

MINUTES
MICHIGAN ASPARAGUS ADVISORY BOARD
August 17, 2022
West Michigan Research Station
5185 N Oceana Dr
Hart, Michigan

MEMBERS PRESENT: Sarah Greiner, Jordon Walsworth, Dwight Fuehring, John Williams, Kevin Burmeister, Bill Schwass. Nick Oomen and Scott Hassle (via ZOOM)

MEMBERS ABSENT: Kyle Weber

OTHERS PRESENT: Jamie Clover Adams – Executive Director, Joy McDevitt – Accountant, Todd Greiner – Todd Greiner Farms, Caleb Colter, American Asparagus, Theresa Sisung- MI Farm Bureau (ZOOM), Heather Throne-MDARD (ZOOM), Ben Werling-MSUE (ZOOM)

Chairman, Dwight Fuehring called the meeting to order at 1:33 pm.

MINUTES

The minutes from the meeting of March 8, 2022 were sent to the Board for review prior to the meeting. There was one correction to the minutes: to remove Nick Oomen’s name from the “members present”.

Motion Motion by Sarah Greiner supported by John Williams to approve the
No. 1 minutes as corrected for the March 8, 2022, meeting. All Ayes, motion passed.

EMERGING ISSUES

Discussion took place regarding the effect of imports on fresh pricing for the 2022 harvest. The Board discussed options to address the issue including travel to visit growers from other countries. It was noted that several Board members along with John Bakker had attended a meeting called by asparagus importers back in August 2019 which included representatives from Canada, Washington state, California, Peru, and Mexico. Nothing came from this meeting. The Board did not take any action.

PARTNER REPORTS

Ben Werling, MSU Extension reported on his trip to the 15th International Asparagus Symposium held in Cordoba, Spain in June. The Symposium is held every 4 years in a different location. It is attended by growers, researchers, and input suppliers.

Some of the research highlights reported at the conference were:

- Soil health trial for green asparagus on a 10-acre plot to help mitigate damage to the root system by using compost in the first 5 years, which increased yields. Ben noted they have heavier soils.

- Controlled atmosphere (CA) research in the United Kingdom- CA did help, but spears break down when brought out of storage, particularly the tips. Ben and Randy Beaudry have already followed up with these researchers.
- Nano particles – Research discovered soaking crowns in nano copper reduced fusarium. Mary Hausbeck, who was in attendance also, anticipates trying this research here in the US.

Spain's main asparagus season is February – June and is mostly exported to Europe. The land is very arid, fields are high PH (8) and trickle irrigated. They toured a local packing house and Ben noted that they use a butt wrapper, which designates the country of origin. The next Symposium will be in South America – possibly Argentina or Peru.

Ben also reported that the Oceana County Research Tour will be the afternoon of Thursday, September 8, 2022.

FINANCIAL REPORT

Joy McDevitt reviewed the June 30, 2022, preliminary financial statements reporting income currently of \$496,875 and expenses to date of \$512,602 resulting in a negative use of the fund balance (net loss) of (\$15,727.15) for the unaudited fiscal year ended June 30, 2022. The bulk of the negative balance came from Specialty Crop Block Grant payments that will be submitted for reimbursement in September 2022. This added to the beginning Fund Balance of \$568,169 results in an ending Fund Balance of \$552,442. The question was asked if all the crop year 2022 assessments have been received; Jamie responded no, but we are on track with past years. We anticipate more revenue this year based on the best estimate of pounds. Joy pointed out that the auditors would be in the office the week of Labor Day.

Hearing no questions, Chairman Dwight Fuehring resumed partner reports and called on Heather Throne.

PARTNER REPORTS (resumed)

Heather Throne, Michigan Department of Agriculture and Rural Development (MDARD) reported on the following topics:

- Specialty Crop Block Grants – Michigan is the last state to be reviewed by USDA, any questions/clarifications should be forth coming from the USDA soon.
- Office of Rural Development. – Sarah Lucas leads this newly established office. The Office will address topics impacting rural communities like housing, labor and infrastructure.
- Heather also mentioned that MDARD has received \$50 million in funding in the State FY24 budget to fund a new grant program: \$12 million is earmarked for Eastern Market and \$38 million will be available for wastewater projects focused on meat processing facilities. More information will be coming this fall.
- They also plan to take applications for Value Added grants, Food & Ag grants and two different rural grants which she will share information on as it comes through.

