

FALL 2005

Michigan Apple

NEWS



Michigan Apple Committee
www.MichiganApples.com

New Help Coming to Prevent Neglected Orchards!

Michigan expects \$250 per acre to remove unneeded orchards

A breakthrough cost share tool may be on the horizon for Michigan apple growers facing the difficult decision to abandon an orchard.

MAC Director **Denise Yockey**, MACMA Manager **Dawn Drake** and Michigan State Horticultural Society Secretary **Allyn Anthony** have been working for two years to make progress on neglected orchards, which are a significant problem for many commercial apple growers.

A Natural Resources Conservation Service (NRCS) program in North Carolina to remove neglected orchards came to Michigan's attention last spring. Through NRCS's EQIP program, North Carolina growers can receive \$250 per acre (cost share) to remove an orchard and convert it to nonapple production.

MAC, MACMA and MSHS began working with MSU's **Dr. Mike Brewer** to show how EQIP funds could avoid more neglected orchards here.

EQIP can only fund agricultural land that has been in commercial production (\$1000 or more) in at least two of the last five years, so it is not a solution for many existing neglected orchards. But it should be very helpful as growers retire or take land out of apple production.

While details are yet to be developed by NRCS-Michigan staff, the apple delegation has requested \$250 per acre, which is half of the estimated \$500 per acre removal cost. The program is not intended for apple orchard renovation.

Additional EQIP funds may be available to applicants to achieve erosion control, replant to lower intensity agriculture or forestry, or other land management practices as the land is converted out of apple production. EQIP contracts for orchard removal will likely be three to five years in duration.

EQIP supports removal of an unneeded orchard because it:

- reduces chemical applications leading to improved air and water quality
- decreases pest populations in viable apple orchards
- may reduce insect resistance
- converts land to less-intensive agricultural uses

The NRCS Michigan Technical Steering Committee endorsed EQIP for neglected orchards in early October, and recommended it begin in the current fiscal year (2006).

Their recommendation has been sent to NRCS State Conservationist **Jack Bricker**, who makes the final decision. Bricker has already received a letter endorsing the project from then-Michigan Department of Agriculture Director **Dan Wyant** and Michigan Farm Bureau President **Wayne Wood**.

Grower Surveys Were Critical

Much of the background needed to achieve this expansion of EQIP for orchard removal came from the Michigan Agricultural Statistics Service (MASS) surveys sent in by growers in 2003.

For the first time, grower surveys estimated the amount of abandoned apples, allowing industry, state and federal agencies to know the approximate cost to correct this situation.

Officials now recognize that neglected orchards is not a giant, unsolvable problem, but appears to be limited to 800 acres. The survey also indicated the average size of a neglected orchard, which is critical when looking for funding support.

And we now know this is primarily an apple problem. Of all abandoned fruit acreage, 81 percent of the problem is apples, which is why MAC, MACMA and MSHS have joined forces to provide leadership.

Michigan Apples in MSU Cafeterias!

Over the years, apple growers who've sent their children to Michigan State University have complained the dormitory cafeterias are serving that "other state's" apples.

That got MAC wondering why in the third-largest apple producing state—which is home to many varieties of flavorful apples—the land-grant college didn't support the homegrown apple.

Further, some wondered, since apple growers have supported over \$200,000 of research annually at MSU over the last decade(s) shouldn't the University return the favor by purchasing Michigan apples?

Last December, MAC set out to turn MSU into a loyal Michigan apple customer. MAC board member **Mark Doherty**, Riverridge shipper **Don Armock** and **Denise Yockey** met with the top tier of MSU Food Service staff in January.

The apple delegation presented MSU with a variety of crisp Michigan apples and learned more about the university's food service procurement, including:

- MSU has 15,000 students in dormitories
- It serves 30,500 meals per day
- MSU served 30 cases of apples per week in 2004. (This is about one apple per week for every 5th student!) About 90 percent of these were not Michigan apples.
- MSU's annual food service budget is \$50 million



Pictured, l-r: MAC Board Chair Julia Baehre Hersey and Executive Director Denise Yockey present an apple gift basket to MSU President Lou Anna K. Simon.

Marketline Website

by James Krenek, MIFFS

Sell at: www.miffsmarketline.org/

Since its inception in 2001, *Marketline* has been a successful marketing tool for linking buyers and sellers of Michigan agricultural products and services.

The Marketline directory is easy to use for selling or locating fresh and locally produced Michigan foods. Michigan's "Marketline" www.miffsmarketline.org is a free Internet website where farmers can list their farm products directly on the Internet.

