

**MINUTES**  
**MICHIGAN ASPARGUS ADVISORY BOARD**  
Dec 9, 2019  
Amway Grand Plaza  
Grand Rapids, MI

**MEMBERS PRESENT:** Sarah Greiner, Jordon Walsworth, Nicholas Oomen, Dwight Fuehring, Tom Oomen, Kyle Weber, John Williams, Tracey Butler and Vic Shank

**OTHERS PRESENT:** John Bakker – Executive Director, Joy McDevitt – Executive Assistant, Norm Myers- MACMA, Heather Throne, MDARD, Ben Werling-MSUE, John Kran -MI Farm Bureau, Melinda Goodman-Full Tilt Marketing, Elizabeth Drake-Schagrin Associates, Ken Wall- Fox Seeds, Eric Herrygers- grower, Lori & Bob Green-growers, Denise Pagura- grower, John Stevens- grower, Mollie Woods-CIAB

Chairman, Dwight Fuehring called the meeting to order at 1:32 pm.

**MAAB APPOINTMENTS:**

Nominations for board appointments have been approved. Sarah Greiner and Jordon Walsworth were both approved for a 3-year term.

**ELECTION OF OFFICERS:**

Fuehring asked Bakker to take over the election process. The current officers are as follows:

Chairman - Dwight Fuehring

Vice Chairman - Vic Shank

Sec/Treasurer - Sarah Greiner.

Motion            Motion by Tom Oomen, supported by Tracey Butler to keep the current Board Officers  
No. 1            as is. All Ayes, motion passed.

Chairman Dwight Fuehring assumed the chair for the remainder of the meeting.

**CHECK SIGNERS:**

The current check signers are John Bakker, Sarah Greiner and Dwight Fuehring. These will remain the same.

Motion            Motion by Sarah Greiner, supported by Vic Shank to keep the check signers the same.  
No. 2            No further discussion. All Ayes, motion passed

### **COMMITTEE APPOINTEES:**

The Chairman, Dwight Fuehring, has the authority to appoint MAAB Committee members to represent MAAB on other associated Boards. Dwight re-appointed the following:

**MARC** - Nicholas Oomen is the MAAB representative to Michigan Asparagus Research Committee.

**NAC** - John Bakker and Tom Oomen are the MAAB representatives to the NAC (National Asparagus Council). At this time John Bakker explained that the NAC is dwindling in its size and activity since the California Asparagus Commission has ceased to exist. It is possible that the NAC will pick up a member from New Jersey, otherwise it is just Washington and Michigan.

### **MEETING DATES**

**Motion**            Motion by Tracey Butler, supported by Kyle Weber to approve meeting dates for  
**No. 3**            2020 as follows: Thursday, March 5<sup>th</sup>, Thursday, July 30<sup>th</sup> and Monday, December 7<sup>th</sup>.  
All Ayes. Motion passed

### **MINUTES**

The minutes from the last two meetings, July 30, 2019 and Special Meeting November 13, 2019, were sent to the Board for review prior to the meeting.

**Motion**            Motion by Tom Oomen, supported by Vic Shank to approve the minutes of the July 30,  
**No. 4**            2019 and Nov 13, 2019 meetings as presented. All Ayes. Motion passed.

### **FINANCIAL REPORT**

Joy McDevitt reviewed the November 30, 2019 preliminary financial statements reporting income currently at \$472,469.84 and expenses to date of \$298,785.26 resulting in a positive net margin of \$173,684.58 for the first five months of the fiscal year. (ATTACHMENT "A") This includes the \$120,000 of funding for the West Central Michigan Horticulture Research farm as was amended to the Budget at the Special Meeting, Nov. 13, 2019. Also pointed out was any difference on actual to budget for the Specialty Crop Block Grants are due to timing of the billing from MSU and the subsequent reimbursement from MDARD.

**Motion**            Motion by Sarah Greiner, supported by Nick Oomen to accept the  
**No. 5**            November 30, 2019 financial report. All ayes, motion passed.

### **AUDIT REPORT**

Joy McDevitt reviewed the June 30, 2019 fiscal year-end audit report. It was pointed out that our previous auditor was not interested in maintaining our business. Therefore 3 different bids were obtained, resulting in a fee increase from 6/30/18 of \$2,650 to \$3,500. Maner Costerisan from Lansing was chosen as the auditor with a commitment for 2 additional years; they have experience with other 232 program audits. Income for the fiscal year ended June 30, 2019 was reported as \$532,459 with expenses of \$530,043 resulting in a positive net margin of \$2,650. The net position of the organization at June 30, 2018 is \$528,979.