A question was asked if they will be taking comments on use of the \$38 million; Heather thought there would be an industry input period, which will be forthcoming.

Theresa Sisung, Michigan Farm Bureau (MFB) reported on the following activities:

- They just wrapped up their final Farm Bill listening session at the Agri Expo. The feedback will be compiled and sent to the MFB Farm Bill Task Force to determine if there are any policy changes to recommend to the membership, ensuring they are focused on what the growers are most concerned about.
- MFB is busy with County annuals through September.
- They have an Atrazine request that is open for comments: this will address EPA's plan to make changes to the label, reducing application limits and changing mitigation requirements.
- Legislative update – a fertilizer tariff was rejected by the International Trade Commission on UAN (Urea Ammonium Nitrate) coming from Russia. There are some tariffs in place on phosphorus due to another international trade-related case.
- Growers should have received pre-filled out forms for USDA's Emergency Relief Program depending on crop insurance coverage levels. USDA will be sending out forms to growers with Noninsured Crop Disaster Assistance Program (NAP) coverage shortly. There will be a second phase of the program but it's too soon to know what it will look like.
- There were some ag items in the Inflation Reduction Act, including climate and conservation, some money on carbon emissions, biofuels tax credits and sustainable aviation fuels.

Hearing no questions, Dwight turned to Jen Velasquez of FullTilt for a marketing update.

EXECUTIVE DIRECTOR'S REPORT

Due to technical difficulties Jen Velasquez was experiencing, Jamie began her report while the issues were resolved.

IFPA Trade Show

This will be in Orlando October 28-29, 2022. Jamie has included the printed handouts she designed for the show -- a supplier list, why to buy Michigan asparagus and a business card with a QR code to link to our website. Nick Oomen will be attending as well; she has room for an additional one or two people, if interested please contact her. The goal is to obtain leads that will be shared with the fresh packers since the show focuses on fresh products.

Seed

Jamie shared that the number of units sold this year and last year have been greater than in 2019 and 2020, indicating that people are re-investing in their fields. This past year seed sales brought in approximately \$70,000 for the research farm.

USDA Additional Purchase

Jamie shared we were able to receive a second purchase of 400,000 pounds in early June. This brought the total pounds purchased by USDA to 3.2 million pounds, a value of about \$6 million.

A question was asked about the likelihood of a USDA purchase next season. Jamie replied there won't be the extra funding from COVID for commodity purchases next year, so getting a USDA purchase will be more challenging.

MAAB Fresh Asparagus Promotion 2022

Jen Velasquez was able to present via Zoom. Jamie pointed out that the packets had printouts of most of Jen's presentation.

Jen shared that our 2022 promotion program – year 2 of the Specialty Crop Block Grant -- included:

- Trade ads – which included GIFs this year which caught people's attention with the motion
- Know You Now – this year they gave FullTilt a complimentary feature on Jamie and the Michigan asparagus industry in Snack magazine.
- Recipe Development- FullTilt worked with a recipe developer who also has a blog. She developed nine recipes (see handout) which were featured on her blog -- Cheesecurd in Paradise -- and allowed us to feature them on our website.
- Continued working with Gina Ferweda for another year. She also develops recipes and allows us to post her content on our social and website. When she has TV appearances, she will include us when possible.
- Worked with the Farm Babe, Michelle Miller, which was very well received. She visited west Michigan and posted to her social media. The Farm Babe's focus is on where food comes from.
- Continued to work with influencers from last year -- Lemon Bowl, BLT-Bucket List Tummy & My Everyday Table.
- Our dietitian tool kit was shared with retail partners.
- Meijer hosted a "brand equity block" digital ad which ran the first week of June and reached over 350,000 with a message of eat local, eat Michigan asparagus.