Buyers such as restaurants and food stores can list their desire to source local foods on this website.

Michigan's Marketline lists farm products and services by county and product, and provides directions and other contact information for locating local farm food and recreational sources. Also listed are farmers' markets and U-pick opportunities in Michigan.

MIFFS Michigan's Marketline is a project of the nonprofit Michigan Integrated Food and Farming Systems (MIFFS).

The apple group also learned about MSU's suppliers, the delivery systems and special events in the cafeterias. MSU indicated that Michigan apples were often unavailable, more costly, inconsistently sized and frequently damaged—which may be a result of distribution through food service.

Meetings continued and MAC was delighted to learn in July that MSU was planning a large apple promotion in September. Menus were reworked to include both fresh and processed Michigan apples in a variety of dishes.

MAC supplied T-shirts, baseball caps, pencils, signs, banners and many other apple promotional items to create an apple festival for each dorm cafeteria.

The apple promotion was capped by a breakfast in Brody Hall Cafeteria, one of the world's largest nonmilitary cafeterias, with **MSU President Lou Anna Simon** and some college students as a show of support for Michigan apples.

MAC Chair **Julia Baehre Hersey** presented President Simon with a basket of Michigan apple products, and congratulated the University on committing to Michigan apples. MAC will continue to work with MSU to ensure the institution has a ready supply of Michigan apples.

MAC is looking for that grower willing to "tattoo" apples with MSU's Spartan "S"! This is a natural up-scale product for concessions and catering at sporting events, stores on campus, and high-profile events.

Report on Putting the Farm Bill to Work in Michigan

by Larry Elworth, Center for Agricultural Partnerships, Ashville, North Carolina

“Putting the Farm Bill to Work in Michigan” has increased the ability of specialty crop producers in Michigan, including apple growers, to use federal conservation programs to reduce pesticide risk and conserve natural resources.

The project was a cooperative effort with Michigan State University IPM Program, Cherry Marketing Institute, Michigan Asparagus Advisory Board, Michigan Nursery and Landscape Association, Michigan Apple Committee and Gerber Products.

The return on investment from this effort over the past two years has been significant. Considering only the areas for which there are complete results—Leelanau and Oceana—the overall investment of grant and in-kind resources of roughly \$300,000 yielded \$3 million in EQIP contracts for growers and as

much as \$6 million in conservation practices.

The final total will be even larger once the results from apple and nursery crop growers are compiled.

It seems we've reached a tipping point of awareness in Michigan that will lead to increased EQIP interest in other counties where the program will soon be available.

Efforts to increase grower awareness began in the summer and fall of 2004 with news articles that highlighted EQIP participation by fruit, vegetable and nursery growers.

Although final data is not yet available from NRCS, information provided by consultants in Oceana,



Mason, Leelanau, Grand Traverse, Antrim and Benzie counties indicates 34 of the client growers have received contracts covering 7,183 acres of cropland.

In other good news, the Michigan team proposed and won an increased payment rate from NRCS for IPM practices. The incentive payment rate is now set at \$60/acre for fruit, vegetable and nursery crops with a cap of \$5,500 per farm annually.

It seems we've reached a tipping point of awareness in Michigan that will lead to increased EQIP interest in other counties where the program will soon be available.



Michigan Apple Queen Paula Fisher stands at the display at the Grand Rapids Beaner's location.

MAC and Beaner's Kick Off National Apple Month

The Michigan Apple Committee was on hand to kick-off National Apple Month with Beaner's Coffee Shops on October 6. The Michigan-based coffee chain makes a seasonal Hot Caramel Apple Cider drink with Michigan apple cider.

Representatives from the MAC staff as well as 2005 Michigan Apple Queen Paula Fisher handed out apples at the Beaner's on Plainfield Avenue in Grand Rapids. Growers in the area were invited to the event to celebrate National Apple Month.

Beyond the event, organized by Beaner's, MAC supplied information and recipes at the Grand Rapids location, and the Michigan Apples logo was featured on 15 billboards.

