

MINUTES
MICHIGAN ASPARGUS ADVISORY BOARD
Dec 07, 2020
Telephone Conference

Chairman, Dwight Fuehring called the meeting to order at 1:30 pm.

John Bakker addressed phone meeting issues- please say your name before making a motion; he noted all votes would be conducted by a roll call vote.

Dwight Fuehring conducted a verbal roll call as follows:

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

MEMBERS ABSENT: None

OTHERS PRESENT: John Bakker – Executive Director, Joy McDevitt – Executive Assistant, Heather Throne- MDARD, Ben Werling-MSUE, John Kran -MI Farm Bureau, Audrey Sebolt-MI Farm Bureau, Lori & Bob Green-growers, Denise Pagura- grower, Scott Hassle- grower Scott Ebert-Maner Costerisan,

John Bakker addressed the following:

MAAB APPOINTMENTS:

Five Board members terms were scheduled to end on Nov 13, 2020; however, since new/reappointed members have not been (re)appointed the current members serve until replaced. The intent is to have this completed by the next meeting.

Dwight Fuehring resumed the meeting.

ANNUAL ORGANIZATIONAL MEETING:

a.) Election of Officers:

John Bakker commented: The administration of MAAB recommends holding off with the election of Officers until we have new members seated. Will address at the next meeting. No discussion

b.) Check Signers:

John Bakker commented: The administration of MAAB recommends holding off with the election of Officers until we have new members seated. Will address at the next meeting. No discussion.

c.) Committee Appointments:

John Bakker commented: The administration of MAAB recommends holding off with the appointment of committees until we have new members seated. Will address at the next meeting. No discussion.

d.) Meeting dates:

Motion No. 1 Motion by Jordon Walsworth supported by Kyle Weber to approve meeting dates for 2021 as follows: Tuesday, March 2nd, Tuesday, July 27th and Monday, December 6th.
 Roll Call vote as below: A=Aye; N = Nay **Motion passed.**

BOARD MEMBER	AYE	NAY
Sarah Greiner	A	
Jordon Walsworth	A	
Dwight Fuehring	A	
Vic Shank	*	
Tracey Butler	A	
Kyle Weber	A	
John Williams	A	
Nick Oomen	A	
Tom Oomen	A	

* Board member not present on call at this roll call vote.

MINUTES

The minutes from the last meeting, July 30, 2020, were sent to the Board for review, prior to the meeting. Dwight requested a motion to approve minutes.

Motion No 2 Motion by Tom Oomen, supported by Sarah Greiner to approve the minutes of the July 30, 2020 as presented. Roll Call vote as below. **Motion passed.**

BOARD MEMBER	AYE	NAY
Sarah Greiner		
Jordon Walsworth	A	
Dwight Fuehring	A	
Vic Shank	*	
Tracey Butler	A	
Kyle Weber	A	
John Williams	A	
Nick Oomen	A	
Tom Oomen	A	

* Board member not present on call at this roll call

FINANCIAL REPORT

Joy McDevitt reviewed the November 30, 2020 preliminary financial statements (page 11) reporting income currently at \$257,889.84 and expenses to date of \$168,883.29 resulting in a positive net margin (net income) of \$257,889.84 for the first five months of the fiscal year. (ATTACHMENT "A").

Adding this to the Beginning Fund balance of \$503,889.20 results in an ending Fund balance Of \$767,779.04. She pointed out that all our revenue has been recognized and that the Grant income and grant expense will be the same. Page 14 shows the \$257,889.84 added to the beginning fund of \$503,889.2 results in an ending balance of \$761,779.04.

At this point a discussion took place as to what we are going to do with the accumulated cash of approx. \$748,000. Lori Green suggested that the assessment rate could be lowered or skipped for a year. John Bakker explained that when we set the budget in July 2020, we anticipated less than what has been received. John pointed out that it is up to the Board to set Budget priorities, if they felt retained earnings was too high, they could adjust future assessment rate. John Williams asked how much we are expected to increase our fund balance for this year, Joy responded the budgeted income for the year is \$27,593 which would leave an approximate \$531,832 at year end. John Bakker did point out that we did reduce our fund balance last year with a loss.