**Motion**            Motion by Vic Shank, supported by Tom Oomen to accept the audit and place it on file  
**No. 6**            pending review and approval from the MDARD. All Ayes, motion.

### **MDARD REPORT**

Heather Throne reported the training date covering Open Meeting rules, FOIA requests, etc., will be Feb 11, 2020 1-4:30 at Agro-Liquid in St. Johns, MI. This meeting is for board members and staff (of PA 232 programs) and all are encouraged to attend.

Heather Throne gave an update on grants. The new SCBG (Specialty Crop Block Grants) will be announced on Jan 6, 2020, the grant proposals are due back the end of February, they will go thru review with JAC and recommendations made to the MDARD Director and then sent on to USDA. She pointed out that this will be the first grants under the new Farm Bill, so there will be some changes. Public Comment is available right now for MDARD and USDA re. the grants; go to website [MDAGrants@Michigan.gov](mailto:MDAGrants@Michigan.gov). Heather Throne updated us on the Rural Development grants also: 110 projects were submitted totaling approx. \$12 million and there is \$1.4 million in grants to be awarded.

She announced they have a new MDARD employee, Ashley Batton who will be reaching out to the Commodity groups regarding workforce needs.

### **MACMA ASPARAGUS REPORT**

Norm Myers announced the current members of MACMA for the regions:

**North:** Calvin Lutz and Pete Conrad

**Southwest:** Ron Richter

**Central:** Larry VanSickle and Jordon Walsworth

A USDA purchase for Asparagus is in the works. A meeting with the Walmart frozen food buyer and 2 asparagus growers has been arranged. This may not lead to anything immediately but is the start of dialogue for future working arrangements.

John Bakker commented on the USDA purchase – We (MAAB) have not had a USDA purchase in 10-12 years, it would be a section 32 purchase (which is normally to take the surplus off the market). The request would be for a purchase of 3-4 million pounds of sales lost in the processed market last year. John is working to have the bid out by the first of the year (2020) so that processors can plan for it.

### **MSUE**

Ben Werling stated Dr. Sushila Chaudhari has been hired at MSU to fill Bernie Zandstra's position. She will start in January and Ben would like to have her out meeting growers before she gets busy.

Ben re-capped the storage project he and John Bakker did this past summer (as detailed at the July 2019 meeting); this project resulted in interest from Dr. Beaudry who is going to write a grant for further work. John Bakker summarized that there was enough success with the CA storage project to warrant trying it again.

### **MFB REPORT**

John Kran, MI Farm Bureau's national legislative and policy expert, reported on federal issues regarding Trade and Labor. He addressed the Farm Workforce Modernization Act currently in the U.S. House of Representatives. This bill will likely move this week but both AFB and Michigan Farm Bureau are unhappy with certain provisions. The strategy is to let the bill move in its current state and push for appropriate improvements when it gets to the Senate. He identified 3 main points:

- 1.) Existing workforce-opportunity to transition to legal status if the immigrant stays a set period of time.
- 2.) Future workforce
- 3.) E-verify – for agriculture employees

## **REPORT OF EXECUTIVE DIRECTOR**

### **Collection of 2019 Assessments**

Majority is collected, there may be as much as \$2,000 yet to be collected.

### **Speich Bankruptcy**

Still ongoing. In Chapter 7, unlikely to collect anything.

### **Dallas Trip/Federal Promotion Order**

Will discuss further during Ken Wall's presentation

### **Asparagus Research Farm**

A MOA (Memorandum of Agreement) has been executed with MARI (Michigan Asparagus Research, Inc) and WCMHR (West Central Michigan Horticulture Research Foundation). Gary McDowell and Dr. James Averill recently toured the area purchased for the facility as well as the Asparagus farm. MAAB has funded MARI the \$120,000 as part of the signed MOA.

## **MELINDA GOODMAN – FULL TILT**

Melinda Goodman, our Marketing representative, addressed MAAB on ways to maximize our marketing budget when addressing imports. Instead of "attacking" them directly, our marketing program for 2019 was focused on emphasizing our "local" factor and all the positive aspects it provides: quality, from family farm, less carbon footprint, food safe, and more sustainable.

