

# **The State of Michigan Agriculture: Strong and Growing**



**U.S. Senator Debbie Stabenow**

**Chairwoman  
U.S. Senate Committee on  
Agriculture, Nutrition and Forestry**

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# United States Senate

133 HART SENATE OFFICE BUILDING  
WASHINGTON, DC 20510-2204

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Dear Friend,

As Chairwoman of the United States Senate Committee on Agriculture, Nutrition and Forestry this past year, I have had the unique opportunity of showcasing Michigan agriculture at the national level, and partnering with farmers and businesses across the state in strengthening this important part of our economy. This committee has a broad impact on food production, energy, conservation, rural development, research, forestry and nutrition policies, impacting both rural and urban communities across the state. One out of every four jobs in our state is agriculture-related.

As we begin 2012, I am presenting this "State of Michigan Agriculture" to highlight Michigan's incredible strengths in the areas of agriculture, forestry and food systems, and the many opportunities we have to create new jobs in areas like food processing, bio-based manufacturing and agricultural production.

It has been a privilege to serve in this leadership role and to work with so many farmers, agri-businesses and leaders across the state to expand this important part of our state's economy. Many of these leaders shared their experiences by testifying before the U.S. Senate Agriculture Committee this past year, providing a strong Michigan perspective.

I look forward to continued growth and success in the coming year.

Sincerely,



Debbie Stabenow  
Chairwoman  
U.S. Senate Committee on Agriculture, Nutrition and Forestry

# Michigan Agriculture Highlights

**1/4** One out of every four jobs in Michigan depends on agriculture

**#1**

Michigan is the top producer of 18 commodities including dry beans, blueberries, cherries, and squash.

**\$71.3 billion** Agriculture's contribution to Michigan's economy

**Top 10** Michigan is among the top ten producers of another 30 commodities.

**1 million**  
jobs in Michigan rely on agriculture

**\$6.5 billion** Total value of Michigan's agricultural production

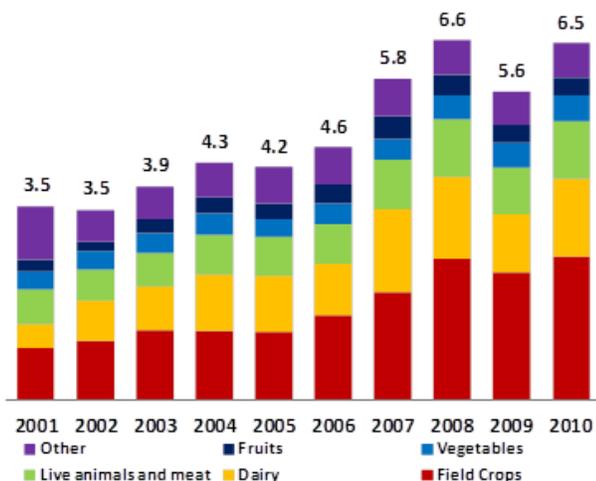
**200**

Michigan is second only to California in crop diversity, producing more than 200 commodities.

**85%** Percent increase in the value of production over the last 10 years

**1/3**

Michigan agricultural exports are equivalent to approximately one third of the total value of production



**\$1.75 billion**

The value of Michigan's agricultural exports

**65%**

Percentage of farms with less than 100 acres

**94%**

Percentage of farms in Michigan that are family-owned

Total value of Michigan crop production, in billions.  
Source: USDA National Agricultural Statistics Service

# Exports & Trade

## Agricultural Exports: Opportunities for Growth and New Markets

Exports of agricultural commodities and products represent a major source of potential growth for Michigan agriculture. Over the past 10 years, agricultural exports have grown by 230%. This exceptional growth is expected to continue, and represents a major opportunity for Michigan growers and businesses to expand their markets and create new jobs.

According to the Michigan Pork Producers, "The U.S. pork industry is expected to export an additional \$687 million in pork products and create 9,000 new jobs due to new opportunities in just South Korea."