Motion No. 3 Motion by John Williams, supported by Nick Oomen to accept the November 30, 2020 financial report. Roll call vote as below. **Motion passed.**

BOARD MEMBER	AYE	NAY
Sarah Greiner	A	
Jordon Walsworth	A	
Dwight Fuehring	A	
Vic Shank *	A	
Tracey Butler	A	
Kyle Weber	A	
John Williams	A	
Nick Oomen	A	
Tom Oomen	A	

** Vic Shank has joined the call at this time.

AUDIT REPORT

Scott Ebert, Maner Costerisan Manager was present on the call and presented our Audit Report. He pointed out a few items- there is a deficiency (p 15) with the lack of employees allowing for adequate segregation of duties, which can't be helped and was the same as last year. Pages 16-18 noted no difficulty with management. Page 22 identifies MAAB has a "clean" unmodified opinion which is what you want to see, on our Audit Report. Page 29 identifies cash of \$454,144 and very little payables and an ending fund balance of \$506,609. Page 30 shows the "Income Statement" with income of \$515,331 and expenses of \$528,342, resulting in a loss of (\$13,011), leaving the ending fund balance at \$506,609. Scott pointed that it is a common marker of viability to look at the fund balance, \$506,609, in relation to the expenses, \$528,342, we cover 96% of our expenses with our fund balance. Such that, even without any revenue could make it most of the year. Scott went over the Notes to the Report, pages 31-36 covering various items from no changes from prior year (p 31) to a recap on the status of SCBG's (p 36).

The question was asked where is the \$120,000 of money funded to the WCMHR (West Central Michigan Horticulture Research facility) and was any more monies spent beyond the \$120,000. McDevitt explained that it is listed in the asparagus research expense line and that no further monies beyond the \$120,000 were spent on WCMHR.

**Motion
No. 4**

Motion by Vic Shank, supported by Tracey Butler to accept the Audit Report as presented, pending review and approval from MDARD. Roll call vote as below.
Motion passed.

BOARD MEMBER	AYE	NAY
Sarah Greiner	A	
Jordon Walsworth	A	
Dwight Fuehring	A	
Vic Shank	A	
Tracey Butler	A	
Kyle Weber	A	
John Williams	A	
Nick Oomen	A	
Tom Oomen	A	

Dwight Fuehring moved on with the following reports.

MDARD REPORT

Heather Throne commented that she has passed the Audit Report on to Jeff Haarer at MDARD. She continued with her report that currently Public Comment on SCBG is open through 12-11-20. Looking for input as to how they can improve the Grant process in the future. She addressed the different grant programs that are open or deadlines coming up:

- SCBG- She anticipates MDARD will announce in early Jan for 2021. They will have a February due date for MDARD review and then sent to USDA the end of May.
- Rural Development Grant – Applications were received at MDARD on November 19, 2020. Normally would have 70-80; but this year have 140 applications. The recipients will be announced in February 2021. There is \$1.4 million to be awarded, maxing at \$100,000.
- Value Added Grant – These were due in the Spring, then were put on hold due to COVID. In August they resumed with reduced funds. Anticipate awarding 10 applicants (about half the amount as normal).

The question was asked if COVID affected the dollars made available to SCBGs; Heather stated she had not heard of anything.

MACMA ASPARAGUS REPORT

John Bakker presented for Norm Myers. John has been working with Dawn Drake (MACMA) on a purchase from the USDA. Brief history- Dec 2019 USDA had agreed to a purchase \$3.5 million, then when COVID hit, the purchase was put on hold. By the time the USDA released it in June it was too late for bids.

This new purchase from the USDA will include 2020 inventory as well as 2021. He addressed that the USDA has tight specs on the frozen sizes, 1 ½ " cut with a 1/4" +/- leeway. John and Dawn were able to include cuts ranging from 1-2" cut with the same ¼" leeway and was also able to adjust the diameter from 5/8th up to 3/4". Lastly, USDA agreed to let the one remaining canner bid on the canned asparagus. (in the past they required at least 2 bidders for it to be valid). So, the bid for 3.5 million pounds will be broken down into .75 million canned and 2.75 frozen, which is roughly the ratio of last year's crop. We requested the bid to be awarded by April 1st.

