

MINUTES
MICHIGAN ASPARGUS ADVISORY BOARD
Dec 10, 2024
Amway, Grand Rapids

1. CALL TO ORDER

Vice Chairman Jordon Walsworth called the meeting to order at 1:30 pm.

MEMBERS PRESENT: Jordon Walsworth, Nick Oomen, Kyle Weber, Bill Schwass
Scott Hassle, and Steve Riley

MEMBERS ABSENT: Sarah Greiner and Kevin Burmeister

STAFF PRESENT: Jamie – Executive Director, Joy McDevitt – Accountant/Office Manager

See Exhibit A for additional attendees.

2. MINUTES

The minutes from the last meeting, August 1, 2024, were sent to the Board for review prior to the meeting. Vice Chair Walsworth requested a motion to approve minutes.

Motion Motion by Bill Schwass, supported by Nick Oomen to approve the minutes of the
No 1 August 1, 2024, as presented. All Ayes. **Motion passed.**

3. PUBLIC COMMENT:

Vice Chairman Walsworth opened the floor for any Public Comment. Hearing none, he preceded with the agenda.

4. PARTNER REPORTS:

Brandon Yott – Fox Seeds

Brandon Yott, Executive Director of AFO (Asparagus Farmers of Ontario) and Fox Seeds President updated the MAAB on several issues.

- Brandon reported the Ontario harvest started two weeks earlier than normal with a warm April and there were a couple of growers that were still harvesting into the early part of July; he also shared they were leasing the field and were not focused on crown health. He reported he is seeing more irrigation and stated production has declined by 125 acres, mostly growers retiring earlier as opposed to switching into other crops. Overall volumes and quality were more consistent with no heavy spray demands. Labor rates crept up and there is discussion of using a survey to determine labor rates in Canada.
- At Fox Seeds, he reported another price hike to be offset by a 15% discount IF orders are pai

- in full by the end of December 2024. The breeding program slowed this past year with the
- company breeder out on leave. Fox continues to align their sorting machine to correlate with our research farm sorting machine.
- He and Ben Werling are still looking at a bus tour, likely in 2026.

Jeff Haarer – MDARD

- Value Added Regional Food System and Underserved grants: The scoring is due January 16, 2025. Another round of the funding will be open in March 2025.
- Rural Development Grant: Closed December 5, 2024 and the scoring will begin in the next couple of weeks and will be announced in April, 2025.
- Specialty Crop Block Grant SCBG: Fiscal Year 2025 applications will be open December 18, 2024. There will be an informational meeting on January 6, 2025 and the RFP's are due on February 6, 2025.

Jamie asked when the Fiscal year 2024 Specialty Crop Block Grant contracts will be sent out. Jeff stated it will be in the next couple of weeks.

Jeff stated that any legal contracts will need to be reviewed by MDARD and Michigan's Attorney General's office.

Ben Werling - MSUE

Ben Werling reported on the following topics.

- MSU hopes to fill the weed scientist position by August 2025.
- Ben and Emily Lavelly are on a Labor Task Force to see how MSU can help out with labor issues.
- Oceana Asparagus Day is set for March 6, 2025, at the church in New Era. Ben asked for any suggestions for topics. There was praise for last year's meeting, especially the insight given by the Peruvian grower. There is a planning meeting on Monday, December 16, 2024 in Hart open to all.
- Dr. Randy Beaudry is submitting a GREEN grant on controlled atmosphere storage; this time using a chemical that is an abscisic acid inhibitor that effectively could "trick" the asparagus to go to "sleep". Dr. Beaudry would like a letter of support to optimize his chances of obtaining a GREEN grant.

Nick Nadai - MACMA

Nick updated the Board on this past season of MACMA purchases. He stated he can only report the MACMA purchases but shared there was 9.3 million total processed pounds. This is one of the highest years to date for processed pounds.

