Michigan Department of Agriculture

Annual Report

Fiscal Year 2004

(October 1, 2003 - September 30, 2004)

Jennifer M. Granholm
Governor

Dan Wyant
Director

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A Snapshot of Michigan's Food & Agriculture Industry

Agriculture in Michigan contributes $55 billion annually to the state's economy, making it the second-largest industry. Production agriculture, food processing and related businesses employ about 1 million Michigan residents.

Michigan produces over 200 commodities on a commercial basis, making the state second only to California in agricultural diversity.

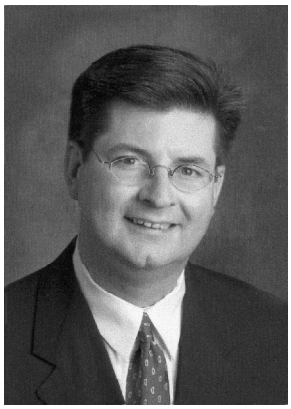
Michigan leads the nation in the production of 12 commodities (including tart cherries, blueberries, cucumbers for processing, geraniums and many varieties of dry beans) and ranks in the top 10 of 25 other commodities.

Field crops (corn, dry beans, soybeans, sugarbeets, hay, wheat) are the largest segment of Michigan agriculture, according to production valued at more than $1.3 billion annually. They are followed by the dairy industry valued at $1billion annually and the floriculture and nursery industry at about $609 million annually.

Michigan exports about one-third of its agricultural commodities each year. In 2004, the state exported more than $919 million of agricultural products. Agricultural exports account for approximately 25 percent of the value of Michigan farm receipts. Michigan ranks 5th and 8th nationally in exports of fruits and vegetables. Michigan's largest export commodity is soybean and soy products, which was valued at $202 million in 2004. A total of 12,400 jobs were supported by Michigan's agricultural exports in 2004, according to U.S. Department of Agriculture figures.

Michigan has about 10.1 million acres of farmland, and the state is home to 53,200 farms averaging 190 acres each. There has been significant growth in the number of small farms over the past few years as well as large farms. More than 35 percent of the state's total farmland is in some form of preservation agreement.

Michigan Department of Agriculture
Summary of Accomplishments



MDA Director Dan Wyant

Director's Summary

The Michigan Department of Agriculture (MDA), created in 1921, serves, protects and promotes the food, agricultural, environmental and economic interests of the people of Michigan.

The department operates on an approximate total budget of $95 million ($31 million from the general fund) and 600 full-time employees, and oversees or administers a diverse array of programs that in some way impact all of us, every day. Each division of MDA strives to reach program goals that reflect the department's main priorities of:

- Food Safety and Security
- Animal and Plant Health and Protection
- Environmental Stewardship
- A Viable Agriculture Economy
- Consumer Protection
- Homeland Security

These priorities have been aligned to ensure consistency with the Governor's priorities of Education, Economy, Environment, Health Care and Hometown Security, and the State of Michigan values of Integrity, Inclusion, Excellence and Teamwork.

In addition to staff located at the downtown Lansing office, MDA maintains seven regional offices and two laboratories. MDA's field staff plays an important role in helping MDA meet its mission through service to the citizens of Michigan. Located throughout the state, local experts are available to offer assistance to industry, residents and consumers quickly and efficiently. In most cases, problems are solved at a regional level, allowing businesses to continue serving their customers effectively in accordance with state laws and regulations. MDA has also established an office in Atlanta to address bovine tuberculosis in Northeast Michigan; and has added Emerald Ash Borer staff at four of MDA's regional offices to effectively respond to this exotic pest devastating Michigan's ash resources.

MDA employees are proud to serve the citizens of Michigan and equally proud of the role they play in assuring the safety, economic viability and environmental stewardship of Michigan's food and agriculture industry. This report highlights MDA's key achievements during Fiscal Year 2004 (October 1, 2003 through September 30, 2004).

The department successfully implemented and enhanced programs to protect and preserve Michigan's food and agriculture industry and our state's natural resources. During FY 2004, MDA:

- Partnered with Oakland, Wayne and Macomb counties and the City of Detroit to develop a process for responding to imminent health hazards. The process, "Emergency Action Plans for Retail Food Establishments," was developed as a result of experiences during the Blackout of August 2003 that affected a large portion of the Midwest and Eastern U.S. and parts of Canada. The process has become a national model, and was used by the Centers for Disease Control and Prevention (CDC) for clean-up efforts in hurricane-ravaged Florida in 2004. The process includes an Emergency Action Plan manual, industry training, improved communication systems, and testing components.

- Launched a new initiative to further reduce the risk of foodborne illness, which focuses on the five behaviors and practices identified by the CDC as causing or contributing to most foodborne illness. These behaviors and practices include poor personal hygiene, food from unsafe sources, inadequate cooking, improper holding temperatures, and contaminated equipment. MDA plans to reduce the prevalence of these risk factors in food establishments by 25 percent by 2011.

- Attained bovine tuberculosis split state status from the federal government, allowing most of Michigan, including all of the Upper Peninsula, to move to stage 4 of the 5-stage federal TB eradication program, one stage below TB-free status.

- Continued to test livestock for bovine TB in Michigan, focusing resources on the area in Northern Lower Michigan where TB has been found; there were no new cases of bovine TB in cattle in Michigan in the April 2003 to April 2004 testing cycle.

- Expanded the electronic identification cost-share program to include livestock producers in the Upper Peninsula, and increased surveillance and regulatory enforcement of livestock moving into the U.P. Implemented gamma interferon testing for bovine TB, which reduced staff time needed for testing and improved responsiveness to producers. These added measures paved the way for Michigan to apply for Stage 5 Bovine TB-free status for the Upper Peninsula.

- Secured and utilized federal funds for the continued fight against Emerald Ash Borer (EAB) in Michigan to maintain the necessary infrastructure for handling response efforts; expand survey efforts to pinpoint the areas of infestation; enforce and expand the quarantine to prevent artificial spread of EAB; provide sanitation and disposal options; continue research into the pest's biology and identify possible control options; and ensure community and homeowner outreach and awareness through public meetings, brochures, billboards, signage and more.

- Implemented a new detection system statewide in the continued battle against EAB. The detection tree project , developed based on recommendations from the EAB National Science Advisory Panel, established more than 10,000 detection trees in a grid system strategically located in every township at varying density rates in each county, with the exception of those in the known generally infested area. The trees were "girdled" - a process that removes a ring of bark around the trunk - to stress the tree and therefore attract any beetles that may have been present. The trees were also treated with a sticky substance to trap the insects. Surveyors peeled the bark off the detection trees in the fall to look for larvae and signs of infestation. This detection tree project helped identify previously unknown outlier infestations and made it possible to determine the extent of the initial infestation in southeast Michigan.

- Marked the first Emerald Ash Borer Awareness Week, declared by Governor Jennifer Granholm as the week of May 24, 2004. Activities during the week were geared toward raising public awareness of EAB and the steps everyone can take to prevent its spread, as well as fostering a cooperative spirit among citizens, communities, government and industry, to reduce the risk the insect poses to the 700 million ash trees blanketing the state.

- Verified the first "environmentally assured" farmsteads under the Michigan Agriculture Environmental Assurance Program's (MAEAP) Farmstead System. The farms are located in Alpena and Kalamazoo counties. MAEAP continues to be one of the state's most innovative initiatives for preventing agriculture-related pollution. Nearly 3,000 farmers and technical assistance providers have attended MAEAP Phase I Education Sessions, with more than 200 farms either verified or moving toward verification under the program.

- Protected Michigan's groundwater resources by collecting and properly disposing of unwanted or outdated pesticides and mercury at 15 permanent drop-off sites through the Michigan Clean Sweep Program. Michigan celebrated the collection of the one millionth pound of pesticides through the program since its inception in 1995.

- Increased the number of acres of farmland permanently protected in Michigan through three programs that work to preserve farmland and open spaces: the Farmland and Open Space Preservation Act, commonly known as P.A. 116; the Purchase of Development Rights (PDR) program; and the Michigan Agricultural Preservation Fund and Board. The state holds more than 45,000 P.A. 116 agreements, preserving over 3.5 million acres of farmland. This equals about 35 percent of Michigan's 10.1 million acres of agricultural production land.

- Acquired the state's first permanent conservation easement located in Chesaning, in Saginaw County, as part of the Conservation Reserve Enhancement Program (CREP). CREP is a voluntary program to implement environmentally sound conservation practices on agricultural land to improve quality and enhance or restore wildlife habitat. The new easements facet of the program allows farmers and other landowners to receive a one-time, up-front payment for entering into a covenant that permanently preserves conservation values and restricts development on enrolled lands.

- Implemented a Water Use Reporting program to help agricultural producers register for and comply with the required annual reporting program, if they have the capacity to withdraw over 100,000 gallons per day.

- Created the Michigan Emergency Veterinary Network or "Vet Net" as part of Michigan's homeland security efforts in the animal health and protection arena. Michigan's Vet Net, one of the first such programs in the nation, was made possible by federal homeland security dollars and funding from MSU CVM. Vet Net is a comprehensive education and training program geared toward the state's nearly 3,600 licensed veterinarians to enhance their awareness, preparedness and response to animal disease-related emergencies.

- Celebrated the first exports ever of Michigan apples to Mexico, after nearly a decade of work by the Michigan apple industry to meet Mexican selling requirements. Development and expansion of export markets are critical components to ensuring the future profitability of our state's growers and farmers and the long-term viability of agriculture in Michigan.

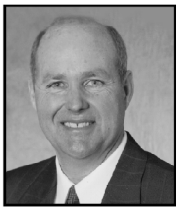
- Launched the May Day to Labor Day gasoline inspection project to answer Governor Jennifer M. Granholm's call for increased gasoline monitoring during last summer's peak driving season. Inspectors increased monitoring efforts by 30 percent during the project, surpassing their goal of a 20 percent increase. Inspectors found that 29 percent of gasoline tested failed to meet quality standards, which included testing octane levels, sediment and water in the gas. Inspectors also found that 12 percent of the stations tested fell short of gas quantity standards. From the inspection results, 50 fines/consent agreements were issued, with the rest of the locations being warned that they were in violation of quantity or quality laws. The vast majority of violations were not intentional, but due to improper upkeep and maintenance of devices. MDA is the state agency responsible for regulating gasoline sold in Michigan for quality and quantity standards. The department conducts various types of routine, complaint and undercover inspections at the state's 5,100-plus licensed retail gas stations. About five billion gallons of gas are sold in Michigan annually, ranking the state 7th nationally in gasoline consumption.

- Unveiled two mobile emergency supply units and equipped MDA veterinarians with personal emergency response kits, to enhance emergency preparedness efforts and bolster MDA's agrisecurity capabilities. The trailers and kits ensure that Michigan stands ready to quickly and effectively mobilize and respond to potential animal health situations.
- Served as community partners and maintained a positive organizational culture through special employee activities and programs that also tie to the Governor's Visions and Values. Employees raised funds for the Michigan Harvest Gathering; Youth Livestock Scholarship Funds at the Michigan State Fair and U.P. State Fair; and the State Employees Combined Campaign. Staff also raised funds and coordinated agriculture-related activities for students at Walnut Street School in Lansing, a school MDA adopted 10 years ago. Walnut activities included field trips, mentoring, classroom reading days, providing turkeys for a Thanksgiving celebration, and hosting school families in need as part of Operation Santa during the holidays. MDA employee contributions to the school have averaged more than $4,000 per year for the past 10 years.