Jen shared statistics on our social audience which grew since last season: see hand out for demographics

- Facebook fans – over 6,200 followers, average age 45-54
- Instagram – over 950 followers, average age 35-44

Jen pointed out that some of the most popular posts did not have anything to do with recipes, they were fun facts such as the Farm Babe's post on how fast asparagus grows or Jen's own tip on how to store asparagus in a jar with water. Jen asked that if you have any interesting videos, share them with Jamie so they can be posted as well.

Jen explained that the Facebook engagements went up significantly, which she explained was helped with a paid "boosting" of posts, which increased content visibility. This boosting was a minimal dollar amount, approximately \$20/boost but makes a significant difference. Similar results with Instagram, ending the year with almost 1,000 followers.

Hearing no questions, Chairman Dwight Fuehring turned it over to Jamie to continue her Executive Director's Report

EXECUTIVE DIRECTOR'S REPORT (continued)

MI Ag Council Influencer Event

Jamie reported MAAB sponsored an appetizer at the Michigan Ag Council Influencer dinner hosted at a farm in Imlay City. A professional chef created a delicious appetizer from frozen and pickled asparagus provided by MAAB. This was a good interaction with Michigan influencers.

Jamie also shared that she better understands the process and content of what to post on social media and believes she can help post next year.

IPM Alliance EPA Tour

The agenda for the tour is included in nBoard member packets. The tour is hosted by the Michigan IPM Alliance -- Michigan Asparagus and Michigan Carrot are both members. The tour will host 11 EPA staff -- 6 from Headquarters and 5 from Chicago, Region 5. This is an opportunity to highlight grower's crop protection needs. We will visit a field with Purple Spot, one with Phytophthora and visit an apple farm.

Jamie also covered the following topics.

- Michigan Ag Club: This is an organization of all Ag groups which meets monthly for breakfast in Lansing. Each meeting is sponsored by a different commodity/group. The November meeting is being co-sponsored by Onion/Asparagus/Carrot/MI Vegetable Council. Jamie will be sending out an email with details for anyone who would like to come to the November meeting.
- Website Domains: Jamie explained we own four domains. She shared we have someone from Canada interested in purchasing the asparagus.com domain name. The only domain we are currently using is michiganasparagus.org. After discussion, it was determined to not sell any of the MAAB domains at this time.
- Mechanical Harvesting: Jamie stated that she had been in contact with Steve Saunders from Robotics Plus and is still researching ways to help fund ongoing research of mechanical harvesting. There is a small amount of MDARD funding that might be a possibility and there may also be USDA funds.
- Jamie brought up different ad opportunities presented to her regularly, such as the MDARD Ag magazine (published by Farm Journal), the Michigan Ag Council, and MI Fun Farms. She shared that she looks for opportunities where there is an identifiable benefit. She will continue to decide on a case-by-case basis as to which ads are worthwhile.

Proposed MAAB FY23 Budget Priorities

Domestic Buyers Mission. We still have the \$10,000 grant which MDARD will extend for another year. There is also an additional \$6,500 in the proposed budget. She has been making contacts through LinkedIn and plans to host the Mission in May, 2023.

Processed Product Promotion. Included \$2500 in the proposed budget to work with Facebook influencers and use recipes with processed products to lead into the fresh harvest season for 2023.

Cost of Production Study. Jamie stated we have \$10,000 in the proposed budget to fund a 2023 cost of production survey; MAAB has previously conducted such studies every seven years -- 2002, 2009, and 2016. She recommends that we use someone outside of MSU to get the study completed in early 2023. She is proposing using Chris Bardenhagen, a lawyer and economist who has worked in the MSU Product Center. He recently conducted a similar study for cherries working with the Northwest research station; his bid is for \$8,000 and he would work with Ben Werling. He could talk with growers in November – January and would anticipate having the study completed by March. The Board agreed that Jamie should proceed and engage Chris Bardenhagen to conduct the Cost of Production Study.

Other Business

2023 Referendum (current period expires on June 7, 2022)

Jamie asked what a good time would be to conduct the vote, she would like to proactively request a time with MDARD. Discussion was that March would be a good time and use Oceana Asparagus Day to remind people that they will be receiving ballots.