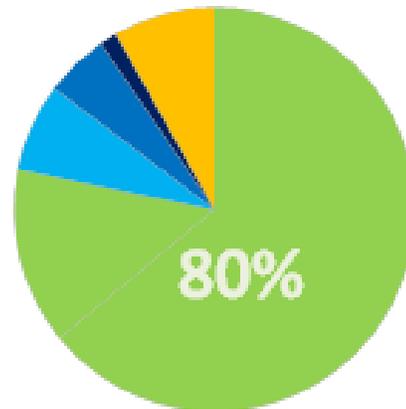
Michigan's Soybean Association predicts that "Michigan's second largest commodity is expected to export an additional \$3.7 million in soybeans due to new [trade] opportunities."

Michigan exports more than **\$1.75 billion** in agricultural products, the equivalent of about **1/3** of Michigan's agricultural production.

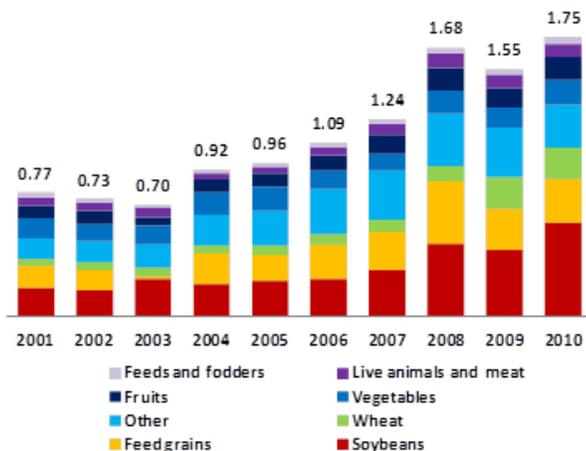
Michigan's agricultural exports result in the employment of more than **12,000** workers.

Agricultural exports are **230%** larger today than 10 years ago. The largest gains are from wheat (352%), soybeans (226%), feed grains (102%), fruits (82%), and livestock (67%).

Canada and Mexico are the largest export markets for Michigan agriculture, accounting for **80%** of exports. The next three largest markets are Japan, the European Union, and South Korea.



Soybeans are Michigan's largest export, accounting for more than **1/3** of exports in 2010. Feed grains, wheat, vegetables, and fruits accounted for an additional **44%** of exports.



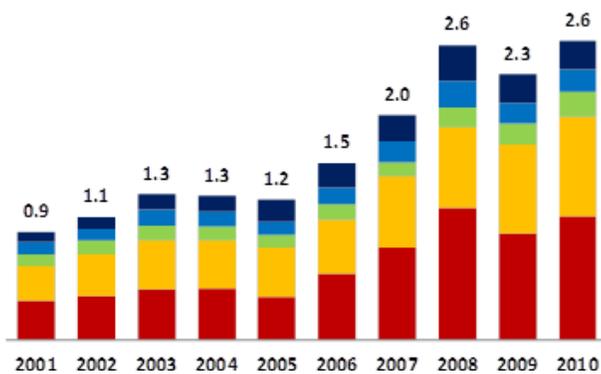
Value of Michigan ag exports, in billions of dollars.  
Source: USDA National Agricultural Statistics Service



# Agricultural Commodities

## Bio-fuels and Bio-based manufacturing: Growing Things and Making Things in Michigan

Michigan commodity production is valued at **\$2.6 billion**. Corn and soybeans account for **3/4** of total commodity production in Michigan.



Value of Michigan commodities, in billions of dollars.  
Source: USDA National Agricultural Statistics Service

The value of Michigan's commodity production is **270%** larger today than 10 year ago. The largest gains are from corn (213%), soybeans (196%), wheat (101%), and sugar beets (90%).

The sugar industry in Michigan provides nearly **11,000 jobs** and **\$1.2 billion** in annual economic activity in the state.

Michigan is home to **5** ethanol plants producing **268 million** gallons per year of bio-fuels.