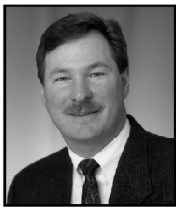
Michigan Commission of Agriculture

William Pridgeon, Chair
(517) 335-3403

James E. Byrum


James Maitland

Ann Jousma-Miller


Douglas Darling

Dale Norton

Members of the Michigan Commission of Agriculture are appointed by the Governor to establish policies and provide administrative direction for the Michigan Department of Agriculture. The five Commission members are appointed for four-year terms, with confirmation by the Michigan Senate. The Commission holds meetings that are open to the public for attendance and comment. Meetings are held in the Lansing area and throughout the state.

Commissioner William Pridgeon, of Montgomery, chaired the Commission in 2004. Commissioner James Maitland, of Williamsburg, served as vice-chair and Commissioner James Byrum, of Onondaga, served as secretary. Doug Darling, of Maybee, continued service on the Commission. Governor Granholm appointed Ann Jousma-Miller, of Gladstone, in December 2003.

The Michigan Commission of Agriculture met monthly in 2004 with the exception of May, August, October and December. Commission meetings were held in Lansing in February and November, and Saginaw in June, with remaining meetings held in East Lansing. The Commission met in conjunction with Agriculture and Natural Resources Week at MSU and Ag Expo at MSU.

Prominent issues during 2004 were Emerald Ash Borer, Bovine TB, Generally Accepted Agricultural Management Practices (GAAMPs), Chronic Wasting Disease and Gasoline Inspection.

Commission staff prepared meeting notices, agendas, minutes and director's reports for each meeting.

Executive Office

Dan Wyant, Director
(517) 373-1052

MDA's Executive Office oversees the administrative and policy issues of the department, provides internal and external communication services, and coordinates communication and response activities for state agricultural and homeland security emergencies. The Executive Office consists of the director, deputy director, director of agricultural policy, legislative liaison, communications director, public information officer, media support, communications and emergency management staff, and administrative support staff.

Administrative Section

MDA Director Dan Wyant served as the chief executive officer of the agency in 2004. The director was appointed by the Michigan Commission of Agriculture in October of 1996, and works with them on policy issues. The director also is a member of Governor Jennifer Granholm's Cabinet. During FY 2004, Wyant also represented Michigan on the National Fruit and Vegetable Advisory Committee, and served on the Governor's Land Use Leadership Council and Chronic Wasting Disease Task Force. The director also serves as chair of the Michigan Grape and Wine Industry Council and holds a seat on the Michigan State Fair Advisory Board.

MDA's deputy director, Keith Creagh, manages the day-to-day operations of the department, working closely with all the division directors and key program staff to oversee the functions of MDA.

The director of agriculture policy, Christine White, works with the director and other key personnel to review, revise and propose department programs and policies, and also serves as the key contact for federal issues and congressional contacts.

The legislative liaison, Brad Deacon, is MDA's link to the Michigan Legislature and the Michigan Office of Regulatory Reform. The liaison assists the Legislature in assessing and preparing legislation connected with agriculture. IIn 2004, MDA participated in several notable pieces of legislation. Governor Granholm signed into law the creation of the Grain Insurance Fund to protect producers in the event of a business failure. The Governor also signed bills to prohibit the release of aquatic invasive species, including genetic variants of those species. Licensing deadline requirements were written into a number of MDA programs, and the labeling requirement for ethanol was removed. Also, the Governor signed legislation to change notification requirements for pesticide application in schools and day care centers.

Office of Communications

Sara Linsmeier-Wurfel, Director
(517) 373-1104

The Office of Communications (OC) provides professional internal and external information, education and communication for the employees, department, stakeholders and general public. OC staff works on a wide range of communication activities to create and maintain a public identity for MDA, including creating key communication pieces, coordinating communication efforts with media relations efforts, planning media and special events, developing talking points on various programs and issues, and aligning communication efforts with the department's priorities and the Governor's Cabinet Action Plan initiatives. Staff works closely with MDA divisions and the Emergency Management Section to coordinate crisis/urgent communication plans and corresponding activities for a variety of issues that the department addresses throughout the year. Staff members serve as liaisons to MDA divisions to help them meet their communication goals, and provides writing, editing

and design services for booklets, brochures, newsletter and annual reports. OC also provides graphic arts services for divisions, including the development and production of displays, advertisements, posters, logos, ceremonial checks, certificates, banners, signage, maps, chartsand PowerPoint presentations. OC promotes internal communication through special "A-Team" events and activities and employee meetings, and through the use of the department's Internet and Intranet Web pages. During FY 2004, OC:

- Served as liaison with the Governor's Communications Office and with Public Information Officers in other state government agencies, and served on numerous joint communications committees with federal, state and local agencies, and with university, industry and other stakeholder groups on food, agriculture, public health and conservation issues and programs.
- Developed and implemented various crisis/urgent communications plans and corresponding activities for a variety of the issues that the department addressed throughout the year, including Bovine Spongiform Encephalopathy, Emerald Ash Borer , West Nile virus, Chronic Wasting Disease, Bovine Tuberculosis, and Food Safety.
- Spearheaded message and information development for a variety of department issues, programs and activities.

- Created and updated communication tools to combat the spread of Emerald Ash Borer, including brochures, door hangers and posters; banners and educational displays; and press releases and advisories. Co-chaired the EAB Communication Committee, working with partners to develop a coordinated and effective communication strategy for the EAB eradication effort. Coordinated media events, took photos and wrote web articles about key components of the response effort, including firewood blitzes, survey activities, EAB Awareness Week, the detection tree project, establishment of new marshalling yards, tree removal projects, and quarantine issuances and expansions.
- Maintained the department's Internet site to provide cost-effective, easily updated information. Many publications were distributed electronically via the Internet, saving printing and distribution costs and time. MDA's Web site pages are viewed more than 3 million times per year in 2004.
- Enhanced and maintained the department's Intranet site that shares important and interesting internal information with MDA staff. The Intranet is the department's primary means of communicating issues to all staff statewide. The department's Intranet Web site is used to help keep MDA staff informed of priorities, events, issues and changes within the department. Online communication tools accessed by staff via the Intranet include a division filing cabinet for sharing electronic files and information; Ask the Director; the MDA People Page for sharing personal and professional accomplishments; and the MDA Employee Directory with contact information for all department employees.
- Served as liaisons to MDA divisions, and researched and advised divisions on how to meet division and department communication needs.
- Represented the department on the Communications Team for the MI 360 evaluation project coordinated by the Office of Great Workplace Development.

- Provided writing, editing and design services to divisions for booklets, brochures and newsletters. Topics included: Emerald Ash Borer, Chronic Wasting Disease, Bovine TB, West Nile virus, Right to Farm, Generally Accepted Agriculture and Management Practices, biosecurity, human health and food safety, groundwater protection, thoroughbred racing, fiscal stewardship, venison processing, analytical service testing fees, market development, and more.
- Provided graphic arts services for all divisions, including development and production of logos, ceremonial checks, original art for displays at the Michigan State Fair, certificates, banners, maps, charts, Power Point presentations, advertisements, posters, pictorial displays and more.
- Coordinated employee activities as part of MDA's Employee Recognition/Awards Ceremony, Special Events Committee events, and "A-Team" events, aimed at improving internal communication and team building.
- Coordinated the 2004 State Employee Michigan Harvest Gathering fundraiser for the Food Bank Council of Michigan. State employees donated over $31,000 and 91,000 pounds of food in 2004.
- Partnered with Walnut Street School in Lansing to help connect urban kids with their food and agriculture roots. MDA employees adopted Walnut Street School 10 years ago, and have hosted field trips to farms and horse shows, served as mentors and guest classroom readers, provided computer equipment and books for the school, sponsored Thanksgiving meals at the school, and sponsored school families in need as part of Operation Santa during the holidays.
- Established a videoconferencing network which connects ten MDA locations statewide, including Regional Offices, laboratories, U.P. State Fair and the Office of Racing Commissioner. OC staff also maintains a satellite TV system in Constitution Hall to receive information in emergency situations; and a NOAA weather radio system to track developing storms that could affect MDA employees and the agriculture industry. Staff also maintained and provided training and direction for a public meeting notice board, electronic "smart board" and computer systems in conference rooms, and provided audio/visual assistance to the Executive Office and other divisions, as needed.
- Distributed over 100 press releases and media advisories to local, state and national media outlets using an electronic fax/email system; and made over 3,000 contacts with media resulting in extensive state and national exposure for the activities and programs of MDA. MDA's media faxing/email database includes 8,377 media outlets and can target distribution by 18 categories, including type of media (TV, radio, print), subject, region and county.

Emergency Management Section

Brad Deacon, Manager
(517) 335-3403

The Emergency Management section coordinates MDA's response to serious incidents involving disasters or threats to food or animal safety and/or agricultural economic viability, emergency management and emergency response capabilities. During FY 2004, the section:

- Coordinated MDA's response to serious incidents involving disasters or threats to food or animal safety and/or

agricultural economic viability. Of these incidents, seven disaster requests were submitted to the Secretary of USDA.

- Coordinated participation of department emergency management staff in two drills and one exercise for the Palisades Nuclear Power Plant in July and August.
- Developed continuous in-house emergency management training and exercising throughout the department. About one-fourth of MDA staff participated in some level of Incident Command System Training. Emergency Management staff coordinated approximately one exercise per month during FY 2004, including orientations, drills and table top exercises.
- Helped implement new department initiatives on Homeland Security, including establishment of protocols for emergency response based on the threat level, and representation on Homeland Security boards and committees.
- Coordinated continued development of MDA's emergency response capabilities to meet the challenges posed by threats to Homeland Security. Represented the department on the Michigan Homeland Security Task Force, and chaired the Agriculture and Food Supply Subcommittee of the Critical Infrastructure Protection Committee.
- Participated in the State Homeland Security Assessment process on both the local and state levels.
- Represented MDA on the Michigan Hazard Mitigation Coordinating Council, participating on the Planning Committee, and the Michigan Emergency Planning and Community Right to Know Commission.

Agriculture Development Division

Bob Craig, Director
(517) 241-2178

The Agriculture Development Division assists the Michigan food and agriculture industry in developing new and enhanced domestic and international markets for Michigan food and agricultural products. It also serves as a catalyst in expanding value-added agriculture initiatives and marketing efforts to attract, expand or retain food processing and agriculture support businesses in Michigan. These activities support job retention and creation in the agri-business sector throughout Michigan, and contribute to economic stability. During FY04, AgD:

- Worked with Michigan growers, food processors, commodity boards and others to successfully complete the $3.75 million USDA Specialty Crops Block Grant program with close-out on September 30, 2004. MDA initially received these one-time federal funds in September 2001. MDA took advice from specialty crop growers and selected projects in areas that included marketing, nutrition, pest and disease control, research and new product development. More than 80 percent of these grant dollars were redistributed to sub-recipients including: international marketing companies and commodity boards; specialty crop commodity organizations and growers; new Julian-Stille Value-added Agriculture Program grants to growers, food processors, commodity boards and companies; and the Select Michigan marketing program.

Overall outcomes of this block grant program touched more than 20,000 growers through nearly 100 private organizations and companies and generated 213 new jobs over three years, while helping retain 1,184 jobs. The program leveraged more than $2 million in matching funds from individual grant recipients. A complete reporting of Michigan's block grant projects can be found at the National Association of State Departments of Agriculture's Web site, www.nasda.org.