MACMA is in contact with USDA about a potential CCC (Commodity Credit Corporation) purchase for the 2025 season, which was also the case for last year. Since this purchase would be for food banks it would be canned only, since they do not have much freezer space. This CCC purchase would be a minimum of 100 loads which would be about 2 million pounds. USDA will survey food banks to see if there is enough interest in canned asparagus.

Nick reported on Section 32 USDA purchases, which has happened for the past four years. The USDA has developed a procurement tool with all pertinent information that will expedite these purchases. There is concern that having had four years of Section 32 purchases and whether the industry can stand on its own. The other concern is that if we do not continue with section 32 purchases, we will lose

the progress we made with waivers. A question was asked if processors were satisfied with the waivers this year, Nick replied they were.

Theresa Sisung - Michigan Farm Bureau (MFB)

Theresa reported on the following after attending the MFB annual meeting last week.

- The new MFB President is Ben LaCross, a cherry farmer. The new Executive Committee consists of Mike Fusilier, Mike DeRuiter, Jennifer Lewis and Paul Pridgeon. Michelle Reynaert, MFB Chief Operating Officer has been in the roll for about six months.
- Michigan delegates to the AFBF annual meeting will vote in January 2025 on several Farm Bureau policies, such as supporting the use of TN Visas for agriculture, supporting agro-tourism, promoting updates to water withdrawal assessment tool and site-specific review process for those putting in irrigation.

She reported MFB has it's Lansing Legislative Seminar meeting coming up in February 2025. She shared there is not much optimism with a Farm Bill being completed by the end of 2024, there is the possibility of an extension to avoid the changes to the Dairy program. There is a push for a Disaster Aid package to provide economic relief for program specific crops to help specialty crop producers. There is a hold on the corporate transparency act, which would have ownership reporting required.

The Notice of Funds availability for the Marketing Assistance for Specialty Crop Producers was released today for the use of CCC funds to expand the consumption of specialty crops. This will be administered by the USDA Farm Service Agency.

There are two action requests currently: one on the Farm Bill asking Congress to pass a bill and the other to not to relinquish state legislative oversight on water quality to the Michigan Department of Environment, Great Lakes, and Energy.

She also shared MFB is a partner in Protect our Produce and they will have a petition at their booth.

Question was asked about the Senate Bill 1181, which would mandate payments for water use that would cost \$36 per acre inch which was just introduced today and if MFB had any comments; Teresa said it is too new and they are just hearing about it also.

Hearing no further comment Jordon introduced Brendan Baker with Maner Costerisan. This item was taken out of order in the agenda based on the auditor's availability.

5. AUDIT REPORT

Brendan Baker, Maner Costerisan, presented our audit report. Brendan stated the Governance Letter reports no issues on the audit. He continued that we received an "unmodified" opinion, the best we can receive. Page 3, "Management's Discussion and Analysis" is the essence of the audit in written form and provides an overview of the program's year. Page 9 of the Balance Sheet reflects a decrease in assets of approximately \$104,000. Page 10 shows Revenue and Expenses, which shows a total Net Decrease in Fund Balance of \$94,455. He pointed out the fund balance compared to expenses (fund balance percent) is an indication of how long we could continue if we didn't bring in any revenue.

The Footnotes begin on page 11; Note 3 reflects we are maintaining bank balances under FDIC limits of \$250,000. Page 19 is a summary of our grants and their status up through the current year. Page 20 addresses new Accounting Statements, which have no effect on our audit. Page 23 is informative – showing Budget to Actual and the resulting favorable variance of approximately \$80,000.

Hearing no further questions on the audit, we moved on to item 6. (skipping Item 5 until Dr. Yuzhen Lu arrived.)

6. ANNUAL MEETING

Election of Officers:

Jamie suggested postponing the Officer Election until the March meeting with a full Board present. We are still waiting on appointments from the Governor.