To further differentiate ourselves from imports (Peru/Mexico), she proposed a marketing program labeling our larger, more tender and easier-to-grill spears as Bronto Spears. This would create a demand for a product that Mexico/Peru could not replicate. The cost of this marketing program would be about \$80,000. There was good discussion and questions asked by the Board.

At this point a break was called at 3:55 by Dwight Fuehring and resumed at 4:09.

## **ELIZABETH DRAKE – SCHAGRIN ASSOCIATES**

Elizabeth Drake, Trade Attorney with Schagrין Associates out of D.C., presented a PowerPoint presentation on Dumping and Countervailing Duties and whether the Asparagus Industry has a case against imports. There was much discussion and questions proposed and answered. In order to continue with her law firm to review the facts to see if we have a case is a \$125,000 fee. If they determine we do have a case and we would like to continue to file with the International Trade Commission, it would cost an additional \$2.25 million. At this point no definitive determination was made, though most felt there was little chance of being able to afford the \$2.25million, so why spend the \$125,000.

## **KEN WALL - FOX SEEDS**

Ken Wall addressed the import situation during our local harvest season as well. He is beginning to believe that working with the existing 12-month suppliers may be a good option. Even though we believe that our domestically produced product is superior to imported, our challenge is to convince the large chain buyers to switch to us for a short six-week period. He believes that if we can get our foot in the door that these shippers will choose our product over the imported due to better shelf life resulting in less shrink and higher profits for retailers.

## **BUDGET REVIEW / POSSIBLE AMENDMENT**

John Bakker summarized the proposals that were made and suggested that if the board was interested in funding them that a budget review and possible amendment was needed. The options are:

- 1.) Full Tilt: We are currently budgeted at \$48,000. We could transfer the budgeted \$10,000 from processed promotion and amend the budget for additional dollars to fund the "Bronto Spears" promotion.
- 2.) Dumping Case: We could fund the \$125,000 for the first Phase to determine if there is a potential case. This could be done one of 3 ways:
  - a. MAAB pays the whole thing
  - b. Fund it on a "volunteer" basis
  - c. Walk away

Motion No. 7 Motion by Tracey Butler supported by Tom Oomen to transfer funds from the processing promotion to fresh promotion and to fund an additional \$30,000 for the Bronto Spears promotion. Additional discussion followed.

It was expressed that we did not have the money to fund both and did not think Washington growers would be interested in helping to fund the dumping case. Opposing comment was that by spending the \$125,000 it would send the message to Mexico and Peru that we were "serious" about defending our market. The question was called. All ayes (in favor of the Bronto Spears promotion), Motion passed.

We will re-visit the \$125,000 decision to fund the dumping investigation; possible surveying the growers to see if they would be interested in pursuing this. John Bakker suggested addressing it at Asparagus Day, March 12, 2020 (in New Era).

## **OTHER BUSINESS**

Dwight Fuehring asked if there was any other business to be taken up at this time, nothing was proposed.

Motion No. 8 Hearing none, a motion was made by Vic Shank, supported by Nick Oomen to adjourn the meeting. All Ayes, meeting adjourned at 6:00 pm.

Respectfully submitted,

John H. Bakker  
Executive Director

Michigan Asparagus Advisory Board  
Balance Sheet  
November 30, 2019

ASSETS

Current Assets		
Huntington Bank - Checking	\$	49,162.86
Huntington Bank - Money Market		247,673.89
M MAX INVESTMENT		376,113.82
Acct/Rec - MARC		14.70
Acct/Rec - CARROT		338.80
Prepaid Escrow w/ CMI		20,000.00
		<hr/>
Total Current Assets		693,304.07
Property and Equipment		
Furniture and Fixtures		3,200.00
Equipment		4,524.51
Automobile		30,260.75
Accum. Depreciation - Furnitur		(3,200.00)
Accum. Depreciation - Equipmen		(2,669.00)
Accum. Depreciation - Automobi		(10,086.92)
		<hr/>
Total Property and Equipment		22,029.34
Other Assets		
		<hr/>
Total Other Assets		0.00
		<hr/>
Total Assets	\$	<u><u>715,333.41</u></u>

LIABILITIES AND CAPITAL

Current Liabilities		
Accrued Vacation	\$	12,671.21
		<hr/>
Total Current Liabilities		12,671.21
Long-Term Liabilities		
		<hr/>
Total Long-Term Liabilities		0.00
		<hr/>
Total Liabilities		12,671.21
Capital		
Retained Earnings		528,977.62
Net Income		173,684.58
		<hr/>
Total Capital		702,662.20
		<hr/>
Total Liabilities & Capital	\$	<u><u>715,333.41</u></u>

