



Michigan Tree Fruit Commission

March 16, 2017

Dear House Ag Appropriation Members:

Thank you for the chance to testify last week before your committee. I also want to thank you for all you do for Michigan agriculture. The Michigan Tree Fruit Commission (MTFC) is made up of apple, cherry, peach and plum growers and passed in a grower vote in March of 2014. The goal of the MTFC is to address the aging infrastructure of the four fruit research stations in the state as well as addressing key research and extension programs. Today apple, cherry and peach growers pay assessments to fund their respective research and promotion programs as well as an additional assessment to the MTFC to fund infrastructure needs at Michigan State University fruit field stations.

Why Infrastructure? Over the past 10 years the tree fruit research stations have lost 50% of their funding. When the down turn in the economy happened in 2008 Michigan State University Extension mostly invested in people. AgBio Research had to reduce their investment in operations, equipment replacement and facility maintenance.

The MTFC is working on a five year partnership plan to back fill the loss of revenue to revitalize our tree fruit stations. What historically was funded purely with state dollars is now funded in partnership with fruit growers and the assessment they collect annually. It is a \$6 million plan over a five year period to rebuild labs on research farms, purchase/replace tractors and sprayers, plant new orchards, put in new irrigation systems, appropriately staff the tree fruit stations and do everything possible to position the tree fruit industry to be competitive into the future. Research is key for the fruit industry as we face new invasive pests like Spotted Wing Drosophila (SWD) that emerged as a major threat in 2014. SWD is a very serious problem for the cherry industry and is unique to the environment here compared to other regions of the U.S. Research stations are working with growers and conducting applied research to manage this new pest. To do this work they need the tools and equipment on site to evaluate and diagnose problems. As an example, a request came from the Trevor Nichols Station in 2014 for a new plot sprayer. This sprayer is set up to spray field plots critical to conduct pesticide evaluations. The sprayer they were using was discontinued in 1990. The technology was out dated and badly need updating. This is but one example of why this funding is so critical to the future of the tree fruit industry.

The Legislative report I handed out highlights the investments made the first two years. We will begin to allocate funding soon for year three.

The \$1.5 million request in the budget will catch the state funding up and wrap up the final match to complete the project. This is a one-time funding to complete the partnership journey that started three years ago by the fruit growers and that state.



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We are administering this program with no administrative overhead. I as Chairman donate my time and the fruit commodity group Executive Directors all contribute their time so that every dollar collected is put to work to address the infrastructure needs for the industry. It has never been done before and I am really pleased with my colleagues who work with me on this project. The Michigan Department of Agriculture and Rural Development has oversight of the program and attends all of the meetings.

Attached are the total expenditures for 2015 & 2016 and projects that are underway. We also have been using Specialty Crop Block Grant funding to upgrade enviro-weather stations in the tree fruit production region. In 2014 we received \$80,000 to upgrade 16 weather stations; in 2015 we received \$74,000 to upgrade the apple, cherry and peach models that run on these weather stations. In 2016 we received \$99,000 in funding to make the information mobile ready and to pay for the software and sensors for the two frost evaluation towers. Enviro-weather gives growers a tool to make pesticide application decisions (IPM) and ultimately reduces the use of pesticides sprayed and saves growers money.

The MTFC is patterned after Project GREEN, another very successful initiative. The MTFC, like Project GREEN, is funding the industry's highest priorities. We are asking allied industries for donations and have had an orchard sprayer, tree planter, wind machine, pesticides, pruners and trees donated. When we can't get donations we are often able to purchase at a reduced price. In the fall of each year we ask station coordinators, researchers and extension educators for their highest priority infrastructure needs. In January we receive and discuss those priorities. In the spring we fund the priorities that we could not get donated.

This program is farmer driven, has oversight from the Michigan Department of Agriculture and Rural Development and funds are dispensed in public meetings open to all to attend.

Thank you in advance for the questions as well as the support. If you have further questions, I can be reached at jimnugent6@gmail.com or 231-631-2760.