Thanks to Michigan State's Biotechnology Institute (MBI) and other world-renowned research, there is significant growth potential in the bio-fuels and products industry. Today, only 4% of goods that are traditionally petroleum-based are now bio-based products. That figure is estimated to exceed **20%** by 2025, creating more than **100,000 jobs** across the United States.

## Michigan's Long Tradition of Bio-based Manufacturing

There are significant opportunities to grow Michigan's bio-based manufacturing and bio-fuels industries, providing promising growth opportunities in both agriculture and manufacturing sectors throughout the state.

There are currently over 80 companies manufacturing bio-based products in Michigan, and many more using bio-based materials in their products. The bio-based manufacturing industry is a bright spot in Michigan's economy as we are able to not only manufacture a host of bio-based products, but also grow the raw materials.

This kind of innovation is part of Michigan's rich agricultural and manufacturing heritage. Henry Ford was one of the pioneers



in developing ways that soy-based products could be used in automotive production. However, we have come a long way since the days of Henry Ford.

Today, our Michigan auto companies are using soybeans to make car parts, such as seats, interior panels, arm rests, sunshades, soy wire coatings, carpets, and structural foam. The new electric vehicles made in Michigan, including the Ford Focus and the Chevy Volt, both have seats made from soy foam. This is the kind of innovation that is propelling Michigan's economy forward.

Bio-based products are now being used as an alternative to petroleum in manufacturing a host of products such as plastics, cleaning products, soaps, insulation, foam products, and fabrics. By replacing imported petroleum with Michigan-grown crops like soybeans, we can spur new job growth and reduce our dependence on foreign oil.

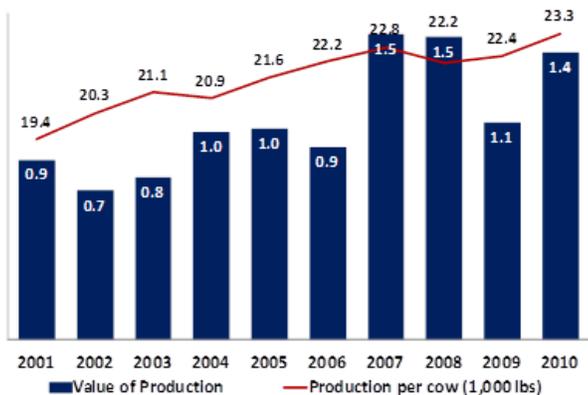
# Dairy

## Leading the Way in Farm Management and Environmental Stewardship

Michigan dairy production is valued at **\$1.4 billion**. The dairy industry contributes **\$5.9 billion** to Michigan's economy, accounting for approximately **23%** of the impact from all agricultural commodities combined. Michigan has **41** dairy manufacturing plants across the state.

There are approximately **2,700** dairy farms in Michigan. Family-owned farms account for **87%** of Michigan dairy farms and **86%** of all dairy farms have less than 200 cows.

The value of dairy production in Michigan increased **60%** over the past 10 years.



Value and production trends in Michigan dairy.  
Source: USDA National Agricultural Statistics Service

Milk production per cow increased **20%** over the same period, increasing from 19.4 thousand pounds to 23.3 thousand pounds per cow.

Michigan is a national leader in dairy cow productivity, a testament to the outstanding farm management and animal husbandry of both small and large dairy farms across the state.

## The Reid Dairy Farm

Reid Dairy Farm, in Jeddo, is owned by Jim Reid, along with his wife and son. The Reid Farm milks over 200 cows three times a day. In the past few years, the operation has tripled in size and production. Looking to bring the farm into the next generation, Jim's son, Jeff, recently completed the dairy management program at Michigan State University's Institute of Agriculture Technology.

A top priority at Reid Dairy Farm is producing high quality milk. The Reids optimize their cows' production by maintaining high standards for nutrition, animal health, and cow-comfort. For example, they keep detailed records of each cow's milk yield and quality, utilize high quality forages, and maintain a detailed breeding and herd health program.