At this point, Vice Chairman Jordon Walsworth took back the meeting.

a.) Board Committee Appointments - MARI:

Vice Chairman Walsworth stated Nick Oomen currently serves on the Board for MARI (Michigan Asparagus Research, Inc). Nick is willing to continue to serve.

b.) Meeting dates:

After some discussion on the meeting dates, the following tentative dates were determined for the 2025 meetings.

- Tuesday, March 11, 2025 10:00 am - West Central Research Station
- Wednesday, August 6, 2025 – Muskegon (location to be determined later)
- Monday, December 8, 2025 – Great Lakes Expo

7. FINANCIAL REPORT:

Joy McDevitt went over the financials as of November 30, 2024. Revenue is \$505,666 and includes SCBG revenue of \$82,402 which is offset by SCBG expenses of \$82,402. All but a couple of small assessments have been collected. Interest earned has remained high and will likely stay that way until such time as the Federal Reserve adjusts interest rates. Total expenses are \$214,543 with a net income of \$291,124.

Hearing no questions, Vice Chairman Walsworth introduced Dr. Yuzhen Lu.

8. ROBOTIC ASPARAGUS HARVESTING VISION SYSTEM

Dr. Yuzhen Lu introduced himself; he is a graduate of Michigan State University in Biosystems Engineering and has had positions involving automated apple harvest and was at Mississippi State until returning to Michigan State University in January 2023. His optical imaging research had focused on grading and sorting, but has expanded to post harvest and production, such as weeding and other labor-intensive work that could be automated. Asparagus is a new area for him. He summarized historical efforts to automate/mechanize asparagus harvesting which involved a uniform cutting methodology resulting in a loss of production that made it not commercially viable. He studied these past efforts to learn what was useful and visited an automated harvester that had been developed in the 1980's, noting that it was fairly quick -- 1-2 mph -- but the "catching" of the spear was problematic. He may even buy this harvester to further his knowledge.

He has recently obtained funding to advance his research which will allow him to begin work on the vision based automated harvester. He had done some preliminary research to determine the spear optimal height which will allow him to establish a scatter plot of eligible spears to be harvested. He is also evaluating the mechanics of harvesting – snapping which would be more difficult with an automated harvester than cutting. His focus is on selectivity which requires imaging to determine whether the spear is ready for harvest, however this imaging slows down harvest time.

Dr. Lu has experimented with several cameras, with the "Time-of-flight" determined to be most reliable; these are made in Detroit. Discussion continued amongst board members on automated harvesting, whether A.I. is being used, Dr. Lu stated A.I. is being used in the engineering of the visioning system.

Hearing no further questions Vice Chairman Walsworth moved on to the Executive Director's report.

9. EXECUTIVE DIRECTOR'S REPORT

a.) MAAB Office Move

Jamie reported that Cherry Marketing Institute (CMI) is moving into their own space and severing their employment relationship with MAAB. We, along with the Michigan Beef Commission will be moving to Okemos, MI with UDIM (United Dairy Industry of Michigan). The plan is to move at the end of January 2025. The CMI lease for the Dewitt office space is officially up March 1, 2025. The cost will be approximately the same, other than we will no longer receive the expense offset from Beef Commission. She anticipates the cost of the move to be about \$4,000-5,000. There is a 74-person boardroom should we want to have meetings there in the future. Jamie will become a Beef Commission employee effective 1-1-2025. The lease with UDIM is for three years.

Motion
No 2

Motion by Bill Schwass, supported by Nick Oomen to approve moving offices to UDIM and partnering with Michigan Beef Commission. All Ayes. **Motion passed.**

b.) USDA Marketing Assistance for Specialty Crops Initiative.

Jamie shared this is a new program that came out today and is an effort to help defray escalating input and labor costs. The deadline for the signup is January 8, 2025. There are four sales-based levels; it will be similar to the CFAP2 (Coronavirus Food Assistance Program). The maximum amount growers can receive is capped at \$125,000 and the whole program is limited to \$2 billion nationally. Jamie will be sending out a text message to the industry to let them know about this opportunity.

c.) Record Retention Policy

Jamie presented a draft Record Retention Policy. In light of the up coming move, she would like to formally adopt a policy.