Question was asked if the USDA Farm to Family program (food boxes) is going to continue in 2021, John stated he has not heard anything about that continuing.

MSUE

Ben Werling stated that COVID has restricted what he can do in the field; anything out of the house requires a formal review by MSU. This has affected the researchers and their ability to use undergrad students in the research projects. The following research projects are ongoing:

- Zsofia Szendrei- Asparagus Beetle
- Zac Hayden - Ongoing research on nitrogen has wrapped up.
- Dan Brainard – Predict/manipulate asparagus emergence.
- Sushi Chaudhari– project in the fall on Alion on efficacy
- Mary Hausbeck – chloropicrin as an alternative to control fusarium.

There had been ongoing interest in a CA study for asparagus, with Dr. Beaudry. Recently heard his grant will be funded.

Ben is meeting next week to start on the planning for Oceana Asparagus Days. No decision as to whether it will be virtual or in-person.

He mentioned the Expo has classes for those looking for Pesticide Applicator certification.

John Bakker commented that a new weed control experiment was started this fall with Sushi. The purpose is to study the herbicide Alion and its effect of use in spring vs the fall. This product was tested by Dr. Zandstra using a spring application and we observed an unacceptable level of crop injury. Our hope is to avoid the crop injury while still receiving the outstanding weed control that we observed before.

MFB REPORT

John Kran was present to report for MI Farm Bureau; he works on Federal issues regarding Trade and Labor. He addressed the Section 201 investigation with the Blueberry Industry (including growers in MI, GA, FL, Pacific Northwest). They will be presenting their case in Jan to the U.S. Trade Representative, Robert Lighthizer. The Blueberry industry is working to raise funds to pay the legal fees.

He continued that the Department of Ag is going to cease the AEWB survey, which the Department of Labor compiles. The AEWB will “freeze” for MI at \$14.40/hr and then increase over the next couple of years at a rate of 1.7 - 2.9%. After that, the increase will be based on the ECI (Employment Cost Index) which is more closely aligned with inflation vs the sporadic unpredictable AEWB increases. There is the question as to how the Biden administration will accept it. He stated we still need the Legislature to address the Ag Workforce Coalition; will have a better idea after the Georgia run-off on Jan 5, 2021.

John Bakker commented that there was hope that the AEWB freeze would have been at the 2019 rate instead of the 2020 rate of \$14.40; but commented this is a more reasonable approach and allows for predictability. John Kran commented that Florida is moving towards a \$15 rate in the field.

Audrey Sebolt of MI Farm Bureau addressed the Michigan issues. With the new health order and MIOSHA emergency rules, Farm Bureau has been updating their MSP Ag Employer advisory documents on their website. They are hearing reports of MIOSHA fining people (milking rooms not wearing a mask and social distancing). She continued, MDHHS has released their 64-page vaccination plan, it did mention on page 14 migrant workers. Not sure when the vaccinations will be received and how much. MI Farm Bureau is reaching out to migrant workers to see the desire to receive the vaccine. Labor housing was a major topic of discussion at the recent State meeting of MI Farm Bureau.

Dwight Fuehring turned it over to John Bakker

REPORT OF EXECUTIVE DIRECTOR

Collection of 2020 Assessments

Majority is collected. He is following up on a couple of outstanding assessments.

USTR sec 201 investigation – blueberries.

John added to the earlier discussion presented by John Kran. He stated he had spoken with his asparagus counterpart in Washington state, Alan Schreiber, who is also involved in blueberries. Schreiber believes that asparagus has an even stronger case than blueberries. John commented that these efforts tend to be very costly and that maintaining a strong fund balance could allow us to pursue a similar effort in the future. Asparagus would have a smaller group of states to help support the battle, with growers limited to MI, WA possibly a few in NJ and CA. John is not ready to make a recommendation on this at this time.