Sincerely,

Jim Nugent
Fruit Grower, Suttons Bay, Michigan
Chairman of the Michigan Tree Fruit Commission

Michigan Tree Fruit Commission				
Items Approved for Funding				
August 2015				
	APPROVED	SPENT	REMAINING	STATUS
Clarksville				
500 Gallon Sprayer	\$ 33,160	\$ 33,160.00	\$ -	Purchased July 2015
Update Irrigation Controllers	\$ 44,300	\$ -	\$ 44,300.00	
Apple Tree Plot Establishment	\$ 30,000	\$ -	\$ 30,000.00	
Back Flow Preventor	\$ 2,500	\$ -	\$ 2,500.00	
Station Operations	\$ 10,000	\$ -	\$ 10,000.00	
TOTALS	\$ 119,960	\$ 33,160.00	\$ 86,800.00	
NW Hort Research Center				
Variable Frequency Drive for Well	\$ 13,000	\$ -	\$ 13,000.00	
Deer Fence with Cattle Gates	\$ 40,000		\$ 40,000.00	
OTR Harvester	\$ 10,000	\$ -	\$ 10,000.00	
Plot preparation	\$ 13,000		\$ 13,000.00	
Computers (6)	\$ 8,500	\$ -	\$ 8,500.00	
Station Operations	\$ 10,000		\$ 10,000.00	
TOTALS	\$ 94,500	\$ -	\$ 94,500.00	
SW MI Research & Extension Center				
Bacterial Disease Epidemiology	\$ 10,500		\$ 10,500.00	
Irrigation Control System Enhancements	\$ 13,500	\$ 13,500.00	\$ -	Paid March 2015. Total \$45,000. MABR - remainder@ \$31,500
Well Enhancement (\$45,000)	\$ -	\$ -	\$ -	Paid March 2015 MABR 100%
Pickup Truck	\$ 25,800		\$ 25,800.00	PO# 255026 August 2015
Station Operations	\$ 10,000		\$ 10,000.00	
TOTALS	\$ 59,800	\$ 13,500.00	\$ 46,300.00	
Trevor Nichols Research Center				
Evaluation Lab Renovation	\$ 80,000		\$ 80,000.00	
Fruit Barn Renovation	\$ 20,000	\$ -	\$ -	LMO 100%
Research Sprayer	\$ 23,197	\$ -	\$ 23,197.00	PO# 250460
Station Operations	\$ 10,000	\$ -	\$ 10,000.00	
	\$ 133,197	\$ -	\$ 113,197.00	
MSU Extension				
WC Hort Agent Position	\$ 43,000	\$ -	\$ -	Funds transferred when hired
Professional Development	\$ 30,000	\$ -	\$ 30,000.00	
Apple Ridge Project	\$ 50,000	\$ -	\$ 50,000.00	\$20K MSHS; \$15K MI Apple
MTFC \$50,000	TOTALS	\$ 123,000	\$ -	\$ 80,000.00
MI Hort \$20,000				
MI Apple \$15,000				
TOTALS	\$ 530,457	\$ 46,660.00	\$ 420,797.00	matches MSU account RN100214 July 2015