232 Referendum Legislation

In the packet is a one-page summary of a bill requested by the Corn Marketing Program to eliminate the referendum process for 232 programs. This would leave existing program termination provisions as the mechanism growers could use to terminate a program. The larger groups like Corn spend a significant amount of grower dollars to conduct the referendum vote and would like to eliminate this cost. Jamie pointed out that it is unlikely that the bill will progress yet this year due to time but would like to know how the Board feels about the bill. It was determined that MAAB is neutral on the topic.

Purple Spot research letter of support:

Jordon Walsworth stated that Mary Hausbeck and Ben Werling visited one of his fields with Purple Spot recently. Mary is working with IR4 to get Miravis Prime and/or Merivon labeled for asparagus. They determined a letter of support from growers would be highly useful with her IR4 submission. Jamie will write the letter and send it to IR4 in support of Mary's proposal.

Tom Oomen Memorial Contribution

Discussion took place as to how best honor Tom Oomen. After discussion, Nick suggested we bring this up in December and in the meantime, he will follow up by talking to Tom's widow, Jill. It was determined to set aside \$1,000 to honor Tom Oomen and follow up with Jill on ideas.

Updated Expense & Credit Card Policy

Jamie presented an updated Policy for Reimbursable and Credit Card use. Jamie now has a corporate credit card, so this is updated to reflect that.

Motion Motion by Jordon Walsworth supported by Sarah Greiner to approve the
No. 2 Reimbursable Expenses and Credit Card Use Policy as updated. All
Ayes, motion passed.

MAAB FY 2022-2023 Budget

Jamie presented a proposed budget and a 10-year funding balance summary. She used 11.5 million processed pounds and 14.5 fresh pounds to calculate revenue of \$390,000. She pointed out the Carrot contract is the same as the past year, \$7,500, and the CIAB contract for Joy is budgeted at 10 hours/week. Hearing no questions, she moved onto expenses pointing out that the payroll and related line item includes an intern. We split the computer expenses into three components -- tech support, hardware, and license fees. Travel was increased to allow Jamie to attend a professional event each a year. In the grower relations portion of the budget the newsletter category was renamed "grower communications" to include new communication methods. The cost of production study has been previously discussed and is included in the proposed budget. Industry Projects was increased to accommodate the health screen that was recently completed and any other projects. She pointed out that the research farm expenses are increased to accommodate the retirement of Marijo Bakker at the farm. Total expenses are budgeted at \$527,108 resulting in a net income of \$44,499.

Motion No 3 Motion by Bill Schwass supported by Nick Oomen to approve the budget as presented. All Ayes, motion passed.

Dwight Fuehring turned the floor over to Caleb Coulter at his request for Public Comment.

Caleb's comments addressed the emerging issues discussed earlier in the meeting. He stated that Mexico had a crop failure this crop year. He is hearing from his contacts that Washington (state) has had labor issues, with overtime rules for anything over 50 hours and it's scheduled to go to over 40 hours in 2023-2024. Some packers are saying they'll be out of business in 5 years.

He said he visited Mexico in 2018 and stays in contact with growers there. Mexico has labor issues as well, with labor being pulled to work in the drug trade. This has resulted in not planting as much as usual. His comments on Peru, he agrees with Nick about the timing of their 6-month harvest. This window is dictated by the year-round shippers; the growers aren't necessarily making money but need to save the shelf space.

He brought up that these issues are being faced by other commodities like blueberries and peaches and expressed the need to somehow band together. He suggested looking at what watermelon growers have done to successfully address imports.

He said he saw a difference this year with the lack of Lorsban and an increase in cutworms. He stated that the Cost of Production Study is a very valuable use of funds; he's been asked to participate in a group to help develop crop insurance for asparagus.

Caleb also stated that his company American Asparagus will match \$1,000 towards Tom Oomen's contribution.

Joy McDevitt reminded everyone to make their reservation for GL Expo

Meeting was dismissed at 4:14 pm.

Respectfully submitted,

Jamie Clover Adams
Executive Director