- Assisted the Michigan Apple Committee in developing new markets for fermented and distilled Michigan apple beverage products by wineries, microbreweries and cider makers, with a projected 2,000 to 5,000 jobs created or retained.

- Provided the State Senate Agriculture, Forestry and Tourism Committee with survey results and impacts from all Michigan USDA Specialty Crop Block Grant recipients along with a copy of the NASDA February 2004 progress report entitled, "Improving the Competitiveness of Specialty Crop Agriculture." The State Senate adopted a resolution urging the U.S. Congress to provide another round of funding of these grants, and sent it to the Michigan Congressional Delegation and USDA Secretary Veneman.

- Provided Specialty Crops Block Grant seed money to the Michigan Bean Commission to fund research on the effects of dry edible beans for fighting cancer and AIDS.

- Worked with MDA Pesticide and Plant Pest Management Division staff and the Michigan Economic Development Corporation to attract and establish a portable sawmill in Monroe County to process Emerald Ash Borer infested logs into marketable garden tool handles and other products. Crook-Miller Company, of Hicksville, Ohio, installed the mill and created Emerald Mills, Inc., to operate the facility. Twelve Michigan employees were hired in the initial start-up phase in the fall.

- Assisted the Michigan Asparagus Advisory Board and Michigan-based food processors, including Honee Bear Canning, with the developed of a new Individually Quick Frozen value-added asparagus product in a microwaveable container that is now being manufactured and sold commercially in Wal Mart Supercenters across the nation. This new product has provided a much needed boost to the Michigan asparagus industry.

- Celebrated the start-up of production at a sweet cherry double bleaching and finishing plant in Buckley, enabling sweet cherries to be used in producing maraschino cherries and other products in Michigan. Previously, more than half of Michigan's sweet cherries had to be shipped to Canada for double bleach processing due to inadequate capacity in-state. This project was partially funded by a 2002 Julian-Stille Value-added Agriculture Grant to Leelanau Fruit Company. The Buckley facility is unique in Michigan in that it has a large MDEQ-licensed disposal well to handle spent brine for this facility and others in an environmentally sound manner.

- Working with MDA PPPM staff, provided marketing assistance and regulatory phytosanitary inspection to the Michigan apple industry, which opened the Mexican market for shipments of fresh Michigan apples, resulting in one month's sales totalling $250,000 in 2004 and more expected in the future. This is the first time Michigan apples have been marketed in Mexico since NAFTA was instituted in 1994.

- Provided $50,000 through the MDA International Market Development Grant Program to eight Michigan food and agricultural organizations. These grants leveraged additional federal and private resources to develop or enhance overseas markets.

- Promoted Midwestern wines, including two Michigan wineries, at the London Wine and Spirits Show through Mid-America International Trade Council (MIATCO).

- Facilitated chef training and education in several Mexican cities as part of international market development efforts. Staff coordinated three seminars in 2004, promoting processed apple, blueberry, cherry and cranberry (ABCC) products for the baking industry. Since 2002, the ABCC program has resulted in training of 600 Mexican chefs, reached 9,000 trade and consumer contacts, and resulted in sales of $200,000 for Michigan companies. Four Michigan companies exhibited at ExpoPan in Mexico City, resulting in $35,000 in sales at the show and anticipated sales of $200,000.

- Participated in the Association of Convenience Stores (NACS) Buyers' Mission, providing seven Michigan companies with the opportunity to meet convenience store buyers.

- Assisted Michigan firms in applying and qualifying for federal funds to reimburse their export development costs. Through membership in MIATCO, MDA enables Michigan food producers and processors to receive reimbursements of up to 44 percent of their export market development costs in the USDA Branded Market Access Program.

- Coordinated participation of eight Michigan firms in the Michigan pavilion at the Food Marketing Institute/U.S. Food Export Showcase in Chicago, the largest grocery store trade show in the world. Over 300 contacts were made by companies, with expected sales over $1.3 million. Additionally, three Michigan companies participated in the Chicago Fancy Foods show held concurrently with FMI at McCormick Place in Chicago.

- Represented the MDA Director at over 95 percent of regular, special and annual meetings for Michigan's 15 legislatively established commodity groups, and worked with the Assistant Attorney General on statutory issues and unpaid or unremitted assessment funds. Through producer-run committees, nearly $14 million in producer dollars was spent on various promotion, research and marketing activities for their respective commodities. Staff chaired several meetings with commodity executives and the Director and worked with several commodity groups to implement 2002 program changes adopted by the Michigan Legislature in Public Act 232 of 1965, as amended, the Agricultural Commodities Marketing Act.

- Received a final Agricultural Tourism report from Western Michigan University supported by a Federal State Market Improvement Program grant from USDA.

- Developed and distributed the 2004-2005 Farm Market, U-Pick and Ag Tourism Directory. The Directory provides a listing of many Michigan farm markets, farmers' markets, u-pick operations and other agricultural tourism entities. It is also available as a searchable database at www.michigan.gov/mda.

- Received funding for the Select Michigan program through a cooperative partnership among USDA (Rural Business Enterprise Grant), commodity organizations, Michigan Integrated Food and Farming Systems, individual food businesses, retailers and MDA. The goals of the program are to increase marketing opportunities for, and awareness and purchases of, Michigan locally grown food products.

- Expanded the Select Michigan program to include the Detroit market in addition to Grand Rapids. Asparagus, blueberries, peaches, carrots, onions, apples, organic foods, potatoes, seasonal vegetables, wine, apple juice, canned apples, whitefish, sugar and chestnuts were featured in scheduled promotions during the year. The Select Michigan campaign used eye-catching point-of-sale materials, including stickers, posters, banners and display cards. In-store tastings and demonstrations, radio promotion and magazine editorial also supported the program objectives.

- Worked with several major Michigan food retailers – Spartan Stores, Meijer, Kroger, Farmer Jack, and Super K-Mart -- to incorporate the Select Michigan message into their marketing materials. Growers, farm markets, restaurants and other businesses that grow, process or promote Michigan food products are also using the Select Michigan logos.

- Implemented activities of the Michigan Grape and Wine Industry Council (MGWIC), a 10-member council established by the legislature to support the growth of the Michigan wine industry. Assisted by research, education and promotion programs of the MGWIC, the Michigan wine industry continues to grow. Sales of Michigan wine increased 63 percent over the past seven years. In 2003, the Council established a goal of increasing wine grape acreage in the state nearly ten-fold over the next 20 years, from 1,400 acres in 2003 to 10,000 acres by 2024.

MICHIGAN Grape & Wine INDUSTRY COUNCIL

- Hosted an annual meeting of the Michigan wine industry, with over 120 participants. A highlight for the year was the completion of the Web-based Start-Up Guide and resource kit, "Wine Industry Resources for Michigan," which is a valuable resource for new and existing members of the industry.

Animal Industry Division

Steven L. Halstead, DVM, MS, Director and State Veterinarian
(517) 373-1077

The Animal Industry Division (AID) safeguards the health and welfare of livestock and domestic animals in Michigan and, through these efforts to protect domestic animals, protects the health of Michigan's citizens. The division conducts surveillance for animal disease, diseases transmitted to humans by animals, and food safety hazards, to protect the health of Michigan residents. The division is responsible for administering reportable animal disease programs and overseeing toxic substance contamination incidents relating to animal health. AID also enforces the humane treatment of animals through the licensing and regulation of animal shelters, pet shops and riding stables. The state veterinarian administers the division, and supervises animal disease surveillance and eradication programs throughout the state.

The division remained very active in animal health programs in FY 2004. Major progress was made in the Bovine Tuberculosis Eradication Project; in examining Michigan's privately owned cervidae for the presence of Chronic Wasting Disease; and in advancing Michigan's animal health emergency management preparation. During FY 2004, AID:

- Established Split State Status in the State/Federal Cooperative Bovine TB Eradication Project. The entire Upper Peninsula and majority of the Lower Peninsula were designated Stage 4 (Modified Accredited Advanced) in the five-stage program, with the North Eastern region of the Lower Peninsula (formerly the Surveillance and Infected zones) designated Modified Accredited.

- Applied for TB-Free status, Stage 5 of the five-stage program, for the Upper Peninsula.

- Conducted 147,369 bovine, 4,876 caprine (goat), and 165 bison individual animal tests for TB using MDA, USDA, and fee-basis private veterinary practitioners. One cattle herd was found infected with bovine TB in early FY 2004; as with all previously identified infected herds this herd was located in the known affected area of Northeast Michigan, now known as the Modified Accredited Area. As of December 31, 2004, 1,013,000 animals had been tested for bovine TB (cumulative number since project inception), representing nearly all of the state's total herds and almost 33,000 herd visits.

- Implemented Gamma Interferon testing for bovine TB to reduce MDA and USDA staff time and improve responsiveness to producers.

- Conducted 44 TB testing investigations and 71 livestock movement investigations, resulting in $3,758.82 in fines for testing and illegal movement of animals.

- Expanded the Michigan Electronic Identification Program for livestock to include farms and producers in Michigan's Upper Peninsula. Since 2001, 12 sale barns have received stationary readers, which have read tags on over 35,000 head of cattle as they passed through the sale barns. Seven livestock packing plants in four states have received stationary EID readers with tags on over 15,000 head read by the readers.

- Increased staff hours conducting surveillance of livestock movement across the Mackinac Bridge to enhance the Bovine TB Eradication Project.

- Tested 826 privately owned deer and elk for Chronic Wasting Disease (CWD). All tests were negative.

- Conducted 44 cervidae investigations (movement, facility and registration issues) resulting in $2,750.00 in fines.

- Conducted Incident Command System (ICS) training (level 200) for AID and USDA Veterinary Services staff to help ensure emergency preparedness.

- Held a hands-on orientation session for the Michigan Emergency Veterinary Network in May. Approximately 60 veterinarians attended. Sessions included basic incident command structure, communication tools, media relations, and biosecurity training. This session was the first step toward the formation of a Michigan Veterinary Corps of private veterinary practitioners, a cooperative effort among MDA, Michigan State University, and the Michigan Veterinary Medical Association, establishing first-line surveillance and response for exotic/foreign animal disease and bioterrorist incursions in Michigan.

- Identified two Equine Infectious Anemia (EIA) positive horses, which resulted in issuance of two quarantines and testing of an additional 19 contact horses.

- Responded to West Nile virus (WNV) cases in 21 equine animals from 14 counties. No cases of Eastern Equine Encephalitis (EEE), a related virus that infects horses and humans, were identified in 2004.

- Followed up on 40 animals diagnosed positive for rabies.
- Maintained Pseudorabies Stage V Free Status for Michigan swine.
- Maintained Brucellosis Certified-Free State Status for cattle and swine.

Environmental Stewardship Division

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The Environmental Stewardship Division (ESD) provides leadership and administers programs that promote environmental stewardship of agricultural and other natural resources, ensuring that farming operations protect land and water resources, and public health. A summary of FY 2004 program accomplishments follows:

- Assisted Michigan landowners in establishing 4,052 Conservation Reserve Enhancement Program (CREP) contracts representing 47,896 acres. Landowners enrolled 23,352 acres in Grass Filter Strips, and 1,723 acres in Riparian Forest Buffers. These 25,255 acres of corridor conservation practices are reducing agriculturally related sediment, phosphorus, and nitrogen loading on over 2,000 miles of Michigan watercourses (streams, drains, rivers, and lakes) – equal to the distance from Saginaw, Michigan, to Los Angeles, California. Landowners also enrolled 9,768 of wetland restorations, 712 acres of shallow water area for wildlife, 7,702 acres of whole filed grass plantings, and 892 acres of field windbreaks.

