

MINUTES
MICHIGAN ASPARGUS ADVISORY BOARD
July 30, 2020
Michigan Asparagus Industry Research Farm
5046 N Oceana Dr
Hart, Michigan

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

MEMBERS ABSENT: Vic Shank

OTHERS PRESENT: John Bakker – Executive Director, Joy McDevitt – Executive Assistant, Norm Myers- MACMA, Heather Throne, MDARD – via phone, John Kran- MI Farm Bureau, Todd Whiteman, District Director with Bill Huizenga’s office, Caleb Coulter-grower, Lori & Bob Green- grower

Chairman, Dwight Fuehring called the meeting to order at 1:00 pm.

MINUTES

The minutes from the last meeting of 03-05-20 were sent to the Board for review prior to the meeting.

Motion Motion by Sarah Greiner supported by Tom Oomen to approve the
No. 1 minutes of the March 5, 2020 meeting as presented. All Ayes, motion passed.

FINANCIAL REPORT

Joy McDevitt reviewed the June 30, 2020 preliminary financial statements reporting income currently of \$515,330.52 and expenses to date of \$536,834.94 resulting in a negative use of fund balance (loss) of (\$21,504.42) for the unaudited fiscal year ended June 30, 2020. (ATTACHMENT “A”) Compared to budget, MAAB was favorable, mostly attributable to less than budgeted spending for Fresh promotion and payroll.

Motion Motion by Tom Oomen, supported by Tracey Butler to accept the
No. 2 June 30, 2020 financial report as reported. All ayes, motion passed.

MDARD REPORT

Heather Throne gave an update, via phone, on the following grants.

Value Added Grants applications came in in April and had been put on hold. There were 80 applications received and MDARD did recently receive the announcement to go ahead and review.

Rural Development Grants are not affected by COVID, because they are awarded from restricted revenues (from mining lease funding). Will likely announce these approx. 10-1-2020.

SCBG reports are in D.C. for review, MDARD should hear back soon if there are additional questions.

Heather then addressed the different CARES money available:

MI Small Business Restart – This is money administered thru 15 local economic development organizations (EDO's) who will provide grants to businesses with less than 50 employees, for up to \$20,000. The grant funds can be used for expenditures made between 3-1-2020 and 12-30-2020. Application deadline is August 5,2020.

MI Agriculture Safety Grants- This is administered by Greenstone Farms and is a first come first serve program. Available to Agricultural processors with more than 10 people; \$10million available to Processors, \$5 million to Growers.

MEDC (MI Economic Development Corp) Small Farm Grant Program – Also administered by Greenstone for Growers less than 10 employees. Up to \$1,000/employee, with a maximum of \$9,000.

MSUE

Ben Werling was not available but had provided the following:

Asparagus research is continuing during COVID including:

Dr. Dan Brainard: field testing at the research farm on degree day models to predict asparagus emergence.

Dr. Zac Hayden: Nitrogen fertility trial at Oomen Bros plots

Dr. Mary Hausbeck: Field test of chloropicrin fumigants in the seedbed, applied this spring at Oomen Bros, conducted with TriEst

Dr. Zsofia Szendrei: tested overwintering survival of beetles placed in asparagus stalks, different barks, pine needles and leaves. Counted beetles overwintering in different habitats this winter/spring, conducted a preliminary spray trial at the research farm with the help of many growers.

Dr. Sushila Chaudhari: Will provide free screening of weeds for herbicide resistance – Contact Ben if you are interested.

Research Tour: Will be virtual; but will seek RUP (Restricted Use Pesticide) credits.

Ben stated he is available for approved essential activities. Overall, the University is facing financial challenges; educators/faculty have had/will have benefit reductions and salary cuts.

MACMA ASPARAGUS REPORT

MACMA dues are due 8-1-2020. Currently, it looks like the volume for processing is similar to 2019 despite overall yields being down from the previous year. John Bakker agreed 2019 was an optimum year (no frost, cool weather), he thinks 2020 may be down about 4-5 million pounds.

Norm commented Processor prices were down about 2 cents a lb. but thinks fresh market returns will be up. MACMA will hold a meeting in September, will invite MAAB to meet with Processors. Norm reported they would like to try for another USDA purchase for the 2021 crop. It was asked if anyone participated in the current year USDA purchase? Norm responded there was small use, 100,000 pounds, of the 2020 USDA purchase.

John Bakker explained that he tried to work with the USDA to allow the asparagus purchase to be released earlier than the June 16, 2020 date that it was announced. Dawn Drake, with MACMA, says USDA is aware that it is their action that did not allow the Asparagus Industry to utilize the 2020 USDA purchase.