Federal Promotion Order

Peru and possibly Mexico is still interested, but without a supply control in place. The US would oppose any effort that was not tied to supply controls during the domestic season. Priscilla, director of the Peru Asparagus Import Assoc. has indicated efforts are on hold at this time.

Asparagus Research Farm

Is still working on putting together a report with all the raw data in such a way to be useful to the growers. Had hoped to get additional technical support which was waylaid due to COVID.

WCMHR:

There had been delays with COVID but will be fully operation in the spring. The facility includes classrooms/lab space, meeting rooms, coolers, spray barn facility, bunk house and access to larger equipment than we own at the research farm.

SCBG for promotion- \$125,000:

Working with Full Tilt and putting together a committee, will develop a plan as to how best to spend the grant money. This is the best promo budget in place for an upcoming harvest year.

OFFICE & PERSONNEL

Rent/Office Space:

John shared that MAAB shares office space/payroll services/insurance with CMI (Cherry Marketing Institute) and CIAB (Cherry Industry Administration Board); and we share an employee, Joy McDevitt, with CIAB. Thought we might be moving, but as of now we will remain together sharing space and our one employee.

Retirement Date:

John announced he would like to retire as Executive Director of MAAB effective June 30, 2021 but that he would like to continue at the Research farm as Manager. He indicated that he would work with the board as needed to facilitate a search for his replacement. He expressed his gratitude at being able to do his "dream job".

Further discussion continued as to how best to approach the search for a new Executive Director, whether to use Greenstone, or an agency or word of mouth. The Executive Committee will meet (via telephone) to discuss further after the holidays. John did express that he feels it is important to maintain

the office in the Lansing area, due to potential networking potential at meetings at MSU, MDARD. (excluding this past COVID period when there hasn't been face to face meetings.

When asked if MDARD had services that would help, Heather Throne answered "no", but commented that there have been 5-7 Commodities that have hired a new Executive Director recently and she can find out what agency they used. Denise Pagura questioned whether the search is for the Executive Director and the Research farm; she expressed concern over the marketing which has been done in the past and would like to see a person who has this as a focus. Sarah Greiner stated it would only be for the MAAB Director position.

John Bakker commented that before he was hired, the Research farm Manager and the Exec. Director were 2 separate jobs. He was able to combine the 2 positions and work both. With the WCMHR, the plan is for MSU to provide a Farm Manager who will oversee both the tree fruit side and asparagus. There is also the possibility of re-assigning a Professor who will be attached to the Research farm, as it was in the past. He continued that more can be done with marketing and it should be a key component of the job search.

John inquired of MDARD rep, Heather Throne, if the Executive Committee can be assigned to appoint a hiring committee. She confirmed that yes, but the hiring committee should represent less than a quorum of the board. This board can screen candidates and present finalist to the full board in a board meeting that would be open to the public.

Motion No. 5 Motion by Tom Oomen supported by Kyle Weber to empower the Executive Committee to appoint a search committee for the new Executive Director. Roll call vote as below.
Motion passed.

BOARD MEMBER	AYE	NAY
Sarah Greiner	A	
Jordon Walsworth	A	
Dwight Fuehring	A	
Vic Shank	A	
Tracey Butler	A	
Kyle Weber	A	
John Williams	A	
Nick Oomen	A	
Tom Oomen	A	

BUDGET REVIEW / POSSIBLE AMENDMENT

Motion Motion by Vic Shank supported by Tom Oomen to allow up to \$25,000 for the search

No. 6 process. Roll call vote below. **Motion passed.**

BOARD MEMBER	AYE	NAY
Sarah Greiner	A	
Jordon Walsworth	A	
Dwight Fuehring	A	
Vic Shank	A	
Tracey Butler	A	
Kyle Weber	A	
John Williams	A	
Nick Oomen	A	
Tom Oomen	A	

OTHER BUSINESS

Dwight Fuehring asked if there was any other business to be taken up at this time.

Lori Green asked about the differences in expense classifications between page 8, our in-house financial statements, and page 25, the audited report. Joy explained that the auditors are required to reassign a portion of our "administration" expenses (rent, utilities, payroll) to "project" based categories, such as Promotional, Grower Relations, Industry Projects, etc.