- Awarded $7.5 million in Clean Michigan Initiative grants to purchase permanent conservation easements on over 4,500 acres.

- Issued four easements using state funded grants totaling $180,000, permanently protecting 75 acres of farmland in conservation practices

- Reimbursed producers for 100 percent of costs incurred for establishing conservation practices that control or exclude livestock access to surface waters through the Livestock Access Program, a state-sponsored component of CREP. By the end of FY04, the program installed 30 limited access livestock crossings, 55 alternative watering sources, 138,000 feet of exclusionary fencing, and 2007 acres of wildlife habitat.

- Administered grants and facilitated education, training, capacity building, local resource assessment, strategic planning, annual budget preparations, and the development of annual work plans for 83 conservation districts.

- Continued the Michigan Agriculture Environmental Assurance Program's (MAEAP) Livestock System on-farm verification process. Over 2,500 producers and technical assistance providers attended Phase 1 educational sessions. Thirty-three livestock farms were verified in 2004.

- Developed Progressive Planning, a system of helping farmers begin work toward a Comprehensive Nutrient Management Plan (CNMP) and eventual Livestock System verification. The system is being implemented by over 100 trained local coordinators from diverse MAEAP partners throughout the state. Over 120 interested farmers have enrolled.

- Continued the MAEAP Farmstead System on-farm verification, with 20 farms verified in FY04 (26 farms to date). Trained 33 Technicians to develop farm-specific action plans to address on-farm environmental risks.

- Developed a MAEAP Cropping System evaluation tool, designed to provide farmers with accurate information about how field-based management practices affect environmental resources. This tool provides information needed to be in conformance with applicable Michigan Right-to-Farm guidelines and in compliance with applicable state and federal environmental regulations.

- Worked one-on-one with over 650 farmers through the Michigan Groundwater Stewardship Program (MGSP) to identify groundwater risks and to develop plans to reduce those risks. Groundwater Technicians implemented a wide variety of groundwater stewardship practices, including 411 abandoned well closures, 303 emergency plans, 254 pesticide spill kits, and 30,970 acres of pre-sidedress nitrate testing.

- Recycled 38,420 pounds of properly rinsed pesticide containers at agri-business sites throughout the state, through the Michigan Pesticide Container Recycling Program.

- Collected, removed, and properly disposed of more than 197,000 pounds of pesticides and mercury. Celebrated the collection of the one millionth pound through the Clean Sweep program.

- Sampled 283 drinking water wells at no charge to well owners through the MDA Groundwater Monitoring program. The program continues to focus on sampling wells in areas surrounding contaminated wells to help ensure public health. Also screened 3,323 wells for atrazine and nitrate contamination.

- Worked one-on-one with 106 golf courses, through the Michigan Turfgrass Environmental Stewardship Program (MTESP), to identify on-course environmental risks and to develop plans to reduce those risks. Three additional golf courses were certified through the MTESP (which provides for the highest degree of environmental stewardship), and 25 courses participated in one-day MTESP training sessions.

- Responded to and abated 24 accidental spills of agrichemicals (pesticides and fertilizers) and manure. In most cases, the product was recovered and land-applied at agronomic rates, avoiding costly waste disposal costs.

- Worked with 7,680 individuals (one-on-one or in small groups) to complete home risk assessments using the Home*A*Syst tool. MGSP AmeriCorps members worked with residents to identify groundwater risks around the home, yard, and garden, creating an action plan to lower any identified risks. MSU Center for Evaluative Studies indicates changes in practice are being made around the home after completing a session with a MGSP AmeriCorps member. For example, 36 percent of respondents now identify or plan to start identifying a pest before selecting a pesticide; 34 percent have stopped or are planning to stop storing unused or unwanted pesticides in their home or garage; and 42 percent now test or will start testing their well water annually.

- Recruited and trained 407 community volunteers to participate in groundwater stewardship outreach. MGSP AmeriCorps members train these volunteers to work with hardware stores and garden centers to provide point-of-sale education to staff and customers, serve on local groundwater stewardship teams, and participate in other local groundwater protection projects. In 2004, these individuals volunteered 1,709 hours toward local groundwater stewardship efforts.

- Administered the Forestry Assistance Program (FAP), which funds 20 foresters covering 46 counties. They provide education and one-on-one technical assistance to private landowners and communities regarding local forest health issues and sustainable forest management. Conservation district resource professionals made 1,800 on-site assistance contacts with landowners representing 81,000 acres; referred 21,000 acres for harvest; facilitated actual timber harvests on 6,368 acres valued at $2.3 million; and coordinated reforestation tree planning on 4,000 acres. Foresters set and monitored 2,300 traps to assist in the Emerald Ash Borer eradication project.

- Processed the renewal of 3,856 farmland and open space preservation agreements, securing 308,480 acres from development. A total of 44,000 agreements are protecting more than 3.5 million acres. Legislative changes in 2001 improved the incentives for enrollment, resulting in an increase from an average of 155 new applications annually in the years 1997-2000 to 262 new applicants in 2004.

- Permanently protected 466.32 acres of farmland through the purchase of additional farmland development rights easements at a cost of $659,400. Four additional easements were donated, protecting an additional 343 acres. This brings the number of acres permanently protected in Michigan to 16,200, as of September 30, 2004.

- Worked with the Michigan Agricultural Preservation Fund Board in the development and adoption of an application process and scoring system for making grants to local government purchase of development rights programs.

- Inspected and licensed 3,997 individual living units at 824 locations, yielding an approved capacity to house 22,609 migrant farm workers. Migrant Labor Housing staff surveyed and sampled approximately 600 water supplies serving the housing sites. Staff also administrated $255,000 through the migrant labor housing construction grant program, resulting in producers investing $1,049,000 in housing construction projects. Construction grants for improvements were awarded to 37 migrant housing providers in 13 counties, resulting in 91 improved units. Grants for new construction projects were awarded to four migrant housing providers in two counties for a total of 33 new living units. In support of licensing activities, 30 surveys were conducted of suspected or known housing sites for which no license applications were filed, and 36 housing complaints were investigated. In each case, action was initiated to license, vacate, abate the problem, or refer the complaint to another agency having jurisdiction. Staff provided testimony and documentation to assist local government in the successful prosecution of an operator of unlicensed migrant labor housing, resulting in conviction with a fine and jail time.

- Administered 30 Intercounty Drain Projects with an estimated cost of $10.8 million. A total of 421,525 acres were served by these projects, affecting 109 miles of drains.

- Responded to 144 drain maintenance requests in 42 different counties, improving approximately 746 miles of drains serving almost 1,540,000 acres of multiple use watersheds. Over $4.4 million was derived from private and public special assessments and grant monies from the Clean Michigan Initiative, Section 319 of the Clean Water Act and the Federal Hazard Mitigation Grant Program, for these drain maintenance projects.

- Implemented the first year of Water Use Registration for agricultural withdrawals for quantities greater than 100,000 gallons per day, as required by P.A. 148 of 2003. Approximately 1,155 water users registered to receive the required annual reporting forms.

- Responded to nine complaints of low capacity residential wells being affected by high capacity irrigation wells. This is a new program initiated by state law, P.A. 177 of 2003. Of the nine complaints, eight were resolved with water supplies being restored; one was not verified.

- Responded to 121 new environmental and nuisance complaints in 47 counties through the Right to Farm complaint response program.

- Developed 39 Manure Management System Plans covering 12,302 animal units and 16,852 acres of cropland. Nearly three miles of streambank fencing was installed and dozens of other conservation practices implemented.

- Received 33 verification requests for Site Selection and Odor Control for New and Expanding Livestock Facilities. These requests covered 60,916 animal units, six requests for new facilities and 27 for expanding facilities in 17 counties.

- Provided education and assistance to encourage the increased use of biosolids (nutrient rich by-products of wastewater treatment) recycling and application. Currently, 174 Michigan waste treatment facilities apply 87,923 dry tons of biosolids on agricultural cropland.

- Participated in the annual MSU Ag Expo biosolids demonstration plot and display tent to provide biosolids information to producers.

- Distributed biosolids information packets to all Michigan Conservation District offices to provide producers and the public updated biosolids information.

- Partnered with the Michigan Water Environment Association to develop and update industry members on information and technology for biosolids land application.

- Developed four quarterly newsletter issues of “Amendments,” a newsletter that aims to improve awareness of the Michigan Biosolids Program.

Fairs, Exhibitions & Racing Division

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The Fairs, Exhibitions and Racing (FER) Division oversees Michigan's state, county and local fairs; county horse racing programs; horse racing breeding and owner assistance programs; and producer security services. The division also administers grant programs for the fairs, the horse racing industry, and related organizations. FER staff, during 2004:

- Assisted the 89 county and state fairs with premium support and matching funds. In 2004, FER staff managed the allocation of 62.3 percent of the total $2.4 million premiums paid for competitive exhibits at all fairs throughout the state.

- Awarded and supervised $120,000 in competitive livestock grants to 33 organizations. The program provides funding to increase the development and promotion of adult and youth involvement in the animal agriculture industry.

- Managed $2.14 million in purse and administrative funds for the 28 county harness racing fairs hosting over 600 races. Staff administered more than $2.7 million for supplements and breeders awards to thoroughbred and standardbred breeders and owners. Standardbred and thoroughbred tracks across the state received over $2.3 million in race purses for futurity and sire stakes races.

- Completed drug testing on horses at 12 draft horse pulls and 65 county fair harness race days. Of the 1,141 samples collected at races, only six tested positive for illegal drugs. Three of the 58 samples collected at the draft horse pulls tested positive for illegal drugs.

- Worked with the Michigan Thoroughbred Owners and Breeders Association to expand the Youth Horse Racing Program. FER staff worked with volunteers at four county fair locations to host the program for approximately 70 youth participants. As in 2003, a championship race at Mount Pleasant Meadows, a premier pari-mutuel racetrack in Michigan, concluded the season. More than 20 of the season's participants competed at the championship race.

- Managed the Upper Peninsula State Fair. FER Division Director Barbara Hensinger served as the acting fair manager during the search for a new fair manager. In mid-August, Scott Staelgraeve joined the team as the new manager. As in previous years, Lansing FER staff assisted the Escanaba FER staff in the financial management, and premium payment process, and provided administrative assistance. FER staff also assisted Animal Industry Division staff with livestock exhibits and sample collection for drug screening. New in 2004 was the "Growing U.P. Farmers" exhibit which drew thousands of children, educating them on the production process of agricultural products from seed to consumer. Additionally, 13 community members participated in the first annual "U.P. Survivor" contest, competing in challenges from showing swine to eating cherry pie. Both new events were successful entertainment for fairgoers at the Upper Peninsula State Fair.

- Assisted with the Michigan State Fair, which ran from August 11 through August 21, 2004. As in previous years, FER staff served as superintendent of the Agriculture Building which houses agricultural entries, exhibits and vendors during the fair; collected samples for drug screening & DNA comparison of champion livestock; and, in conjunction with the Animal Industry Division, assisted the livestock superintendents with animal health checks.