Reid Dairy Farm is also dedicated to environmental stewardship. Their farm is verified through Michigan Agricultural Environmental Assurance Program (MAEAP), a voluntary program that encourages Michigan farmers to adopt cost-effective pollution prevention practices. In addition, the Reid Dairy Farm recently installed solar panels on the roof of their dairy barn to help save money on energy costs. The Reid Family Farm is a prime example of the outstanding herd management and environmental stewardship that is characteristic of Michigan family farms.

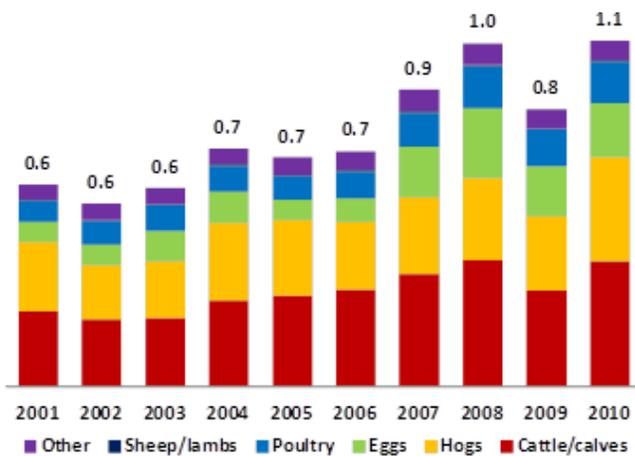


# Livestock

Michigan livestock products are valued at **\$1.1 billion**. Cattle and calves account for more than **1/3** of livestock production, followed by hogs, eggs, and poultry.

The value of Michigan livestock production increased **71%** over the past 10 years. The largest gains are from eggs (167%), sheep/lambs (148%), poultry (97%), and cattle/calves (67%).

Cattle and calves represent the **5th largest** agricultural commodity for Michigan.



Value of Michigan's livestock industry, in billions.  
Source: USDA National Agricultural Statistics Service

Michigan produced **2.9 billion** eggs last year.

Exports of Michigan livestock represent a tremendous opportunity for growth. Livestock exports reached **\$97 million** last year, an increase of **68%** from 2001.



State of Michigan Agriculture

## Herbruck's Poultry Ranch

Herbruck's Poultry Ranch, located in Saranac, is Michigan's largest egg farm. Brothers Greg, Steve, Herb and Terry Herbruck manage the operation that their parents started in 1958 with only 6,000 hens. With three generations now working on the farm, it has now grown into one of the country's largest producers of organic eggs. The Herbrucks produce a variety of eggs, including brown organic, cage free and conventional white table eggs.

The Herbrucks continue to expand the organic portion of their business, which represents its fastest growing segment. In 2008, they announced that they were adding 340,000 organic laying hens in addition to a new facility, creating an additional 40 jobs near Saranac. The Herbrucks now have plans to grow the number of organic laying hens to 1.25 million by the year 2012. They currently market their organic and cage free eggs under the labels Green Meadows and Eggland's Best.

The Herbrucks are committed to making their farm operations sustainable for future generations. They are certified through the voluntary Michigan Agricultural Environmental Assurance Program (MAEAP).

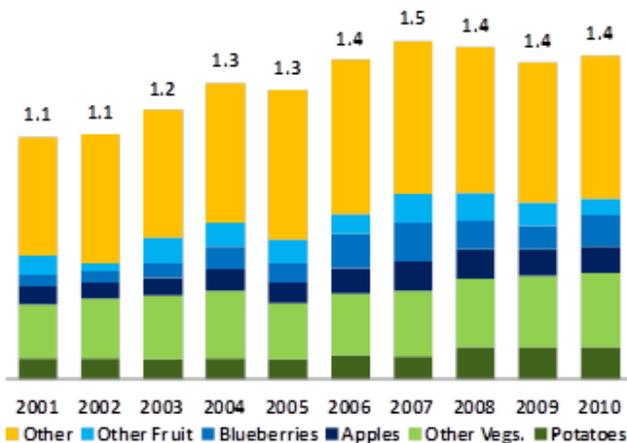
## Making Strides Toward Bovine TB Eradication