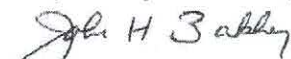
It was also pointed out that MAAB has a "virtual" booth at the Great Lakes Expo.

No additional business was brought up.

Motion No. 7 Hearing none, a motion was made by Vic Shank, supported by Nick Oomen to adjourn the meeting. Roll call vote below. **Motion passed, meeting adjourned.**

BOARD MEMBER	AYE	NAY
Sarah Greiner	Off the call	
Jordon Walsworth	A	
Dwight Fuehring	A	
Vic Shank	A	
Tracey Butler	A	
Kyle Weber	A	
John Williams	A	
Nick Oomen	A	
Tom Oomen	Off the call	

Respectfully submitted,


John H. Bakker
Executive Director

MICHIGAN ASPARAGUS ADVISORY BOARD
INCOME STATEMENT
FOR THE FIVE MONTHS ENDING NOVEMBER 30, 2020

	Year to Date Actual	Full Year Budget	Prior Year Actual
REVENUES			
PROCESSED (2020 CROP)	\$ 125,570.37	105,000.00	\$ 0.00
FRESH (2020 CROP)	218,424.79	192,500.00	0.00
PROCESSED (2019 CROP)	0.00	0.00	119,781.23
FRESH (2019 CROP)	823.90	0.00	271,561.90
GRANT - MDA BLOCK GRANT	81,654.07	210,516.00	77,927.10
INTEREST INCOME	296.00	4,500.00	5,434.88
ASSESSMENT INTEREST	4.00	0.00	0.17
OTHER INCOME	0.00	0.00	125.24
RESEARCH FARM MANAGER	0.00	34,000.00	34,000.00
CONTRACT SERVICES	0.00	0.00	6,500.00
RESOURCES REIMBURSEMENT	0.00	7,500.00	0.00
TOTAL REVENUES	426,773.13	554,016.00	515,330.52
EXPENSES			
ADMINISTRATIVE	84,165.61	277,650.00	268,364.01
PROMOTION	2,191.19	12,700.00	47,589.93
GROWER RELATIONS	372.42	2,500.00	934.79
INDUSTRY PROJECTS	82,154.07	218,116.00	84,073.21
ASPARAGUS RESEARCH	0.00	9,000.00	133,000.00
DEPRECIATION EXPENSE	0.00	6,457.00	6,457.00
CAPITOL PURCHASES	0.00	0.00	0.00
TOTAL EXPENSES	168,883.29	526,423.00	540,418.94
NET INCOME	\$ 257,889.84	27,593.00 (\$	25,088.42)

MICHIGAN ASPARAGUS ADVISORY BOARD
INCOME STATEMENT
FOR THE FIVE MONTHS ENDING NOVEMBER 30, 2020

	Year to Date Actual	Full Year Budget	Prior Year Actual
ADMINISTRATIVE EXPENSES			
ADV BD - MEETING EXP	\$ 11.56	1,500.00	\$ 963.84
ADV BD - PER DIEM	525.00	2,000.00	1,800.00
ADV BD - TRAVEL AND RELATED	144.90	2,500.00	1,795.19
ADV BD - CONFERENCE CALLS	0.00	250.00	0.00
ADV BD - DISCRETIONARY FUNDS	0.00	3,000.00	2,333.00
PAYROLL AND RELATED	69,369.86	225,000.00	223,689.73
AUTO & RELATED	3,144.50	4,500.00	4,465.49
TRAVEL & RELATED	382.50	2,500.00	1,333.64
COMPUTER - MAINTENANCE	0.00	1,500.00	82.50
COMPUTER - UPGRADES	2,372.28	1,500.00	498.00
OFFICE SERVICES & SUPPLIES	191.90	1,500.00	768.93
TELEPHONE EXPENSE	1,694.73	5,000.00	4,824.78
RENT & UTILITIES	4,111.31	14,000.00	13,576.63
EQUIPMENT LEASE & MAINTENANC	389.26	500.00	451.64
ADM - POSTAGE EXPENSE	423.55	1,000.00	757.10
DUES AND SUBSCRIPTIONS	393.89	1,700.00	1,685.71
BANK SERVICE CHARGES	180.00	600.00	545.00
INSURANCE/LEGAL	122.79	2,000.00	2,915.24
CONTRACT SERVICES	707.58	2,400.00	2,331.59
CONTRIBUTION/DONATIONS	0.00	600.00	0.00
AUDIT SERVICES	0.00	3,600.00	3,546.00
ADM - MISCELLANEOUS	0.00	500.00	0.00
ADMINISTRATIVE	84,165.61	277,650.00	268,364.01