- Worked with the Youth Livestock Auction committees at the Michigan State Fair and Upper Peninsula State Fair to coordinate the auctions. MDA staff also contributed to the success of the auctions by raising over $6,100 internally, which was used to purchase swine at both auctions. The swine were then donated to the Food Bank Council of Michigan.

- Worked with the Michigan Youth Livestock Scholarship Fund to award seven $1,000 scholarships to youth exhibitors at the Michigan State Fair. The fund also provided $21,000 in educational awards to over 125 exhibitors in 2004.

- Successfully completed recommended changes for fair premiums and horse racing programs, and closed regulations 808, 811, 812, 814, 817, 820 and 823 in 2004. Regulations 813 and 816 remain open and continue to be restructured.

- Partnered with the fair and festival industry to present workshops to fair and festival management at their conventions on subjects such as animal health issues and ethics, livestock drug testing, premium regulation changes and how to implement them, water safety issues on fairgrounds, and non-profit budgeting and accounting.

- Continued to lead a task force to study water safety issues at fairgrounds. In 2004, an additional five studies were completed. Each fair was visited twice, once prior to the fair and again during the fair. The team, including personnel from MDA's Food & Dairy and Environmental Stewardship Divisions, the Michigan Department of Environmental Quality, and local health departments, evaluated the water quality including: water supply, distribution system, cross-connection control, abandoned wells, hand washing and drinking water, sewage collection/treatment, animal washing, manure management and chemical use/storage.

- Added the Producer Security Services Section to FER in 2004. This section regulates the enforcement of the Grain Dealers Act; provides review services for department-wide producer security regulation; and administers the Agricultural Marketing and Bargaining Act and the Farm Produce Insurance Authority. In 2004, staff regulated 250 grain elevators, including 11 out-of-state grain brokers; established the Farm Produce Insurance Authority Board; and launched promotional programs while providing administrative support for the insurance program.

Finance & Administrative Services Division

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The Finance and Administrative Services Division (FAS) administers business processes for the department, including budget, accounting, auditing, procurement, fiscal stewardship, resource management, facility management, fleet management, travel arrangements and mail operations. During 2004, FAS:

- Surveyed customers to determine division financial needs.
- Closed the Accounting books with 159 less staff hours than in 2003, and 314 fewer hours than in 2002.
- Added reference materials to shared drives and the department's Intranet (classification structure, agency object codes).
- Developed and offered budget liaison orientation and training workshop.
- Facilitated the elimination of split pay roll at fiscal year-end.
- Piloted the statewide credit card receipts solution (CPEAS) and rolled it out to the Michigan State Fair and U. P. State Fair.
- Reviewed and streamlined document retention procedures.
- Expanded electronic invoice processing to include IKON in October 2003 and Detroit Edison in September 2004.
- Met vehicle reduction requirements of Executive Directive 2003-18.
- Assisted in the development, implementation and monitoring of the department's budget.
- Designed and worked toward implementation of the department's new Electronic Weekly Activity Reporting System (EWARS).
- Implemented a new strategy for reviewing and responding to "Risk Management" as it relates to the Biennial Assessment.
- Designed, implemented and executed a voluntary contract with 26 vendors for removal of ash trees for public and private landowners in southeast Michigan, in support of the Emerald Ash Borer Program. This is the first time a contract of this nature has been put together.

Food & Dairy Division

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The mission of the Food and Dairy Division (FDD) is to protect public health and ensure a wholesome food supply, while working to maintain a viable food and dairy industry. To this end, the division enforces food, beverage and dairy laws in Michigan. FDD conducts regular inspections of food and dairy products and facilities. The division licenses food service ands retail food establishments. Inspectors visit and examine restaurants, farms, grocery stores and other food-producing manufacturing and sales establishments. FDD keeps consumers and stakeholders informed of recalls, illness outbreaks and other food and dairy-related issues. All of its duties and functions are geared to a single goal: food safety. In 2004, FDD accomplished the following:

- Conducted 28,041 inspections at food and dairy facilities; licensed 28,300 food service establishments and 13,298 retail food establishments; and conducted over 1,002 enforcement actions to address food safety violations, including restaurants and cafeterias. Conducted 1,957 plan reviews and investigated 1,146 non-illness and foodborne illness complaints.

- Provided four Foodborne Illness Response STrategy (F.I.R.ST.) training sessions for local and state regulators who investigate foodborne illness outbreaks. Improved coordination during outbreak responses to identify outbreaks early, implement control measures promptly, and prevent human illness. Added training on detecting international contamination.

- Developed a foodborne illness outbreak tabletop exercise, which was piloted in four local health agency jurisdictions. This tabletop exercise, recently published on the Michigan Department of Community Health's MI-TRAIN, let local health staff members work together, practicing their response to an outbreak situation and implementing procedures learned from F.I.R.ST training.

- Along with Fairs, Exhibitions and Racing Division staff, FDD visited five fairs to identify and reduce public health and environmental risks associated with potable water provided by fairgrounds.

- Created and distributed materials to producers and consumers, including updated regulations. Created on-going materials and education for food safety including numerous articles in newspapers; extensive radio and TV. Conducted a public information campaign "Food Safety is Everyone's Bag," piloted in Detroit, to encourage consumers to use the 1-800- 292-3939 hotline to report food safety violations they see in grocery and convenience stores.

- Partnered with the Michigan Department of Community Health, the National Food Safety and Toxicology Center at Michigan State University, and food and agricultural industry stakeholders. Using federal monies and stakeholder in-kind contributions.

- Sponsored a tabletop exercise that brought in over 100 participants to run through simulated challenges faced by the food industry when responding to incidents of intentional contamination of the food supply.

- Partnered with the University of Michigan School of Public Health to conduct a survey for environmental health professionals who serve as regulators for the food service industry and investigators during suspected foodborne illness outbreaks. Other partners in the effort included the Michigan Department of Community Health, the Michigan Association of Local Public Health, and the Environmental Health Divisions of Michigan's 45 local public health agencies.

- Developed and pilot-tested two training programs where industry managers and regulators were learning side-by-side. The *Emergency and Food Security Management for the Foodservice Industry* program was developed in partnership with the Michigan Restaurant Association and the National Restaurant Association Educational Foundation. The *Crisis Management and Food Security Training for Small Volume Meat and Poultry Processors* was developed in partnership with MSU Extension, the American Association of Meat Processors, and the Michigan Meat Association. Both training programs are available for stakeholders, as requested.

- In response to the Great Blackout of August of 2003, co-partnered with the Oakland, Wayne, Macomb and City of Detroit public health departments to create, print and publish online *Emergency Action Plans for Retail Food Establishments* to respond to imminent health hazards. (This is a model to the nation; the Centers for Disease Control and Prevention (CDC) requested a copy while it was still being produced to use in the clean-up in hurricane-ravaged Florida.) The project includes an Emergency Action Plan (EAP) manual for each food operator, industry training, improved communication systems, and testing for the EAPs.

- Enrolled in the voluntary Food and Drug Administration's National Retail Food Regulatory Program Standards and began training food section field staff according to these standards.

- Continued to enforce statutes prohibiting the production and sale of raw milk and continued to educate consumers and producers about the risks associated with raw milk consumption.

- Shared information on 90 recalls and recall expansions affecting Michigan with food inspectors, local health officials and the general public. In June 2004, an outbreak due to Salmonella enteritidis, involving 29 laboratory confirmed cases spread over 12 states and parts of Canada, was identified. Staff from FDD, public health agencies and the FDA conducted a joint investigation that identified raw almonds originally processed in California as the source. FDD staff audited 106 Michigan food establishments that received the almonds to verify that recalls were effectively removing contaminated product from commerce. Information on 28 recalls of almonds or products containing almonds was shared with food safety regulators and consumers, through e-mail and the Internet.

- Worked closely with dairy processors to provide safe, wholesome dairy products to consumers, including 7,415 farm inspections.

- Continued to ensure food safety in Michigan's restaurants through a partnership between MDA and Michigan's 45 independent local health departments. MDA provides statewide program policy and direction as well as consultation and training services to local health department sanitarians. Local health department performance is evaluated every three years in conjunction with the Michigan Local Public Health Accreditation Program. The Accreditation Program helps assure accountability for the nearly $8.25 million allocated by the state to local health departments to conduct the food service sanitation program.

- Along with Governor Jennifer Granholm, set a goal to reduce the occurrence of the five behaviors and practices identified by the CDC as being the most prevalent contributing factors of foodborne illness. The goal is 25 percent reduction by 2011. The program includes baseline, midcourse, and final surveys; training; and industry support components.

- Changed Standard Operating Procedures (SOPs) for license applicants prior to opening a new food service establishment, to reflect increased emphasis on the five CDC identified risk factors.

- Created the Food Safety Training Database to assist the food industry and regulators in obtaining food safety training. The training database can be searched by location, specific language, course type, target audience, and the instructor's name.

- Developed a uniform license application and inspection report form for statewide use for Temporary Food Service Establishments.

- Presented six training courses for sanitarians at 13 locations across the state. A total of 290 local health department sanitarians spent over 2,270 combined classroom hours learning about Michigan's Food Law, Temporary Food Establishments / Special Transitory Food Units, Plan Review, Plumbing / Cross-Connections, and Accreditation Self-Assessment.

- Issued certificates to 19 local health department standardized trainers.

- Evaluated 21 local health departments. The week-long evaluation process includes both office and field components.

Human Resources Division

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The Human Resources Division (HR) supports department personnel in a variety of program areas. The division is responsible for the selection, hiring and compensation of department employees, as well as the administration of employee benefits, position classification, labor relations and training. HR oversees programs that ensure equal employment and equitable representation of groups within the department's work force. Programs include: recruitment, student programs, career seminars, reasonable accommodation coordination, sexual harassment complaint investigations, health and safety coordination, and compliance with the Americans with Disabilities Act (ADA). During FY 2004, HR:

- Collaborated with the Michigan Department of Civil Service to implement the new Human Resources Service Center. This program is jointly sponsored by the Executive Office; the Michigan Departments of Civil Service, Management and Budget, and Information Technology; and the Office of the State Employer, as a part of the Human Resources Optimization Project.

- Coordinated, with the Pesticide and Plant Pest Management Division, the implementation and administration of the Emerald Ash Borer Response Project.

- Coordinated and processed the hiring of 326 employees throughout the year. This included 85 full time employees; 31 non-career employees such as students and fruit/vegetable inspectors; and 310 special personal service contractual employees in State Fair operations, conservation services, and horse racing operations.

- Coordinated and conducted numerous training programs throughout the year. These included training in the areas of discriminatory harassment, workplace violence, performance management, targeted selection, and supervisory training.

- Collaborated with the Office of Great Workplace Development to conduct a pilot of the MI 360 evaluation project.

- Coordinated an annual Employee Recognition Ceremony to honor employees for their commitment to state government. Employees were recognized for years of service, promotions and special achievements. Awards included the Commission Awards for Excellence and Employee of the Year.

- Collaborated with the Office of the State Employer in the negotiation process for four primary collective bargaining agreements covering approximately 75 percent of all MDA employees.

Laboratory Division

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The Laboratory Division performs scientific and analytical services that support MDA programs. The laboratory also performs tests and offers technical consultation services for other state and federal agencies, as well as fee-based services to Michigan industry and private citizens. The Laboratory Division consists of two world-class facilities: the William C. Geagley Analytical Laboratory in East Lansing, Michigan, and the E.C. Heffron Metrology Laboratory in Williamston.