Michigan cattle producers are continuing to make strides toward combating a disease called bovine tuberculosis. This disease is carried in wildlife and can be transmitted to cattle by deer. This challenging disease has caused the number of cattle to sharply decline in the affected area. However, due to the hard work of our producers and the eradication program, our farms are better protected against this disease. Through the advocacy of Senator Stabenow, the USDA increased the resources dedicated to the eradication of Bovine TB in the State of Michigan by an additional \$1.5 million.

# Specialty Crops

## A National Leader in the Production of Healthy Fruits and Vegetables

Michigan specialty crop production, which includes fruits and vegetables, is valued at **\$1.4 billion**. Michigan is the **#1** producer of 18 commodities including dry beans, blueberries, tart cherries, pickling cucumbers, squash, and several floriculture products, such as geraniums, impatiens, and petunias.



Value of Michigan specialty crop production.  
Source: USDA National Agricultural Statistics Service

The value of Michigan specialty crop production increased **33%** over the past 10 years. The largest gains were from blueberries (169%), pumpkins (118%), sweet corn (95%), tomatoes (63%), onions and pickling cucumbers (61%), and potatoes (53%).

Michigan produces 200 agricultural products – more than any other state, except California:

- Produces **77%** of the nation's tart cherries
- Produces **1/3** of the nation's blueberries
- **3rd** largest asparagus producer in the nation
- **5th** largest nursery plant producer in the nation

## Elzinga & Hoeksema Greenhouses

Elzinga & Hoeksema Greenhouses, in Portage, MI, is one of southwest Michigan's largest commercial greenhouses. Founded in 1962, Elzinga & Hoeksema is a sustainable commercial operation with over 30 acres of greenhouse production, producing a wide variety of flowering annuals, vegetables, herbs and accent plants.

E&H is producing products for a wide variety of markets including spring annuals to major retailers like Meijer, and products to food service distributor, Sysco. Mark Elzinga, owner of E&H, has worked to pioneer new labels like Fresh Flavors and Ethnic Flavors.

E&H has also been recognized for its state-of-the-art greenhouse system that maximizes energy efficiency and allows E&H to continue to supply fresh winter produce and locally grown tulips throughout the winter months. By utilizing geothermal, solar and wind technology, E&H has reduced energy needs throughout its operation.

The company has been certified organic through the National Organic Program and maintains certifications in food safety practices and pollution prevention techniques through USDA for Good Agricultural Practices and Good Handling Practices and the Michigan Agricultural Environmental Assurance Program (MAEAP).



# Locally Grown Food

## Providing Healthy Food in our Schools and Local Communities

Sales of Michigan farm products directly to consumers were **\$59** million in 2009.

Michigan has **349** farmers markets, ranking **3rd** in the country behind only California and New York. The number of farmers markets has increased four-fold since 2000.

### MI Farmers Markets



These farmers markets are increasingly serving those hardest hit by Michigan's economy. In 2011, **82** Michigan farmers markets accepted Bridge Cards, up from only 49 in 2010 and 3 in 2006. In 2011, nearly \$300,000 in SNAP benefits were redeemed at farmers markets. That is an increase of 138% over 2010.

The Michigan Department of Agriculture estimates that spending **\$10** per household per week on locally grown foods would put **\$40 million** back into circulation in the Michigan economy.

Over **60** Michigan schools are involved in the Farm to School Program, which connects K-12 schools to local farms. As a result, students enjoy healthier meals in school cafeterias, improved nutrition, and opportunities to learn more about agriculture and nutrition.