MFB REPORT

John Kran was present to report for MI Farm Bureau. They have been/are focused on the federal level- CARES act and now the HEALS act. The Republicans and Democrats are far apart on agreeing on a new economic stimulus package. There was further general discussion on the status of a stimulus package. Kran was asked if D.C. lawmakers were aware of how difficult that it has been to entice unemployed persons back to the workplace due to the additional \$600/week federal unemployment benefit. This benefit, when added to state UI, has acted as a financial disincentive to return to work resulting in significant worker shortages in packing and processing plants. There was further discussion of how to make the workers feel safe and encourage them to come back to work.

MAAB FRESH ASPARAGUS PROMOTION

John Bakker reported that Full Tilt was prepared with a promotion program in place, pre-COVID. Then, when the COVID shutdown occurred in March, buying habits changed having a dramatic effect on both retail and food service. Full Tilt was very responsive and nimble and continued to tweak the promotion programs right up to the beginning of the harvest season. The largest change in the program resulted in a significant scale-back of the "Bronto Spear" promotion.

REPORT OF EXECUTIVE DIRECTOR

Covid -19 & Industry Impact

It was a roller coaster from the start- back in March not knowing if they could get workers into Michigan to harvest and process. Processing prices were down, but fresh was up.

Promotion Grant for 2021

The SCBG for \$125,000 for marketing has passed MDARD and is now at the federal level for any questions. Should know by October

Asparagus Research Funding

Seed sales profit this past year was \$43,437.42 and we collect \$32,000/year from MSU for research plot fees since we own our research farm that MSU uses.

Christiaens Sorting & Data recording Machine

John reported he was able to use the machine for this past crop year even though all on-site training was canceled due to travel restrictions. Fortunately, using a remote connection, we were able to figure out how to operate the machine and tweak the software programs. He did use a completely different harvest system and therefore invested in new equipment for harvest including – an additional 1-row harvester, new bins and bar code printer and software.

E-communications & newsletters

Bakker expressed the frustration that he felt trying to communicate with growers this spring. Our MAAB newsletters are printed and mailed by MI Farm Bureau and they were shut down for a period this spring. John also stated he had started to write several newsletters, but changes were happening faster than could be reported. All of this points to the need to set up an electronic communication system with the growers.

On the flip side, communications with processors and packers increased dramatically with the expectation that info would be passed down to growers. Plans are to have a newsletter go out in August and a "e-communication" system set up.

Speich Bankruptcy

This is about finalized. No money remains so any thought of collecting grower assessments is gone.

New Executive Order

John Bakker addressed the latest new Executive order for mandatory COVID testing for Agricultural employees. Highlights: all owners/operators of migrant housing camps are to provide testing for all newly arrived residents within 48 hours after arrival. House newly arrived residents separately, provide a second test to newly arrived residents 10-14 days after arrival. Separate housing for infected workers. Mandatory testing for all employees for any operation with 20 or more employees.

There was general discussion as to the concern over the difficulty of getting timely results, also as to whether a lawsuit might affect the implementation.

BOARD APPOINTMENTS

Expiring: Nov 2020: SW MI- Shank, At Large-Butler, Williams, Nick Oomen and Tom Oomen MAAB has 5 out of 9 members coming up for appointment in 2020. In theory it should be 3 out of 9 renewing each year. However, there were a couple of years that appointments were not handled on a timely basis resulting in this "bulge". John shared this concern with the Governor's appointments office and asked if the appointments can be staggered to get us back on track.

EMERGING ISSUES

Cost of Labor / AEW

This is becoming one of the single biggest Employer concerns. In 2015 AEW was \$11.06 and now in 2020 it is \$14.40. There was general discussion of the AEW survey; one-person present, Caleb Coulter, had received the AEW survey and offered to share it with Bakker.

Processing Plant Worker Shortages

There was a discussion as how shortages in the processing plants could be addressed: such as could H2A employees be used in Processing plants? Could "hero" pay be incorporated to entice people to work instead of accepting the \$600/week unemployment subsidy that is to expire soon. Todd Whiteman commented this has bi-partisan appeal.

USDA Purchase

This was addressed earlier in the meeting – see MACMA report

Trade & Imports

USTR has announced hearings on imports of Seasonal and Perishable Commodities. The National Asparagus Council (NAC) commented on this issue during the NAFTA renegotiations but no changes were included in USMCA. NAC will be submitting written testimony prepared by a CA law firm – Schram & Associates.