The Geagley Laboratory performs more than 300 different biological, chemical and physical tests on a routine basis. The laboratory examines food samples, beverages, pesticides, seeds, fertilizers, gasoline, and animal feeds to ensure a safe food supply, verify labels, ensure compliance with state and federal regulations and to guarantee product quality. The Geagley Laboratory also monitors food and animal feed for contaminants; tests blood and urine from competing race horses for performance altering drugs; and tests livestock samples in order to prevent the spread of infectious diseases.

The E. C. Heffron Metrology Laboratory renders ultra-precise mass, volume and length calibration certification for Michigan businesses, and houses the consumer protection programs for Weights and Measures and Motor Fuels Quality. The metrology laboratory also conducts regulatory services, calibrating standards used for enforcement by the Michigan Departments of Treasury and Agriculture, Michigan State Police, and all county road commissions. The tests and analyses conducted by the metrology laboratory assure that weights and measures in Michigan comply with national standards, making items eligible for international trade, and preventing economic fraud and deception.

During FY 2004, the Laboratory Division:

- Applied for and was selected for membership in FDA's Food Emergency Response Network (FERN) in the areas of both chemical and microbiological analyses at the Geagley Laboratory. FERN is a network of federal and state food laboratories that have the expertise and capability of testing foods for select agents that could be used in a terrorist attack on the food supply.

- Developed a Memorandum of Understanding (MOU) between the MDA and MDCH Laboratories detailing individual responsibilities related to a food security threat or crisis. The agreement also detailed support that each laboratory would provide the other in the event of a chemical or biological incident.

- Identified performance indicators for all division sections and began measuring performance in order to evaluate program effectiveness. Submitted a FY 04 Performance Indicator report to the Executive Office detailing division-wide level of performance.

- Successfully completed an upgrade of the Weights and Measures Field Inspection Software Program.

- Continued to work with a vendor to configure new Laboratory Information Management software to meet the division's needs.

- Released the first ever Geagley Laboratory Users Guide to aid customers in their interaction with Laboratory Division staff and analytical programs.

- Continue to configure and implement eWARS, a web based activity reporting system, for the division.

- Eliminated standard supplies to allow each section to more effectively monitor usage, adjust purchases as the volume and type of work activity changes, and control expenditures.

- Continue to modify operating procedures to meet Executive Directives issued by the Governor as well as provide supplies, equipment and services to meet section's operational needs.

- Applied for Homeland Security Funding and was approved to purchase video surveillance equipment for the Geagley facility. This hardware and software has been installed and will be operational in 2005.

- Completed a greenhouse glazing and mechanical project. All new Lexon glazing was installed in place of the old glass, along with new vent mechanical systems. New computerized environmental controls were also installed, with a new weather station. A complete masonry restoration and caulking project was also completed on the greenhouse.

- Contracted with an architectural firm to complete a study of the Motor Fuels Quality Laboratory to identify deficiencies and make recommendations to address environmental problems. Also included in the study were recommendations necessary for expansion of both gasoline and diesel fuel testing. Highlights of the report included, but were not limited to, replacement of the roof membrane, reconfiguration of the roof to allow for roof drains, increased air conditioning, and expansion of the fuel sample storage area. These renovations will ensure the laboratory will have the capabilities of safely and efficiently performing tests on motor fuels in anticipation of future program expansions

- Worked with DMB and an architectural firm to identify and correct an air balancing problem with three 100 percent exhausted Bio-Safety hoods that were decertified due to operational deficiencies. Work to correct the problem commenced in January, 2005.

- Performed over 170,000 tests on animal blood for the reportable diseases of brucellosis, equine infectious anemia, pseudorabies, Johne's disease, anaplasmosis and bluetongue. Approximately 46,000 of these were service samples bringing in revenue to the state.

- Performed surveillance testing of ticks for the indication of Rocky Mountain spotted fever.

- Continued to provide testing for a Johne's disease demonstration project, as part of a cooperative agreement with MSU and MDA's Animal Industry Division. The lab expects to receive and test approximately 4,000 of these samples during the ongoing project.

- Celebrated the section's successful completion of all annual federal proficiency and check test samples.

- Solved a serious brucellosis testing problem by tracing back to a defective batch of anti sera that had been provided by NVSL.

- Performed over 110,000 tests on over 20,000 samples in Equine Drug Testing (EDT) section in support of the Office of Racing Commissioner's regulation of pari-mutuel horseracing. Over 13,000 of these samples were submitted specifically for Total Carbon Dioxide (TC02) testing. The TC02 testing program has been operating since 1998 and over this past year, only one positive sample was found and reported, indicating the program continues to have the desired effect on controlling abuses related to "milkshaking" in race horses.

- In cooperation with the Fairs, Exhibitions and Racing Division, performed drug testing on approximately 1,200 harness horses racing at fairs and exhibitions throughout Michigan during the summer months.

- Participated in the "split-testing program" which offers confirmatory testing of samples that have been called "positive" for drugs in other states.

- Provided drug testing of animals at various livestock shows throughout Michigan and surrounding states to help ensure integrity in livestock competitions. This program has grown due to outreach efforts by the division at the annual Livestock Fair Shows Education Conference.

- Analyzed approximately 1,400 dairy, 400 meat, 12 smoked fish, 25 bottled water, 800 animal feed and 450 fertilizer samples for compliance to labeling and food safety requirements. Fourteen requests for analytical testing on food products were received from law enforcement agencies across the state. Over 7,200 test results were generated on these samples.

- Expanded commodity testing programs on feed to include screening for the presence of ruminant protein in animal feed and meat and bone meal. This testing is important in the efforts to keep BSE (or Mad Cow Disease) out of the U.S. An analyst received microscopic training to provide for confirmation of suspect positive samples.

- Renewed and fulfilled a partnership agreement with FDA for mycotoxin or pesticide testing of animal feeds.

- Obtained funding through a CDC grant to hire one technician to assist in emergency response to food safety emergencies.

- Participated in national workshops discussing the development of new analytical methods and techniques for the analysis of heavy metals in fertilizer and drugs in animal feed. Our participation in internationally sponsored collaborative studies to validate related methods for routine use is scheduled for FY 2005.

- Provided heavy metals analysis for cheese survey samples submitted by the Food & Dairy Division.

- Through the laboratory's Information Services Group, ensured accurate, timely sample test results with a one-day turnaround for 45,000 fee-generating samples for the Animal Disease Surveillance section; typed, proofed and distributed Reports of Analysis for 1,700 official samples for Microbiology and Food, Feed and Fertilizer sections; and distributed 22,000 EDT reports and 5,218 Pesticide and Environment, Food, Feed and Fertilizer, including Liquor Control, and the Motor Fuels Quality sections. Daily reports were also provided to Finance and Administrative Services for billing of testing fees for over 46,000 fee-generating tests.

- Through ISG, provided test result information for customers, backup for sample receiving functions, and phone and reception coverage for the Geagley Laboratory.

- Retained the Microbiology Section's accreditation to ISO 17025 Quality Standards in the field of biological testing through the American Association for Laboratory Accreditation (A2LA). Annual review took place in April.

- Continued work on two federally funded programs – Microbiology Data Program (MDP) and Antimicrobial Efficacy Testing. The MDP program received and tested (*for Salmonella* and *E. coli*) over 1,000 samples of fresh vegatables. Three additional commodities were added to the program during the year; green onions, parsley and cilantro. The Antimicrobial Efficacy Testing program received approximately 23 disinfectant samples during the fiscal year and successfully reported results on 30 product lots (some of the samples were collected during the previous year).

- Received 279 cider samples as part of a special apple cider project commissioned by the MSU National Food Safety and Toxicology Center. Sixty-two cider samples were collected during this same time period by the MDA Food and Dairy Division. All samples were tested for coliforms, generic *E.coli*, standard plate count, *E. coli* O157:H7 and pH. Of those samples collected, only 12 samples tested positive for generic *E. coli* with no pathogens being detected in any of the cider samples.

- Maintained certification for significant dairy testing procedures through successful participation in yearly FDA proficiency samples.

- Obtained a Light Cycler Polymerase Chain Reaction instrument with CDC funds for use in food pathogen testing.

- Responded to Governor Jennifer M. Granholm's call to increase monitoring at the 5,100 retail gasoline outlets located throughout the state to ensure that consumers get what they paid for and that a level playing field was preserved for industry during the summer period of near record gasoline prices. As part of the "May Day to Labor Day" Project, 953 retail outlets were audited from May 1 to September 7. Quality or quantity problems were identified at 187 retail locations. 29 percent of gasoline samples collected due to failed audits did not meet quality standards; and 12 percent of all devices inspected were found to be inaccurate for quantity. Staff responded to 112 gasoline quality complaints and 399 quantity complaints during the project period. Forty-two stations were issued fines for repeat quality violations related to water, octane, vapor pressure, misrepresentation of product, and contaminated product, and eight stations were issued fines for delivering less than the quantity represented.

- Responded to 1,043 consumer concerns about substandard gasoline and/or the wrong amount of gasoline. Retail investigations of gasoline marketers resulted in 320 administrative fines, 70 of those for sale of substandard fuels.

- Ordered the stop sale of gasoline at 70 retail stations because the gasoline contained water or otherwise failed to meet the state's quality standards. Over 585 warning letters were issued to firms who were found violating the law for licensing, water content, labeling and gasoline quality.

- Tested approximately 1,900 gasoline samples for octane, oxygenates, vapor pressure, sulfur content, and distillation range. Of those, 118 were found not to meet requirements for AKI Octane number, 81 were found to not meet requirements for ASTM D-86 Distillation Range, and 45 samples were found that contained visible water.

- Obtained an additional ISL automated distillation apparatus. The unit now has 3 ISL Units and has salvaged the older ADA-V units. The MFQ Analysis Unit is in the process of acquiring a new GC/OFID for improved analyses of alcohol content.

- During the ozone monitoring period of June through September, monitored hydrocarbon vapor by performing vapor pressure analyses on samples collected in remote locations. This combined effort of the lab's analytical staff and MFQ inspectors enabled the division to examine more distribution locations, and allowed field staff more time to complete the Governor's May Day to Labor Day review of gasoline stations.

- Upgraded equipment and procedures for disposing of leftover gasoline, which was needed because of the increased number of gasoline samples collected for testing. The section purchased and installed a new gasoline distribution tank with electronic pump. Leftover fuel is being dispensed into state vehicles rather than through a costly hazardous waste disposal system. This process provides cost savings to the state through the reduction of fuel purchases.

- Monitored gasoline volatility at over 719 gasoline dispensing facilities to ensure that highly volatile fuels are not being sold in Southeastern Michigan reducing contribution to air pollution during summer months. This helped the area maintain National Ambient Air Quality Standards.

- Issued two Stop Sale Orders for selling non-compliant fuels with an additional nine firms self-correcting problems before stop sales were issued.

- Collected approximately 1,550 food samples for the Pesticide and Microbiological Data Programs (PDP, MDP) and the Triazole Sampling Project in FY04. Almost 70 percent of these samples were shipped to other states for analysis per the transshipping arrangement with USDA-PDP participants.

- Received 1,067 samples for pesticide residue analysis from food warehouses throughout the U.S., comparable to the 1,056 received in FY03. A total of 800 samples were reported after conducting 2,180 tests, with over half found to contain some pesticide residue, all but two well below federal tolerances.

