

**Agri-business Community Work Group 2014
Meeting Notes
October 13, 2014**

Location: 300 Monroe Avenue N.W.

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

Members Absent: Bert Bleke, Rick Chapala, Steve Grimm, and Steve Wilson

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

Media Present: *None*

Public Present: Russ Slater

- I. Chair Saalfeld called the meeting to order at 4:30 p.m.
- II. **Approval of the Minutes:** The work group approved the September 8, 2014 meeting notes.
- III. **Presentation by Dan Lennon – CEO, West Michigan Turkey Producers.**

Chair Saalfeld welcomed Dan Lennon – CEO, West Michigan Turkey Producers – to the meeting.

Mr. Lennon began by giving a history of West Michigan Turkey Producers (WMTP). The company began in 1999 with 16 families that own 47 farms – one of which is owned by Bill Whelan in Lowell. In 2006 WMTP purchased a facility to cook meat. Mr. Lennon then discussed economic issues. He said that feed is a problem due to competition with ethanol production for corn. In 2007, ethanol producers used almost as much corn as animal producers.

WMTP's economic impact is as follows. The company creates 700 jobs amounting to \$15 million in payroll and \$4.4 million in benefits. Annually the growers feed 5.3 million turkeys – purchasing 50 million tons of soybeans (\$25 million value), and 5.3 million bushels of corn (\$20 million value). The production facility is located in Wyoming because there is access to plenty of workers, clean water, and natural gas. They use 700,000 gallons of water per day, which is sent to the city's sewage treatment facility. The total economic impact is \$90 million per year. Some of their biggest customers are Costco, Gordon Food Service, and Meijer. They also sell to many institutions, including many local universities both state and private. Their processing plant is one of the most humane in the country, and many other processors are looking into their technology.

The device to stun (not euthanize) the turkeys is patented. It is built locally in Zeeland and puts the turkeys to sleep just prior to the actual slaughter process. As such it is called “controlled atmosphere stunning” or CAS as opposed to “controlled atmosphere killing” or CAK. The advantage is that the heart is still beating when the throat is slit resulting in better bleed out and less blood remaining in the meat.

He then discussed concerns of producers with regard to expansion. Many of the producers believe that Kent County is too expensive and that there are too many regulations. The newest farms are in Allegan County.

Chair Saalfeld asked why there is a perception that the land is too expensive. Mr. Lennon said that is because the land closer to Grand Rapids is more expensive and if there are any farmers in the area they are really hobby farmers. As such more growers are also looking north for new farms. Fremont is the northern most town where a farm in the cooperative is located. Any further away will create stress on the birds during travel.

Commissioner Ponstein asked if any of the producers grow and make their own feed. Mr. Lennon said that some do, but if they do not they purchase products that are grown and processed locally. Some of the growers do not have time to do both because many are also producing swine.

Chair Saalfeld had a question regarding the \$90 million dollar economic impact. Mr. Lennon explained that the amount is derived from many factors including payroll and purchases of feed – nearly \$50 million is spent on feed and purchasing of poult (young turkeys).

Mr. Baker asked about regulatory issues facing turkey producers. Mr. Lennon said that there are odor issues, some zoning issues. Most issues are with the DNR and DEQ with regard to manure management. He said the farms are MEAP certified for manure management, which allows them to come into compliance more easily if there are minor violations.

Chair Saalfeld asked about plans for ensuring water quality with regard to manure management. Mr. Lennon said that there are plans in place for the disposal of deceased birds, and there is a requirement to cover manure piles to prevent rain water penetration and concentrated runoff.

Mr. Baker asked about WMTP’s transportation system. Mr. Lennon said that WMTP owns its own trucks and trailers and hires a driver. Drivers pick up loads from two farms per night. He said that the cold is not a factor when hauling turkeys because they are well insulated, but that high summer temperatures do kill birds.

Mr. Posthumus asked if all of the producers were in the co-op. Mr. Lennon said that all the farmers are in the co-op and sell turkeys to the LLC, the more turkeys sold the more money to the farmers from the LLC. The farmers own 80% of the business

while investors own the other 20%. Hope College was once an early investor, and when the economy went down in the early-mid 2000s their investment with WMTP proved to be their most profitable. Mr. Posthumus asked a follow up question regarding whether or not producers sell outside the co-op. He said that no one sells outside the co-op, but they do process turkeys from outside the co-op in special situations. For example, Sarah-Lee's processing plant burned down, so they needed other processors to help them fill orders.

Char Saalfeld then asked if there were any more questions.

Ms. Fritz stated that she visited the plant with the Farmland Preservation tour on October 3rd.

