, Bryan Harrison, and Steve Wilson

Staff Present: Assistant County Administrator Mary Swanson; Management Analyst Kevin Travis

Media Present: *None*

Public Present: Russ Slater, Collin McLean, and Denny Heffron

- I. Chair Saalfeld called the meeting to order at 4:30 p.m.
- II. **Approval of the Minutes:** The work group approved the August 11, 2014 meeting notes.
- III. **Presentation by Dr. Adam Kantrovich – MSU Extension (MSUE) Educator - Institute of Agriculture and Agribusiness.**

Chair Saalfeld welcomed Dr. Kantrovich to the meeting.

Dr. Kantrovich introduced himself to the group. He was previously Ottawa County MSUE Director, but following MSUE's reorganization into institutes and district offices, he became the point of contact for agricultural policy and law for MSU's Region 4, and also serves as a statewide contact for tax management, succession planning, and federal law questions. Through his career he has lived in nearly half a dozen states, worked as a professor, and early in his career he worked in the commodities markets, giving him a broad perspective. He has lived in Michigan for the past seven years.

Dr. Kantrovich went through his presentation, which is posted at the ACWG website (http://www.accesskent.com/Departments/BOC/pdfs/ACWG/materials/KCAB_Opportunities_Challenges.pdf). He talked first about agricultural statistics. Of note was that 22 percent of employees in Michigan work in agriculture or a field that is supported by agriculture. He also commented that budget reductions to agricultural training and education at the secondary and post-secondary education has negatively impacted this workforce.

Dr. Kantrovich then discussed opportunities, and stated that chief among them were marketing and manufacturing, especially in the areas of livestock and hops. With regard to challenges he elaborated on his early comments regarding the impact of the

loss of technical training and education focused on skills required for agricultural and related businesses. He believes this is due in part to funding cuts, but also a perception that agricultural and agri-business training is not desirable. He noted, however, that science and math are critical to this field and there are high paying jobs available.

He also discussed how special interest groups have been able to influence policy, and said that as a result, administrative rules and laws governing agribusiness may not always be based on research and science.

The remainder of the presentation was spent on answering the questions on which the workgroup is focusing. In response to the question, “What tools or methods are valuable in ensuring sufficient and suitable land for agricultural production?” Dr. Kantrovich stated that proper planning, zoning, and local ordinances that support agricultural are important. He stated that there needs to be realistic taxation based on current land use, not potential land use. He also said that the purchase of development rights is a tool to ensure land base and help reduce taxation.

He responded to the question of “What efforts should be used to encourage/ support local market outlets?” by pointing out that some outlets are superior to others in the context of promoting agriculture. He noted that the group should determine what its scope is, regional or national, and that Kent County farmers have the potential to sell their products elsewhere. He also discussed the importance of farmers creating a marketing plan to sell their products. He said there are also outlets available in other counties that promote agricultural innovation (Ottawa County Agricultural Technology Incubator) and food production (Newaygo County Starting Block).

Next, Dr. Kantrovich answered the question about local efforts to support production and encourage producers to be located close to production to enhance efficiency. He said the emphasis should be on state and regional partnerships. He also said that it is important to build recreational and cultural opportunities in the region to support recruitment of outside talent.

Commissioner Saalfeld asked Dr. Kantrovich to expand on the comment in the presentation “It will come down to economics.” Dr. Kantrovich explained that we need to focus on economics over the long term and not on short term or non-sustainable industries or a uni-economy (e.g., Michigan being overly invested in and focused on the automotive industry). He said a lot of government programs are too focused on investments with a quick rate of return instead of qualitative or social benefits which have a much longer or uncertain rate of return.

The next question Dr. Kantrovich answered was “What is government currently doing that hinders the growth of agri-business in Kent County?” He said that hindrances fall into three categories (1) planning and zoning practices, (2) taxation, (3) state and federal regulations. He noted that in the first instance of all the states he’s lived in Michigan is the most geographically fractured with regard to planning and zoning.

The inconsistency in classifications makes it difficult for businesses looking to relocate to the area because of unknown uncertainty about which local rule will apply. He also said that access to water and sewer were important to larger processors. In the third category he made reference to an EPA regulation on particle and dust control, which in the farming industry is difficult to control without excess burden.

The fourth and final question Dr. Kantrovich answered was “What can local government do to support Kent County’s agribusiness and agricultural economy on a regional and national scale?” He recommended collaboration in agricultural marketing, promoting education for agricultural skills, and looking into agricultural promotion grants. He also said the group should determine what its focus should be, either (1) local community direct-to-consumer (2) economic development, (3) or export. He indicated that there are national and international opportunities for Kent County produce, especially on the East Coast, Upper Midwest, and Gulf Coast.

Chair Saalfeld then opened the meeting for questions.

Mr. Chapala asked Dr. Kantrovich if there are any counties that could be used as a model for Kent County to follow.

Dr. Kantrovich said it was a difficult question due to different laws and populations, and he noted that Kent County is quite unique because it has a large core-city area surrounded by relatively close rural areas. He did say that Oceana, Newaygo, and Ottawa County were good examples, with Ottawa being the best example. He did note that Kent County was an early leader with regard to farmland preservation and Ottawa County is still catching up.

Mr. Posthumus asked what other niche markets could be developed in Kent County.

Dr. Kantrovich responded that there is opportunity with asparagus, fresh markets, apples, Michigan potatoes, chestnuts, micro distilleries, and barrel makers.

Chair Saalfeld made a comment and asked a question regarding livestock regulations and challenges. His comment was that in zoning, Kent County has been a leader in calling for similar zoning classifications in a prior collaboration study, and some of the Townships are already collaborating with models using similar zoning classification like the East Beltline Overlay Zone. But there could be more of this type of collaboration.

Regarding the livestock regulations, Dr. Kantrovich said that many regulations in the livestock industry are often based on emotion and not science. He observed that in particular there is a misconception that farmers abuse their animals, which is simply not the case, because if animals are abused they do not produce. He also talked about how some regulations are created based upon debunked data, and how the issue of global warming has prompted increased regulation.

Chair Saalfeld thanked Dr. Kantrovich for his time, and opened up the meeting for public comment.

IV. Public Comment

Russ Slater made some recommendations for group presenters including Wendy Ogilvie of Grand Valley Metro Council, Julia Kirkwood of MDEQ, Stacy Byers (Kent County Ag-Preservation Consultant), Steve Shine (State Director of Ag. and Rural Development), and Matt Cowall of Grand Traverse and State Conservation and farmland projects. Mr. Slater also encouraged the work group to pursue grants available through the farm bill.

Mr. Denny Heffron commented that there are many innovators in Kent County that are producers and processors. He stressed that it is important for the County to maintain its agricultural land base to attract processors and manufacturers. He said that the key to successful farms in Kent County was to farm today like the land will be farmed tomorrow.

V. Adjournment: Mr. Saalfeld adjourned the meeting at 6:00 p.m.