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Items Approved for Funding					
August 2016					
	APPROVED	SPENT	REMAINING	STATUS	
Clarksville					
Update Irrigation Controllers	\$ 44,300		\$ 44,300.00	PO#300959 Koviack Irrigation 6/22/16	
Apple Tree Plot Establishment	\$ 30,000	\$ 20,934.00	\$ 9,066.00	PO# 287245 5/20/2016	
Back Flow Preventor	\$ 2,500		\$ 2,500.00		
Amy Iezzoni Deer Fence	\$ 1,328	\$ 1,328.00	\$ -	Paid June 2016	
Station Operations 2015	\$ 10,000	\$ 10,000.00	\$ -	Station Upgrades	
Plantings 2016/17	\$ 170,000		\$ -	Approved \$100K June; \$70K Aug PO's issued	
Deer Fence	\$ 70,000	\$ -		Approved \$70K June	
Orchard Platform	\$ 50,000	\$ -	\$ 50,000.00	Gelder & Sons, PO# 300235 5/24/2016	
G. Lang Cherry Planting	\$ 24,550	\$ 20,328.47	\$ 4,221.53	PO# 297557 and PO# 298863	
Station Operations 2016	\$ 10,000	\$ 6,346.29	\$ (6,346.29)	Approved \$10K June	
TOTALS	\$ 412,678	\$ 58,936.76	\$ 103,741.24		
NW Hort Research Center					
Variable Frequency Drive for Well	\$ 13,000	\$ 12,825.00	\$ 175.00	Purchased October 2015	
Well Replacement	\$ 25,000	\$ 25,960.43	\$ (960.43)		
Deer Fence with Cattle Gates	\$ 40,000	\$ 31,000.00	\$ 9,000.00	Paid January 2016	
OTR Haverster 2015	\$ 10,000	\$ 10,000.00	\$ -	Paid September 2015	
Plot preparation	\$ 13,000	\$ 6,450.00	\$ 6,550.00	PO# 294057 JT General Service (\$4,090)	
Computers	\$ 8,500	\$ 3,846.76	\$ 4,653.24		
Station Operations 2015	\$ 10,000	\$ 7,226.88	\$ 2,773.12		
Harvester Rental 2016	\$ 10,000	\$ -	\$ 10,000.00		
HD Apple Plantings	\$ -	\$ 1,053.70	\$ (1,053.70)	Approved \$3K June and \$7K August	
HD Cherry Plantings	\$ -	\$ 1,955.00	\$ (1,955.00)	Approved \$3K June and \$7K August	
Platform	\$ 50,000	\$ -	\$ 50,000.00	Gelder & Sons, PO# 300235 5/24/2016	
Station Operations 2016	\$ 10,000	\$ -	\$ -	Approved \$10K June	
TOTALS	\$ 189,500	\$ 100,317.77	\$ 79,182.23		
SW MI Research & Extension Center					
Bacterial Disease Epidemiology	\$ 10,500	\$ -	\$ 10,500.00		
Pickup Truck	\$ 25,800	\$ 24,454.00	\$ 1,346.00	PO# 255026 August 2015 and Feb 2016	
Produce Building & Equipment	\$ 60,000	\$ 60,665.81	\$ (665.81)	PO# 289290 and PO# 291304	
Station Operations 2015	\$ 10,000	\$ 10,000.00	\$ -		
Sprayer	\$ 13,750	\$ -	\$ 13,750.00	Total: \$23,044 MABR - remainder	
Tractor	\$ 23,200	\$ -	\$ 23,200.00	Total: \$45,650 MABR - remainder	
Deer Fence	\$ 22,000	\$ -	\$ -	Approved \$22K June	
Station Operations 2016	\$ 10,000	\$ 115.07	\$ (115.07)	Approved \$10K June	
TOTALS	\$ 175,250	\$ 95,234.88	\$ 48,015.12		
Trevor Nichols Research Center					
Dirt Lab Renovation	\$ 80,000	\$ 75,666.67	\$ 4,333.33	PO# 286332	
Research Sprayer	\$ 23,197	\$ 22,465.90	\$ 731.10	PO# 250460 January 2016	
Station Operations 2015	\$ 10,000	\$ 10,000.00	\$ -		
Lab Equipment	\$ 45,000	\$ 17,833.73	\$ 27,166.27	PO's issued	
Apple Planting	\$ 12,000	\$ -	\$ -	Approved \$6K June and \$6K August	
Dorm Upgrade	\$ 12,000	\$ -	\$ 12,000.00		
Station Operations 2016	\$ 10,000	\$ 704.20	\$ (704.20)	Approved \$10K June	
TOTALS	\$ 192,197	\$ 126,670.50	\$ 43,526.50		
MSU Extension					
WC Hort Agent Position	\$43,000	\$ -	\$ -	% of position or total salary and fringe	
Nematology Position	\$11,429	\$ -	\$ -		
Tree Fruit Physiology Startup (Einhorn)	\$56,667	\$ -	\$ -	Approved \$56,667K August Yr 1/3	
Tree Fruit Physiology Startup (Hollender)	\$75,556	\$ -	\$ -	Approved \$75,556K August Yr 1/3	
Professional Development	\$ 29,597	\$ 1,292.93	\$ 28,304.07	Spent to date	
Apple Ridge Project	\$ 70,000	\$ 70,839.15	\$ (839.15)	expense to be corrected.	
MTFC \$50,000	\$286,249	\$ 72,132.08	\$ 27,464.92		
MI Hort \$20,000					
OTHER					
G. Sundin Custom Sprayer	\$ 19,292	\$ 17,500.00	\$ 1,792.00	PO# 292928	
TOTALS	\$ 19,292	\$ 17,500.00	\$ 1,792.00		
GRAND TOTAL	\$1,275,166	\$ 470,791.99	\$ 303,722.01	Matches MSU Account July 2016	
Note: June check for \$280,500 was just recently cashed and is not reflected on MSU Account yet					
Remaining funds after project completion. Will be swept into FY 2016-17 Income for redistribution.					