- Completed the testing of onions and began testing of strawberries. A new method was developed and validated for the analysis of triazoles and their metabolites in strawberries in addition to validating them with the new QuEChRS method implemented in FY03. This increased the number of extractions performed in FY04 by 50 percent and increased the number of screening tests by almost 40 percent.

- Analyzed strawberries for 135 percent more pesticides than those analyzed in onions. Many of these pesticides present additional analytical challenges due to their relatively new arrival on the market. The program continues to work toward meeting the variable needs of EPA in collecting data for food safety decision makers and the registration of pesticides.

- Participated and performed well in five proficiency tests covering five commodities, an increase of almost 70 percent over FY03. Tests included one from USDA-PDP and four from FAPAS, an international proficiency testing program. Three internal proficiency checks were conducted by the Quality Assurance Section covering two commodities and 20 analytes. One internal proficiency check identified the need to re-evaluate and raise the limit of detection for a pesticide.

- Completed a review of the Pesticide Data Program's Quality Manual and all previously written Standard Operating Procedures. In addition, five new SOPs were written. Audits of the section tripled in FY04 as compared to FY03, six times the number done in FY02.

- Received 170 samples related to pesticide misuse investigations.

- Completed all samples related to an EPA funded worker protection project. The project provided pesticide exposure data on farm workers that enter fields after the application of pesticides.

- Continued screening of groundwater samples from farming properties for nitrates and triazine residues. Detection can indicate over-application of fertilizers and herbicides. Over 3,600 samples were tested.

- Received 18 dairy samples for pesticide residue analyses.

- Received 25 pesticide products and 16 disinfectant products for label claim verification. This activity is funded through EPA Cooperative Agreement.

- Completed or revised all EPA required Quality Documents and submitted them to the U.S. EPA Region 5 Headquarters. Documents included the Antimicrobial Chemistry Quality Assurance Project Plan (QAPP), the QAPP for FIFRA Pesticide Programs and the overall Quality Management Plan (QMP).

- Participated in five check sample tests evaluating proficiency in detecting many different pesticide compounds. Results were exceptional in all the sets.

- Received 424 agricultural, lawn and vegetable seed samples submitted by Pesticide and Plant Pest Management Division (PPPM) inspection staff for Michigan Seed Law compliance. A non-compliance rate of 19.1 percent was determined due to the failure to meet labeled claims or improper labeling.

- Examined 69 wild bird food samples for Michigan Feed Law compliance.

- Tested 1,840 voluntary compliance samples from farmers, seed distributors, state and federal agencies and others. Seed quality was assessed for compliance with Michigan seed quality standards or contractual specifications.

- Participated in a cooperative agreement with the enforcement of the USDA Federal Seed Act (FSA). There were 63 interstate seed samples examined for FSA compliance.

- Continued quality testing with acceptable turnaround time and consultation with customers at the Geagley Laboratory in an attenuated fashion.

- Conducted 9,400 weights and measures (W&M) device inspections at 2,400 establishments. Investigated over 1,002 complaints involving allegations of short weight, short measure and item pricing violations. Eighteen percent of the commercial devices inspected failed to meet the requirements of state law.

- Issued 36 W&M warning letters and held 16 industry compliance meetings.

- Issued 50 consent agreements for weights and measures violations, with fines and penalties of $311,850 assessed.

- Fully implemented a new W&M service registration program, with 317 service persons and 116 service agencies registered.

- Received continued accreditation for the E.C. Heffron Metrology Laboratory to the National Voluntary Laboratory Accreditation Program (NVLAP) and a Certificate of Measurement Traceability from the National Institute of Standards and Technology (NIST). NIST named the E.C. Heffron Metrology Laboratory as a regional small volume prover calibration laboratory and provided both technical and monetary support for the setup and accreditation of these calibrations.

- Tested over 8,600 commercial, law enforcement, and official legal metrology standards.

Agricultural Statistics

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Agricultural Statistics is responsible for compiling Michigan's official agricultural information database, which was established under a formal agreement between Michigan and the U.S. Department of Agriculture's National Agricultural Statistics Service (NASS).

NASS
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Agricultural Statistics conducts numerous surveys and routinely prepares forecasts and estimates on acreage, yield and production of Michigan field crops, fruits and vegetables. Crop-weather information is provided weekly during the growing season to reflect current crop conditions and development progress. Agricultural Statistics also estimates Michigan's livestock, poultry and dairy populations, and tracks related commodity prices. The estimating program provides information on agricultural land values, farm numbers, land in farms, expenditures and labor. Growing areas, production and value of Michigan's floriculture industry are published annually. Another significant survey component involves collection of agriculture pesticide use data. Agricultural Statistics also conducts the Michigan Census of Agriculture every five years; supplemental surveys are periodically performed for aquaculture, irrigation, horticulture, and land ownership. During 2004, Agricultural Statistics:

- Provided county estimates for 14 major crop and livestock commodities as part of a cooperative program with MDA.

- Published the results of the Rotational Fruit Inventory, which included data on the acreage, varieties, and rootstock of Michigan fruit crops. Results were also published on questions which measured the impact that abandoned orchards have on current operations. The complete publication was put on the Internet, and an 8-page highlights release was sent to producers.

- Published the 2002 Census of Agriculture, which is conducted every five years. Preliminary information was released in February and final results were released in June. A publication containing county highlights and a profile for each county was released in September.

- Prepared a special Michigan Farm Facts publication to provide a graphical snapshot of Michigan's agricultural industry based on the census of agriculture.

- Provided support and the infrastructure necessary for growers to earn pesticide recertification credits for completing chemical use surveys. The PPPM Division approved three surveys in which growers could receive one credit for completing the survey. Many growers have expressed appreciation for this survey incentive and benefit.

- Collected chemical use information on soybeans, winter wheat, and eight vegetable crops. Survey data will be used to evaluate chemical use levels for the U.S. Environmental Protection Agency, to use in setting worker safety standards and in administering the Food Quality Protection Act (FQPA).

- Published the results of the Farm and Ranch Irrigation Survey, a part of the Census of Agriculture. Data were published on crops irrigated, sources of irrigation water, energy costs, and investments made in equipment and land improvements. These data will be used extensively in establishing the state's water policy with respect to agricultural use.

- Released the annual statistics bulletin, which included details of 2003 production, stocks, inventory, disposition, utilization and prices of agricultural commodities. The publication included MDA's annual report, Michigan rankings, record highs and lows, county estimates, and chemical usage data. A four-page Highlights publication was produced to communicate the value of Michigan agriculture to as widespread an audience as possible.

- Worked with the National Association of State Departments of Agriculture (NASDA), using telephone and field enumerator staff located throughout the state and employed by NASDA, to assist in collecting data from farmers and agribusinesses.

The Office of Racing Commissioner

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The Office of Racing Commissioner (ORC) is an independent agency within MDA that regulates pari-mutuel horse racing in Michigan, in accordance with the state's Horse Racing Law and the rules of the Racing Commissioner.

The Racing Commissioner, appointed by the Governor for a four-year term, prescribes rules, regulations and conditions under which all pari-mutuel horse racing meets are conducted in the state.

The ORC allocates race dates and issues track, race meeting and occupational licenses. The office also collects license and track revenues, appoints stewards and veterinarians to represent the state, approves track-appointed officials, and monitors the daily conduct of horse racing. ORC also conducts equine and human drug testing programs, and investigates any irregularities in racing

that may lead to formal hearings and sanctions. ORC functions primarily as a regulatory agency, but also focuses on improving and promoting horse racing in Michigan. Christine White was appointed Acting Racing Commissioner in January 2005, replacing Robert Geake, whose term expired December 31, 2004. During FY 2004, the ORC:

- Implemented a new rule providing for an Administrative Fee for all certified horsemen organizations.
- Expanded the use of broadband Internet connectivity improving the efficiencies associated with the issuance of occupational licenses at Michigan's race tracks.
- Approved the transfer of track license for Great Lakes Downs to Richmond Racing Co., LLC, continuing the presence of thoroughbred racing in Michigan.
- Held public hearings in the consideration of a new track license to be issued in the Detroit Metropolitan area.
- Issued a new track license to Platinum Partners, LLC, to construct a race track in Windsor Township in the greater Lansing area.
- Granted live racing dates for 2005, resulting in the scheduling of 538 dates of live horse racing at Michigan's seven licensed pari-mutuel facilities.
- Conducted a statewide emergency management exercise to ascertain the readiness of Michigan's race tracks.
- Maintained a significant regulatory presence at the race tracks, conducting 18,791 equine and human drug tests to determine compliance with ORC rules and regulations.
- Continued to improve the simulcast tax deposit program for the seven pari-mutuel tracks in the state. This program expanded the amount of time saved for employees at the tracks, the ORC, the Michigan Department of Treasury, and MDA. Increased the reconciliation and monitoring capabilities of ORC.
- Promoted public awareness of Michigan horse racing by participating in the MSU Horse Expo, Novi Stallion Expo, Michigan Parade and a horse racing exhibit at the 2004 Michigan State Fair in Detroit.

Pesticide & Plant Pest Management Division

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The Pesticide and Plant Pest Management (PPPM) Division, is responsible for the enforcement of laws and regulations pertaining to the manufacture and distribution of agricultural products, the sale and use of pesticides, exotic pest interception and control, pest management, fruit and vegetable inspection and groundwater protection. In cooperation with multiple federal agencies, and under the authority of both state and federal laws, the PPPM division administers programs to protect human health and the environment from potential risks related to the improper use of pesticides. The division also oversees programs to control exotic pests, certify nursery stock and other plant material for interstate shipment, inspect and grade fruits and vegetables, and certify commodities for export. PPPM also ensures consumer protection through proper storage and labeling of agricultural products such as feed, seed, fertilizer and animal remedies. During fiscal year 2004, the PPPM division recorded many significant accomplishments. Of note are the great strides made in the attempt to control and eradicate the Emerald Ash Borer. During FY 04, PPPM:

- Completed its second full year in the battle against Emerald Ash Borer which continues its menacing campaign against the state's 700 million ash trees, and the ash resources in Ohio, Indiana and Ontario. While initially little was known about the beetle, the EAB multi-agency cooperative response project – encompassing the Michigan Departments of Agriculture (MDA) and Natural Resources (DNR); the U.S. Department of Agriculture (USDA) Animal and Plant Health Inspection Service; the U.S. Forest Service; and Michigan State University (MSU) - has been able to make tremendous strides in learning more about the pest and its biology and also in survey/detection, containment, outreach and education efforts.

- Continued EAB detection and survey activities, including: inspecting 1,955 "high risk" sites, including nurseries, campgrounds, and sawmills; surveying and recording 70,030 total visual survey data points covering 500,000+ acres; and responding to 3,355 calls via the state's toll-free EAB hotline, leading to 447 warranted follow-up investigations.

- Developed and implemented a statewide EAB detection program to act as an early warning system for potential EAB infestations. More than 10,000 trap trees were strategically located in every township at varying densities in each of Michigan's 83 counties, except those in the known generally infested area. EAB larvae and adults were collected from approximately 150 trap trees, identifying seven new county infestations outside the 13-county quarantine and alerting Michigan officials to areas where containment and eradication efforts are needed.

- Focused EAB regulatory activities on enforcing the quarantine and increasing compliance. Regulatory activities included monitoring the movement of ash products, conducting regular inspections and investigations.