SET MAAB FY PRIORITIES

John asked if there were any new priorities to address in the coming fiscal year.

FY 2020-2021 BUDGET

Bakker presented a Proposed budget as a starting point for discussion. The proposed assessments for the 2020 crop year are \$105,000 based on fresh pounds of 11 million pounds and \$192,500 based on 6 million processed pounds totaling 17 million pounds, 2019 crop was 22.338 million pounds. When asked why the decrease, John replied the USDA numbers reflect a decrease of 5 million less pounds of fresh sold. Other budget items discussed: Grants are in and out in the same year; however, in FYE 6/30/21 there may be a delay in reporting the "income" reimbursement for the \$125,000 Marketing grant. As discussing expenses, the 2020 Great Lakes Expo came up; John does not think it will happen in person, a definitive answer should be coming out soon.

Motion No. 3 Motion by Nick Oomen, supported by Kyle Weber to approve revenue of \$554,016 and expenses of \$526,423 and the resulting income to increase the fund balance. All Ayes, motion passed.

OTHER BUSINESS

Joy McDevitt brought up the annual audit is approaching; Management recommends retaining Maner Costerisan for the FYE 6/30/20 financial audit of Michigan Asparagus Industry Development Program at a cost of approx. \$3,600.

Motion No. 4 Tom Oomen made a motion, supported by John Williams to retain Maner Costerisan to conduct the June 30, 2020 fiscal year end audit. All Ayes, motion passed.

John was asked if there was any contact from Priscilla? (representing the Peruvian Asparagus Growers) John replied coincidentally Melinda at Full Tilt had been asked by Priscilla to write a promotion proposal for a National Board, so yes there is still some interest.

Joy McDevitt reminded people to cancel their hotel rooms if the 2020 GL Expo does not occur.

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

Motion No. 5 Hearing none, a motion was made by John Williams, supported by Tom Oomen to adjourn the meeting. All Ayes, meeting adjourned at 2:33 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
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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 ASPARAGUS 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
REVENUES					
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
TOTAL REVENUES	472,469.84	472,469.84	480,103.35	515,020.00	532,458.50
EXPENSES					
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
TOTAL EXPENSES	298,785.26	298,785.26	367,357.39	636,122.00	530,042.43
NET INCOME	\$ 173,684.58	\$ 173,684.58	\$ 112,745.96	\$ (121,102.00)	\$ 2,416.07

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ADMINISTRATIVE EXPENSES					
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
ADMINISTRATIVE	91,245.46	91,245.46	123,462.39	303,525.00	292,138.05

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	Current Month Actual	Year to Date Actual	Year to Date Budget	Full Year Budget	Prior Year Actual
PROMOTION ACCOUNTS					
FRESH PROMO - MI ASPARAGUS PROCESSED PROMOTION	1,362.97	1,362.97	0.00	48,000.00	39,429.53
UPS & USPS - PROMO	0.00	0.00	0.00	10,000.00	0.00
INTERNET PAGE AND ACCESS	699.75	699.75	625.00	800.00	73.27
NAT'L ASPARAGUS FESTIVAL	39.42	39.42	2,000.00	1,500.00	1,305.40
TRADE SHOW EXHIBIT EXP	35.96	35.96	1,600.00	2,000.00	2,000.00
TRADE SHOW TRAVEL EXP	0.00	0.00	0.00	1,600.00	1,250.31
PROMO - MISCELLANEOUS	1,615.00	1,615.00	2,000.00	1,000.00	1,729.40
TOTAL PROMOTION	3,753.10	3,753.10	6,225.00	74,900.00	47,347.91
GROWER RELATIONS					
NEWSLETTER - GROWER RELATIONS SERVICE ORGANIZATIONS	215.66	215.66	525.00	1,000.00	162.85
	0.00	0.00	500.00	500.00	500.00
GROWER RELATIONS	215.66	215.66	1,025.00	1,500.00	662.85
INDUSTRY ACCOUNTS					
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
TOTAL INDUSTRY PROJECTS	83,571.04	83,571.04	103,645.00	107,145.00	170,672.47

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RESEARCH					
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
TOTAL RESEARCH	120,000.00	120,000.00	133,000.00	143,000.00	13,000.00
BAD DEBT EXPENSE	0.00	0.00	0.00	0.00	0.00
DEPRECIATION EXPENSE	0.00	0.00	0.00	6,052.00	0.00
CAPITOL PURCHASES	0.00	0.00	0.00	0.00	0.00
TOTAL EXPENSES	\$ 298,785.26	\$ 298,785.26	\$ 367,357.39	636,122.00	\$ 523,821.28