## Farmers Markets

As the second most agriculturally diverse state in the nation, Michigan is able to provide much of the food our residents need for a healthy diet right here at home. Increasing demand for locally grown food has opened new markets for Michigan farmers, strengthening local economies and increasing access to healthy foods.

Farmers markets like Detroit's Eastern Market serve as both a contact point for local farmers and consumers, and a thriving community center.

The Market runs year-round, playing host to as many as 40,000 customers and 250 farmers, artists, and small business owners selling fruits, vegetables, meat, poultry, cheese, baked goods, wine, and even art. As a "food hub," Eastern Market provides wholesale services to the region's small and midsize producers.

The market also focuses on improving the diets of low income individuals by having cooking demonstrations, hosting nutrition classes for low income families, and conducting market tours for students to learn more about the food they eat.

Since 2009 Eastern Market has been involved in the Double Up Food Bucks program, which allows Bridge Card users to double the value of their purchases (up to \$20 per market visit), and use their rewards to obtain fresh fruits and vegetables.



# Michigan Conservation & Outdoors

## Michigan Outdoors, Conservation and Great Lakes

Hunting, fishing, and other wildlife activities contribute more than **\$3 billion** to Michigan's economy.

Recreation related to fish and wildlife directly supports **33,000 jobs**.

**One in six** Michigan residents hunt or fish.

With the support of the USDA, Michigan farmers are implementing innovative conservation practices throughout the state to restore and protect wildlife habitats, our Great Lakes and more than **36,000 miles** of rivers and streams.

### Controlling the Cormorant: A Success Story

Just 10 years ago, the population of double-crested cormorant birds was at an historic high, decimating fisheries throughout the Great Lakes region. Senator Stabenow heard from countless constituents, communities, and businesses in Michigan who were impacted by this bird's destructive behavior. Over the past decade, she worked closely with the United States Department of Agriculture's Wildlife Services to secure funding and implement cormorant control projects throughout Michigan. These control methods, which included practices such as the oiling of eggs, has resulted in a dramatic reduction in the bird's population and the restoration of fishing habitats in the UP, Northern Michigan and other communities across the state.

### Easements Conserve Farmland

Thanks to conservation easements that protect farmland from encroaching suburban growth, Shoreline Fruit, Inc. in Acme Township will be able to expand, adding between 45 and 70 new jobs to the region. "Our family, and the business partners we work with, are committed to agriculture in this region for the long-term. When we plant new cherry trees we are making a 35-40 year investment in agriculture", says Nels Veliquette, Special Project Manager with the family's companies. "Fruit farming and our processing business depend on the large agricultural areas our region enjoys to ensure that our business can be conducted without conflicts with non-farm neighbors, and other impediments to farming."



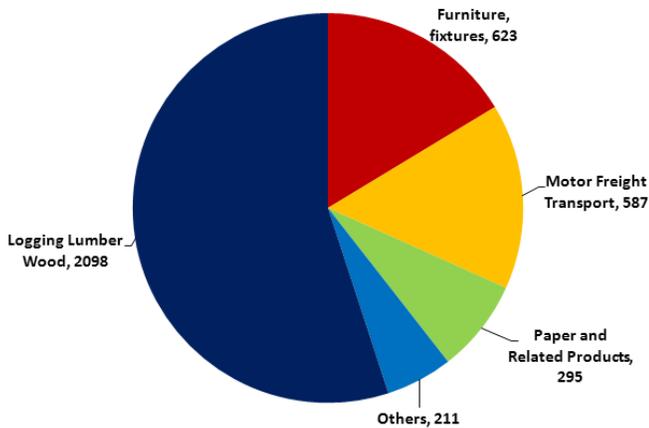
### Restoration of Michigan's Pheasant Habitats

Over the years, Michigan's pheasant population has significantly declined due to lost habitat and other environmental factors. In January of 2011, Senator Stabenow joined Pheasants Forever, Michigan United Conservation Clubs, the Michigan Department of Natural Resources, the U.S. Fish and Wildlife Service and other partners to launch Michigan's Pheasant Recovery Initiative. This Initiative brings stakeholders together to support the long-term recovery of wild pheasants in Michigan. It involves local landowners in conservation and wildlife habitat restoration, and opens these lands to the public for future pheasant hunting. This effort was made possible by support from the USDA's Farm Service Agency.