PROMOTION ACCOUNTS			
FRESH PROMO - MI ASPARAGUS	500.00	0.00	40,640.59
UPS & USPS - PROMO	156.29	800.00	671.65
INTERNET PAGE AND ACCESS	589.90	1,800.00	1,639.35
NAT'L ASPARAGUS FESTIVAL	0.00	2,000.00	39.42
TRADE SHOW EXHIBIT EXP	0.00	1,600.00	1,469.10
TRADE SHOW TRAVEL EXP	0.00	1,500.00	1,514.82
PROMO - MISCELLANEOUS	945.00	5,000.00	1,615.00
TOTAL PROMOTION	2,191.19	12,700.00	47,589.93

GROWER RELATIONS			
NEWSLETTER - GROWER RELATION:	372.42	2,000.00	434.79
SERVICE ORGANIZATIONS	0.00	500.00	500.00
GROWER RELATIONS	372.42	2,500.00	934.79

MICHIGAN ASPARAGUS ADVISORY BOARD
 INCOME STATEMENT
 FOR THE FIVE MONTHS ENDING NOVEMBER 30, 2020

	Year to Date Actual	Full Year Budget	Prior Year Actual
INDUSTRY ACCOUNTS			
INDUSTRY PROJECTS	500.00	2,000.00	0.00
ENVIRO-WEATHER	0.00	1,500.00	0.00
AG DAY AT CAPITOL	0.00	600.00	502.17
NATIONAL ASPARAGUS COUNCIL	0.00	500.00	0.00
TRI STATE -TRAVEL AND RELATED	0.00	3,000.00	5,643.94
SPECIALTY CROP BLOCK GRANTS	81,654.07	210,516.00	77,927.10
TOTAL INDUSTRY PROJECTS	82,154.07	218,116.00	84,073.21
RESEARCH			
SALARIES & RELATED RES FARM	0.00	9,000.00	13,000.00
RESEARCH -FARM	0.00	0.00	120,000.00
TOTAL RESEARCH	0.00	9,000.00	133,000.00
BAD DEBT EXPENSE	0.00	0.00	0.00
DEPRECIATION EXPENSE	0.00	6,457.00	6,457.00
CAPITOL PURCHASES	0.00	0.00	0.00
TOTAL EXPENSES	\$ 168,883.29	526,423.00 \$	540,418.94

Michigan Asparagus Advisory Board
Balance Sheet
November 30, 2020

ASSETS

Current Assets		
Huntington Bank - Checking	\$	124,373.34
Huntington Bank - Money Market		245,814.37
M MAX INVESTMENT		378,055.21
Acct/Rec - CHERRY		0.17
Acct/Rec - CARROT		172.82
Prepaid Escrow w/ CMI		20,000.00
		768,415.91
Total Current Assets		
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		(3,074.00)
Accum. Depreciation - Automobi		(16,138.92)
		15,572.34
Total Property and Equipment		
Other Assets		
		0.00
Total Other Assets		
		0.00
Total Assets		
	\$	783,988.25

LIABILITIES AND CAPITAL

Current Liabilities		
Accrued Payroll	\$	3,918.00
Accrued Vacation		18,291.21
		22,209.21
Total Current Liabilities		
Long-Term Liabilities		
		0.00
Total Long-Term Liabilities		
		0.00
Total Liabilities		
		22,209.21
Capital		
Retained Earnings		503,889.20
Net Income		257,889.84
		761,779.04
Total Capital		
		761,779.04
Total Liabilities & Capital		
	\$	783,988.25