MICHIGAN ASPARGUS ADVISORY BOARD  
INCOME STATEMENT  
FOR THE FIVE MONTHS ENDING NOVEMBER 30, 2019

	Current Month Actual	Year to Date Actual	Year to Date Budget	Full Year Budget	Prior Year Actual
<b>REVENUES</b>					
PROCESSED (2019 CROP)	\$ 119,781.23	\$ 119,781.23	\$ 118,125.00	\$ 118,125.00	0.00
FRESH (2019 CROP)	271,057.26	271,057.26	260,750.00	260,750.00	0.00
PROCESSED (2018 CROP)	0.00	0.00	0.00	0.00	171,512.65
FRESH (2018 CROP)	0.00	0.00	0.00	0.00	208,537.98
GRANT - MDA BLOCK GRANT	77,927.10	77,927.10	99,145.00	99,145.00	103,255.93
INTEREST INCOME	3,649.01	3,649.01	2,083.35	5,000.00	8,568.99
ASSESSMENT INTEREST	0.00	0.00	0.00	0.00	7.95
OTHER INCOME	55.24	55.24	0.00	0.00	75.00
RESEARCH FARM MANAGER	0.00	0.00	0.00	25,500.00	34,000.00
CONTRACT SERVICES	0.00	0.00	0.00	6,500.00	6,500.00
<b>TOTAL REVENUES</b>	<b>472,469.84</b>	<b>472,469.84</b>	<b>480,103.35</b>	<b>515,020.00</b>	<b>532,458.50</b>
<b>EXPENSES</b>					
ADMINISTRATIVE	91,245.46	91,245.46	123,462.39	303,525.00	292,138.05
PROMOTION	3,753.10	3,753.10	6,225.00	74,900.00	47,347.91
GROWER RELATIONS	215.66	215.66	1,025.00	1,500.00	662.85
INDUSTRY PROJECTS	83,571.04	83,571.04	103,645.00	107,145.00	170,672.47
ASPARGUS RESEARCH	120,000.00	120,000.00	133,000.00	143,000.00	13,000.00
DEPRECIATION EXPENSE	0.00	0.00	0.00	6,052.00	6,221.15
CAPITOL PURCHASES	0.00	0.00	0.00	0.00	0.00
<b>TOTAL EXPENSES</b>	<b>298,785.26</b>	<b>298,785.26</b>	<b>367,357.39</b>	<b>636,122.00</b>	<b>530,042.43</b>
<b>NET INCOME</b>	<b>\$ 173,684.58</b>	<b>\$ 173,684.58</b>	<b>\$ 112,745.96</b>	<b>(121,102.00)</b>	<b>\$ 2,416.07</b>

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<b>ADMINISTRATIVE EXPENSES</b>					
ADV BD - MEETING EXP	\$ 502.88	\$ 502.88	\$ 1,166.67	\$ 3,500.00	\$ 3,142.63
ADV BD - PER DIEM	900.00	900.00	675.00	2,025.00	1,425.00
ADV BD - TRAVEL AND RELATED	762.12	762.12	866.67	2,600.00	2,168.89
ADV BD - CONFERENCE CALLS	0.00	0.00	50.00	50.00	0.00
ADV BD - DISCRETIONARY FUNDS	0.00	0.00	0.00	3,000.00	0.00
PAYROLL AND RELATED	73,616.46	73,616.46	103,541.65	248,500.00	249,335.37
AUTO & RELATED	3,603.49	3,603.49	3,245.85	4,500.00	4,213.76
TRAVEL & RELATED	631.66	631.66	1,458.30	3,500.00	1,336.47
COMPUTER - MAINTENANCE	82.50	82.50	1,041.65	2,500.00	4,616.64
COMPUTER - UPGRADES	0.00	0.00	0.00	2,000.00	1,504.07
OFFICE SERVICES & SUPPLIES	388.99	388.99	916.65	2,200.00	1,394.11
TELEPHONE EXPENSE	1,849.23	1,849.23	2,375.00	5,700.00	4,739.67
RENT & UTILITIES	5,266.71	5,266.71	5,416.65	13,000.00	10,498.82
EQUIPMENT LEASE & MAINTENANCE	451.64	451.64	0.00	250.00	0.00
ADM - POSTAGE EXPENSE	421.30	421.30	416.65	1,000.00	689.79
DUES AND SUBSCRIPTIONS	1,183.51	1,183.51	500.00	1,200.00	806.34
BANK SERVICE CHARGES	225.00	225.00	250.00	600.00	540.00
INSURANCE/LEGAL	618.98	618.98	625.00	2,000.00	933.26
CONTRACT SERVICES	740.99	740.99	666.65	1,600.00	1,693.23
CONTRIBUTION/DONATIONS	0.00	0.00	250.00	650.00	450.00
AUDIT SERVICES	0.00	0.00	0.00	2,650.00	2,650.00
ADM - MISCELLANEOUS	0.00	0.00	0.00	500.00	0.00
<b>ADMINISTRATIVE</b>	<b>91,245.46</b>	<b>91,245.46</b>	<b>123,462.39</b>	<b>303,525.00</b>	<b>292,138.05</b>