# Forestry

## Michigan Forests Create Jobs

Michigan's forest products industry accounts for **10%** of the state's manufacturing jobs, supports **154,000** jobs and contributes **\$12 billion** annually to Michigan's economy.



Number of Michigan forest product companies by product.  
Source: Michigan Department of Natural Resources

With over half of the State of Michigan covered by forests (approximately **19.3** million acres), Michigan attracts visitors from across the country to enjoy its many outdoor recreational areas.

Forest-based tourism creates an estimated additional **50,000** jobs and generates another **\$3 billion** for Michigan's economy.

Michigan's timberland is the **5th** largest in the United States.

Michigan's forest products industry includes, land-owners, foresters, sawmills and manufacturers of cabinets, furniture, flooring, pulp, paper, lumber, and many other wood products.

## Michigan: Leading the Way in Bio-fuel Research

Biofuel is an alternative to petroleum-based fuels and is derived from biomass. One form is woody biomass - shrubs, trees or waste products left behind after forest harvesting that can be turned into cellulosic ethanol and used as a component of fuel.

Michigan's colleges and universities are at the forefront of cutting edge research to develop plant based alternatives to petroleum based fuels. This research is creating new opportunities for the creation of new clean-energy sources, innovative new companies and clean energy jobs.

For example, the Forestry Biofuel State-wide Collaboration Center focuses on turning woody biomass into fuel. Both Michigan State University and Michigan Technological University are leaders in this Center. These universities are also involved with the Feedstock Supply Chain Center of Energy Excellence.

This Center is focused on the research of pulpwood logs to be used as a biorefinery fuel. Work in this area is also being done by the 1,700-acre MSU Forest Biomass Innovation Center in Escanaba which is leading a number of initiatives to increase the sustainable use of wood in Michigan's expanding bioeconomy.



# Michigan's Rural Economy

## Rural Economic Development

Rural communities across both our upper and lower peninsulas are a vital part of Michigan's economy. Whether through roads, water and sewer lines, broadband Internet communications, housing or rail, they provide the infrastructure for a productive and thriving economy in areas such as agriculture, tourism and manufacturing, as well as economic opportunity for their residents.



Last year, **37** Michigan businesses were assisted with Rural Business Enterprise Grants, and **137** received guaranteed loans or grants through the USDA Rural Development. These loans were achieved with a low delinquency rate comparable to the highest grade of commercial finance, ensuring that taxpayer dollars are being well spent.

Last year, with the support of USDA rural development, **35** rural communities were able to purchase emergency vehicles, **24** received water or sewer improvements and **28** built or renovated fire stations and other community buildings.

**87,786** households in Michigan do not currently have access to a higher-speed, broadband Internet service.

Rural development loans and loan guarantees to Michigan businesses, communities and residents currently total more than **\$4.3 billion**.

## Michigan Farmers Working Together to Create Jobs

Creating long-term, sustainable economic development can be a challenge in rural communities. There are a number of industries and small businesses in rural Michigan that are meeting that challenge. One example is the food processing industry, which employs more than 130,000 Michigan residents and has been a bright spot in the state's economy in recent years.

It is particularly exciting to see small businesses and cooperatives such as the Michigan Turkey Producers Cooperative emerge and thrive in our communities. At a time when the future looked bleak for the state's turkey industry, a group of 15 turkey farmers joined together to form the Cooperative. Support from the USDA Rural Development helped the Cooperative early on with planning and working capital expenses.

This Cooperative began by selling only live turkeys, but today it markets a variety of turkey-based products to companies located throughout the United States, such as Sysco, Gordon Foods, and Superior Seafoods.