Mr. Harrison asked what the feed to meat ratio is on turkeys. Mr. Lennon said that it takes 2.6 lbs. of feed to produce 1 lb. of live bird.

Chair Saalfeld asked what states are the lead producers for turkeys. Mr. Lennon said that WMTP is 3% of the US market. The biggest producers are Minnesota (because of Jenny-O), North Carolina, Arkansas, and Virginia.

Chair Saalfeld noted that Virginia is a densely populated state and questioned if it can be a large producer why would dense population be viewed as a problem in Kent County. Mr. Lennon noted that in Virginia there are many rural areas. He also said that it is bad to have turkey producers located close together due to the spread of avian diseases and mass die offs.

Mr. Harrison asked if there are any other things – aside from cooking meat – that can be done regarding processing that can add value. Mr. Lennon said that they already package their own meat, and that they are considering adding a third plant to do more slicing.

Chair Saalfeld then asked Mr. Lennon to answer the four questions that are asked of all the guests.

(1) What tools or methods would you see as valuable in ensuring sufficient and suitable land for agricultural production?

Mr. Lennon said that farm preservation is an option, but it is limited because of land requirements for the producers and issues which are more regulated in Kent County (odor, zoning, etc.). He said that at least one of his producers needed about 160 acres to start a new farm. Mr. Posthumus asked why so many acres are needed. Mr. Lennon said that the producer needed it to adequately spread manure, though in reality a turkey producer needs about 5 acres.

Commissioner Ponstein made the observation that soil quality was probably not as big of an issue. Mr. Lennon said that what they really need is flat ground with access

to clean water and electricity. Soil quality would not matter as much unless they were growing their own feed.

(2) What efforts should be used to encourage/support local market outlets? Are some outlets superior to others in the context of promoting agriculture?

Mr. Lennon said that there is a new focus on local produce, which is even being pushed from the State's executive and legislative branch. Many Michigan institutions are pushed to buy local. Michigan turkey is sold in many restaurants and it is advertised as such. They would like to push fresher product such as at the Downtown Market.

(3) What can be done locally to support production and to encourage producers to be located close to production to enhance efficiency?

Mr. Lennon indicated that this issue was the most pressing. He said that Bethany Christian Services has helped to bring in refugees – some new ones are from Burma/Myanmar. The labor shortage means that they cannot as finely process some cuts of meat, which equates to about \$1 million in lost profit. Dr. Isely asked about skill level. Mr. Lennon said that most have no or only some high school. Many do not speak English or have little English proficiency. The work is very repetitive 12 hour shifts. He said there were many college kids that helped out this summer, which was the first time they had temporary summer help. Dr. Isely asked about the payroll. Mr. Lennon said the number he stated did not include bonuses. Mr. Lennon said that there is a lot of turnover since some of the employees are illegal. He had nearly 100 workers let go during a raid. Mr. Lennon favors immigration reform, and noted that now it is much harder to get into the plant because they are more diligent about checking documentation.

Ms. Birkholz was also on the Farmland Preservation tour, and noted the level of diversity at the plant especially with regard to allowing religious observations. Mr. Lennon said that they also perform halal processing in the plant. They have contracted with Midamar, which is a specialty company focusing on halal meats. We have begun selling to GFS, with Midamar's permission, to begin accessing markets like Detroit that have Middle Eastern/halal dietary restrictions.

(4) Is there anything government is currently doing that hinders the growth of agribusiness in Kent County? What do you believe local government can do to support Kent County's agribusinesses and agricultural economy on a regional and national scale?

Mr. Lennon urged that there needs to be immigration reform, it is hurting the agricultural economy. He also said that there is uneven enforcement with regard to meat inspectors from one inspector to the next.

Commissioner Jones asked if roads were an issue, and noted that other presenters said this was inhibiting the agricultural economy. Mr. Lennon said that is an issue in the spring when there are weight limits, but otherwise the trucks and drivers are accustomed to driving on poor and unimproved road surfaces.

Chair Saalfeld asked if there were any concerns with local regulations or zoning classifications. Mr. Lennon said that there were no issues with regard to the processing plant in Wyoming. He noted that the City of Wyoming has been a good partner and is encouraging them to expand.

IV. Public Comment

Russ Slater - Kent County Agricultural Preservation Board. He said that there needs to be simplified zoning, and noted that there is a lot of turnover coming with regard to aging farmers. He recommended LEED-like ecological and sustainability standards be utilized as part of any Zoning land ordinance regarding land resource protection (similar to GVMC | LGROW's "water resource planning" document). He also encouraged the subcommittee to look into promoting agricultural education at the high school and college level.

V. Adjournment: Mr. Saalfeld adjourned the meeting at 5:50 p.m.