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INCOME STATEMENT  
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	Current Month Actual	Year to Date Actual	Year to Date Budget	Full Year Budget	Prior Year Actual
<b>PROMOTION ACCOUNTS</b>					
FRESH PROMO - MI ASPARAGUS	1,362.97	1,362.97	0.00	48,000.00	39,429.53
PROCESSED PROMOTION	0.00	0.00	0.00	10,000.00	0.00
UPS & USPS - PROMO	0.00	0.00	0.00	800.00	73.27
INTERNET PAGE AND ACCESS	699.75	699.75	625.00	1,500.00	1,305.40
NATL ASPARAGUS FESTIVAL	39.42	39.42	2,000.00	2,000.00	2,000.00
TRADE SHOW EXHIBIT EXP	35.96	35.96	1,600.00	1,600.00	1,250.31
TRADE SHOW TRAVEL EXP	0.00	0.00	0.00	1,000.00	1,729.40
PROMO - MISCELLANEOUS	1,615.00	1,615.00	2,000.00	10,000.00	1,560.00
<b>TOTAL PROMOTION</b>	<b>3,753.10</b>	<b>3,753.10</b>	<b>6,225.00</b>	<b>74,900.00</b>	<b>47,347.91</b>
<b>GROWER RELATIONS</b>					
NEWSLETTER - GROWER RELATIONS	215.66	215.66	525.00	1,000.00	162.85
SERVICE ORGANIZATIONS	0.00	0.00	500.00	500.00	500.00
<b>GROWER RELATIONS</b>	<b>215.66</b>	<b>215.66</b>	<b>1,025.00</b>	<b>1,500.00</b>	<b>662.85</b>
<b>INDUSTRY ACCOUNTS</b>					
INDUSTRY PROJECTS	0.00	0.00	0.00	1,500.00	500.00
ENVIRO-WEATHER	0.00	0.00	0.00	1,500.00	1,500.00
AG DAY AT CAPITOL	0.00	0.00	0.00	500.00	416.54
NATIONAL ASPARAGUS COUNCIL	0.00	0.00	1,500.00	1,500.00	0.00
TRI STATE -TRAVEL AND RELATED	5,643.94	5,643.94	3,000.00	3,000.00	0.00
SPECIALTY CROP BLOCK GRANTS	77,927.10	77,927.10	99,145.00	99,145.00	103,255.93
RESEARCH/EQUIP. EXPENSE	0.00	0.00	0.00	0.00	65,000.00
<b>TOTAL INDUSTRY PROJECTS</b>	<b>83,571.04</b>	<b>83,571.04</b>	<b>103,645.00</b>	<b>107,145.00</b>	<b>170,672.47</b>

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<b>RESEARCH</b>					
SALARIES & RELATED RES FARM	0.00	0.00	13,000.00	13,000.00	13,000.00
RESEARCH -FARM	120,000.00	120,000.00	120,000.00	130,000.00	0.00
<b>TOTAL RESEARCH</b>	<b>120,000.00</b>	<b>120,000.00</b>	<b>133,000.00</b>	<b>143,000.00</b>	<b>13,000.00</b>
<b>BAD DEBT EXPENSE</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>DEPRECIATION EXPENSE</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>6,052.00</b>	<b>0.00</b>
<b>CAPITOL PURCHASES</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>TOTAL EXPENSES</b>	<b>\$ 298,785.26</b>	<b>\$ 298,785.26</b>	<b>\$ 367,357.39</b>	<b>\$ 636,122.00</b>	<b>\$ 523,821.28</b>