- Updated the EAB quarantine based on survey data collection and analysis on March 25, August 15 and December 27, 2004. These amendments were based upon the extensive survey efforts conducted in 2004, which have provided a clearer picture of where the beetle exists in our state. It also ensures that the state's strategy and quarantine are responsive to changing information and based on the best available science and data.

- Conducted 17 investigations of potential EAB quarantine violations, with five leading to legal action or prosecution to date.

- Established firewood checkpoints along major interstates leading out of EAB regulated areas during key travel holiday weekends, including Memorial Day and Labor Day, and again at the beginning of firearm deer hunting season. These events provided an opportunity for staff to have contact with thousands of travelers and confiscate illegally moved firewood.

- Expanded sanination/disposal activities to remove and dispose of EAB infested dead and dying ash trees, an important component in containing and reducing the spread of this destructive pest. Activities included: cutting and properly disposing of approximately 192,000 infested or at-risk trees in outlier sites across the state; continuing or starting operation of eight disposal sites in southeast Michigan; safely disposing of more than 200,000 tons of ash materials; expanding approved "value added" activities to turn collected material into marketable ash products, such as lumber, railroad ties, and tool handles; and continuing review of additional wood processors to meet containment objectives, enhance quarantine compliance and provide community assistance.

- Developed EAB response strategies based upon site-specific information, including location, geography of the area and distribution of the pest. Strategies included the removal of all ash trees located within a half-mile radius of the last known EAB infestation in an outlier area, thereby eradicating the insect and infestation; and conducting a 200-yard cut of ash trees in key control areas, thereby suppressing the infestation to minimize further spread.

- Detected numerous isolated EAB infestations outside the known generally infested area. Prioritized outlier infestations based on: pest populations; location; risk of spread; and national/international significance. Control and eradication activities have impacted approximately 8,300 property owners.

- Developed a detailed EAB outreach and education system for each impacted area, outlining the state's response plan and providing one-on-one question and answer opportunities for impacted residents and businesses. This included a series of public meetings, media updates and 'tag-alongs.'

- Coordinated activities of the EAB Communications Committee, whose membership includes communications and outreach professionals from each of the state's Cooperative Response Project partners, to ensure coordinated, consistent information.

- Conducted an intensive public hearing and public input/comment process leading MDA to determine the beetle a Michigan public nuisance at control and eradication sites.

- Produced and disseminated numerous outreach and education materials to stakeholders.

- Appointed 13 education outreach facilitators through MSU Extension in counties most impacted by EAB.

- Conducted legislative and local official tours and briefing sessions regarding the latest EAB news and efforts.

- Hosted numerous EAB informational booths, educational seminars, workshops and group discussions at the state and national level, including a workshop for green industry professionals and local planners in February and a symposium in October.

- Initiated a major communication effort, with Governor Jennifer M. Granholm's declaration of May 24-30 as "Emerald Ash Borer Awareness Week" as its centerpiece.

- Conducted a paid advertising campaign utilizing billboards along major northbound interstates, radio public service announcements, and trade publications to underscore the "Don't move firewood" message.

- Provided 54 grants totaling more than $855,000 to communities within the 13 EAB quarantined counties. More than 10,000 trees will be replanted through these grants.

- Provided 11 grants totaling more than $201,000 to communities located in EAB outlier areas throughout Michigan. More than 1,800 trees will be replanted through these grants.

- Assisted EAB grant recipients with urban/community forestry management.

- Assisted property owners impacted by EAB through one-on-one technical assistance site visits, phone consultations and restoration educational materials.

- Inspected and certified more than 11,000 acres of nursery stock and more than 19,000 acres (699 fields) of commercial Christmas tree farms for compliance with interstate and international trade requirements.

- Issued 2,149 federal phytosanitary certificates for exports of agricultural commodities. Commodities certified for export included beans and grain, fruits and vegetables, logs and lumber, and propagative plants and plant parts.

- Inspected 41 high-risk production nurseries and collected 1,435 samples across 29 host species as part of the National Nursery Survey to detect Ramorum blight, also known as Sudden Oak Death. The top three species analyzed were rhododendron, viburnum and lilac. A total of 231 additional samples were taken at 24 retail sites to look for 10 specific exotic pest species, including *P. ramorum*.

- Collected specimens of the perennial "Sunny Border Blue" Veronica from a Michigan nursery. The samples were found to be infected with a rust fungus not previously known to occur in the U.S. The disease was identified as Veronica rust, *Puccinia veronicae-longifoliae*.

- Detected an exotic beetle, *Callidiellum villosulum*, (brown fir longhorned beetle), in natural wood trunks of artificial Christmas trees imported from China. USDA confirmed the identity of specimens collected by MDA staff. As a result of prompt action, a national recall was issued for these types of trees.

- Conducted 358 inspections at facilities producing or distributing animal feeds. PPPM inspectors have been inspecting feed manufacturing facilities throughout the state for compliance with FDA Bovine Spongiform Encephalopathy (BSE) regulations since 1998.

- Investigated five complaints alleging feed-related animal deaths or illnesses, problems with feed quality, or adulteration. Collected and submitted 663 samples to ensure feed safety and label guarantees.

- Conducted 238 seed inspections at facilities producing or distributing seed. Inspectors issued 74 violation notices and removed $632,476 worth of violative seed products from the channels of trade.

- Submitted for testing 9,687 fruit tree samples from Hilltop Nursery, LLC, of Hartford, for Prunus Necrotic Ring Spot Virus (PNRSV) and Prunus Dwarf Virus (PDV). Only 0.9 percent of the samples tested positive for these viruses while all of the 2,000 virus-indexed trees did not develop symptoms.

- Submitted for testing 700 samples, representing 990,000 plants in 95 varieties, from three commercial blueberry nurseries under the blueberry virus certification. All samples tested

negative for the target viruses (TRSV and ToRSV). As part of this program, 1,745 blueberry bushes were tested and tagged in the mother-block nursery of Tower View Nursery.

- Reviewed 37 biotechnology applications and import permits in cooperation with USDA-APHIS. In FY04, MDA, under an agreement with USDA-APHIS, approved two permits for field trial studies, nine for interstate movement, and 26 for both field trials and interstate movement. Biotechnology activities took place in eight counties. Under the PPQ program, 15,000 hibiscus cuttings and 23 hydrangea plants were released from post-entry quarantine.

- Tested 126 dry bean samples of which 77 were certified and 49 were non-certified. Six samples (2.6 percent) of certified seed and five (10.2 percent) of non-certified seed were positive for bean blight. All certified seed samples tested negative for common bean mosaic virus (CBMV).

- Processed a total of 367 seed corn samples representing 22,495 acres from seven growers, for fungal, bacterial and viral diseases. Samples were collected and delivered to the MDA pathology lab by field inspectors from PPPM and the Michigan Crop Improvement Association (MCIA). Twenty-eight of the seed cornfields submitted for certification tested positive for Stewart's wilt (*Erwinia stewartii*) while another 34 tested positive for Goss' wilt (*Clavibacter michiganensis subsp. nebraskensis*).

- Tested (for export requirement) 35 potato samples from eight growers for Potato Virus Y strain n (PVYn). All samples tested negative for the virus.

- Processed a total of 1,707 samples of various plant species and genera known to be susceptible to Phytophthora ramorum from 66 facilities. *P. ramorum* is a plant pathogenic protist that has been reported in a number of states and poses a threat to the nation's oak trees. All Michigan samples tested negative for *P. ramorum* and the disease has not been reported in the state. This disease is referred to as ramorum blight or sudden oak death.

- Coordinated the gypsy moth cooperative suppression program, resulting in the treatment of 24,581 acres in 11 counties. The program provided relief to residents and communities in heavily infested areas including one national lakeshore.

- Conducted 2,942 shipping-point inspections for quality prior to shipment for export, domestic or government purchase. During FY04, Fruit and Vegetable Inspection staff conducted 1,294 market inspections helping resolve disputes on the quality and/or condition of produce received in Michigan from other states or foreign countries. In addition, 17,113 process inspections were conducted on cherries, grapes, apples, blueberries, and peppers when received at state processing plants.

- Fruit and Vegetable Inspection staff conducted three USDA/MDA Good Handling Practices (GHP) audits at two apple and one blueberry packing shed. The GHP audit is a new volunteer program to minimize microbial food safety hazards for fresh fruits and vegetables.

- Submitted 17 requests to EPA for emergency exemptions to allow the use of an unregistered pesticide to control an emergency pest problem, in accordance with Section 18 of the Federal Insecticide, Fungicide and, Rodenticide Act (FIFRA). MDA also submitted a Section 18 request for 10 products to control Asian Soybean Rust.

- Conducted pesticide product and use-related inspections and investigations, including 153 pesticide use investigations, 35 of which occurred in agricultural situations; 85 planned use inspections, 50 of which occurred at commercial applicator facilities; 31 pesticide-producing establishment inspections; 29 federal marketplace inspections; 43 restricted use pesticide audits; and 1,266 compliance monitoring contacts/inspections.

- Investigated the detection of ethylene dibromide (EDB) in well water at a farm in Mattawan, Michigan. This was the site where Grape Root Nematode was first detected in 1983 and eradication efforts included the use of EDB.

- In conjunction with state partners, participated in the West Nile virus (WNV) Core Work Group, coordinating state WNV surveillance, and outreach and response activities.

- Administered 13,674 examinations to individuals seeking pesticide applicator certification or registration credentials, and approved 855 seminars for recertification credits, allowing 1,489 applicators to renew their credentials through continuing education programs.

- Conducted more than 428 sanitation inspections of Michigan's grain elevators and feed manufacturing facilities to ensure the safety and integrity of stored raw grain commodities and animal feed products.

- Continued a partnership with state agencies and stakeholders to advise agricultural dealers and farmers on how to deter illicit use of anhydrous ammonia and ammonium nitrate, while protecting its safe, intended use.

- Conducted more than 255 inspections and issued 121 notices for fertilizer and liming materials found to be in violation of the fertilizer and liming laws. This resulted in the interception and removal of about $70,000 worth of violative fertilizer and liming products from distribution.

- Submitted 622 fertilizer samples to ensure label guarantees and a wholesome food supply. Issued 20 warning letters and two informal hearing notices to manufacturers with significant fertilizer sample violation rates.

- Conducted annual inspections of commercial facilities storing bulk pesticides and fertilizers to ensure all commercial facilities storing bulk agrichemicals in Michigan have containment, proper security measures and emergency plans in place. Tank failures occurred at three state storage facilities; however, the secondary containment inspected by PPPM prevented more than 500,000 gallons of liquid fertilizer from being released into the environment.

- Partnered with the Groundwater Monitoring Program to monitor water quality at bulk storage facilities by collecting 50 well samples. This project will better determine the nature and extent of pesticide and fertilizer contamination in groundwater, if any, at bulk agrichemical facilities.

- Conducted outreach activities to inform staff, industry, and producers about the newly implemented Regulation 642, On-Farm Fertilizer Bulk Storage. This regulation became effective in August 2003, and establishes a statewide standard for the storage and handling of bulk liquid fertilizer on the farm.

- Initiated an advisory workgroup to develop and review proposed fertilizer bulk storage regulation amendments that focus on current containment technology and regulatory needs. Entered into three compliance agreements for the implementation of a bladder system as an alternative design, stipulating that firms follow the technical specifications and standards in the proposed amendments.

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