Motion
No 3

Motion by Scott Hassle, supported by Kyle Weber to accept the Record Retention Policy. All Ayes. **Motion passed.**

d.) Protect our Produce Education Effort

Jamie shared we were able to leverage \$40,000 of other group's monies for the educational campaign. The campaign included two media events; one with Congressman Moolenaar and one with Congressman Huizenga; there were eight stories published, and several editorial letters published. MFB made five grower-focused videos which are posted and shared across social media. Jamie shared a video mailer that was sent to 100 policy makers as well as

traditional media. There was a targeted email campaign over twelve weeks to over 555 policy makers. There is a website, YouTube page and Facebook page. MFB is overseeing the petition which will be sent to President Elect Trump and sent out by Congressional District. She continues to meet regularly with all the groups to keep moving forward.

e.) Invest in 2025 Season Fresh Promotion Proposal

Jamie proposed cutting back on fresh promotion to \$50,000. Discussion took place as to whether we provide dollars to Packers to see if they can generate additional sales. There was concern about fresh vs processed, which wouldn't benefit; or other fresh growers that do not go through a packer/broker. Discussion also focused on the benefits of a new product and its effect on the industry, or the replacement of non-Michigan asparagus with Michigan product; using some type of incentive program for our growers. Jamie concluded she would put together a proposal and may need to follow up with a Zoom meeting to further discuss.

f.) IFPA Trade Show-October 18-19, 2024

Jamie reported that she will not attend this show in the future as it did not provide the contacts she was hoping for. At this year's show she was able to speak directly to 20 retail dieticians thanks to our collaboration with Michigan Apple.

g.) University of Georgia – The Imported Challenge

Jamie included a handout addressing the economic impact on domestic produce under above average imports; this has a link to read the entire article. This article was written as part of the project MAAB supported last year on above average imports.

10. MAAB FY 23-24 BUDGET AMENDMENTS

Jamie presented the following adjustments to the Budget.

- Increase of processed assessment from \$126,000 to 138,000
- Decrease of SCBG Research grant income from \$114,000 to \$82,402
- Increase of fresh assessment from \$180,000 to \$269,000
- Decrease of CIAB Contract Services income from \$14,450 to \$4,475
- Decrease of payroll from \$237,000 to \$232,000
- Increase of Moving Expenses from \$0 to \$4,000
- Decrease of Expense Recovery (Beef) from (\$2,580) to (\$1,720).
- Increase of Fresh Promo from \$10,000 to \$20,000
- Decrease of SBG Research grant expenses from \$114,000 to \$82,402

This will result in Revenue of \$583,677 and expenses of \$534,012, resulting in income of \$49,665.

Motion <u>No. 4</u>	Motion by Bill Schwass, supported by Steve Riley to accept the budget amendments as presented. All Ayes. Motion passed.
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Discussion took place regarding the purpose of the fund balance. Is it to simply spend down the balance? The general consensus of the Board is if there is something needed it will be available.

11. OTHER BUSINESS

Joy McDevitt mentioned the dinner at Leo's that night at 6 pm.

12. 2ND PUBLIC COMMENT PERIOD

No additional business was brought up.

13. ADJOURNMENT

Vice Chairman Walsworth adjourned the meeting at 4:03 pm.

Respectfully submitted,

Jamie Clover Adams
Executive Director

Exhibit A - Attendees

Name	Representing
Ben Werling	MSUE – Oceana Co
Nick Nadai	MACMA
Theresa Sisung	Michigan Farm Bureau
Jeff Haarer	MDARD
Brandon Yott	President – Fox Seeds
Roni Schwass	Grower
Brendan Baker	Maner Costerisan