MAC Accomplishments: 2004-2005

From time to time MAC receives calls from growers asking what the organization is doing in return for their assessment dollars. MAC's staff and board are glad to answer this question, because it's probably a lot more than you think, no matter whether you sell through a fresh apple shipper, a processor or a farm market. The following are some key accomplishments:

MAC Improvements

- MAC collected approximately \$106,000 in FY2005 from the two long past-due assessment situations. Another case is being pursued through MDA.
- Possibly as a result of the serious approach to assessment collection or outreach efforts, MAC has had approximately 26 apple organizations pay assessments in 2004-2005, who had not previously, or recently, done so.
- A thorough review of banking costs was completed, resulting in a switch to a less costly series of accounts.
- MAC obtained timely appointments and re-appointments by Governor Granholm to its board in FY2005.
- MAC completed an on-time, on-budget move to new facilities in February 2005. This was necessitated by a longer-term lease and significantly increased rent in the previous location. The new location is more accessible to West Michigan and the airport.

Michigan Apple Research Committee/Research

- **Denise Yockey** and MARC worked to implement new research solicitation and evaluation procedures, including a first-ever call for preproposals. The second year of Memoranda Of Understandings with MSU researchers was seamlessly implemented last spring.
- MARC has identified a scientific advisor to assist in reviewing experiment design, outcomes, and other research features to ensure the committee is obtaining the best possible results with grower funds.
- MAC added **MACMA's Dawn Drake** to the Tree Fruit Road Map Steering Committee and has created a Michigan proposal for federal funding of sensor/ag engineering technology.
- MAC coordinated a first-ever campus visit for apple shippers and board members to better understand campus capabilities for departments not often seen in apple growers' orchards. An annual visit to the Department of Agriculture Engineering will likely be expanded to include Packaging and Food Science in FY2006.
- MAC hosted an industry informational meeting open to all processors and shippers to present results of MSU's fresh-cut apple market research.

MAC Staff Resources

- MAC has contracted **Scott Hoerman**, as Northern Merchandising Manager, to call on fresh apple accounts full time for eight months per year. He is based in Chicago, which should be helpful in re-opening this market to Michigan apples.
- MAC's Southern Merchandiser, **Ken Meyer**, assumed full national responsibility for processed apple accounts, an area where he has expertise and interest.
- MAC has contracted with **Greg Wilson**, a part-time merchandiser who represents fresh and processed apples to Michigan school districts, and represents processed products in grocery store visits.
- MAC has hired a high school student assistant to execute mailings, packaging projects, and other support tasks.



Scott Hoerman

Budget

- MAC ended FY2004 with a surplus, and closed fiscal 2005 the same way.

Grower Relations

- MAC has improved support to the processing community, including working additional food shows and following up on leads. MAC completed a new trade show booth for processed product, a new ingredients brochure, and translated 18 recipes into institutional formats.
- MAC continues to emphasize farm marketers, including developing a specific package of marketing tools and services for them.
- The Executive Director now serves as an officer in the Great Lakes Fruit Exporters Association, an export trading company, to facilitate exports to Mexico.
- MAC again held one-on-one meetings with shippers and processors in July, so that information on marketing activities can be more fully shared and budget planning can be more accurate.

Government Relations

- MAC participated in two legislative outreach forums, including its own held in October 2004.
- Via U.S. Apple, Michigan growers again held educational discussions with federal legislators on "the Hill."
- MAC has maintained dialogue with MDA on neglected orchards, international marketing and Select Michigan.

U.S. Apple

- MAC has paid dues promptly, and continues to pay off its arrearage caused by the 2001-02 crop shortfall.
- The U.S. Apple assessment was decreased from \$0.03 to \$0.02, and the industry was notified in a timely manner.

Grants

- Second-year funding for the TASC grant for Mexican phytosanitary work was granted and reimbursement received. MAC relayed approximately \$46,000 to packers who had made Mexico-specific alterations to their facilities.
- Full reimbursement was received for all grants.
- MAC received a \$24,000 FSMIP grant to study market opportunities for apple varieties in Mexico. It was the only FSMIP grant made in Michigan. Work will be done in the coming fiscal year by Mexican consultants.
- **Diane Smith** became a certified grant specialist.

Communications

- MAC issued news releases or did interviews resulting in nearly \$250,000 in earned media coverage in FY2005.
- MAC contracted with a Michigan education consultant who has updated a 15-year-old apple lesson plan to reflect Michigan Model standards.
- MAC identified two new recipe consultants, and developed and photographed six new recipes.
- MAC has participated in a TV farm-to-fork documentary to air this fall in the Chicago market (potential viewers 1.8 million).
- MAC has new promotional agreements and relationships with Zehnder's Restaurant (apple pie bake-off), Michigan State University's Food Service program, and The Henry Ford-Greenfield Village (fall events).
- MAC co-chairs the Michigan 5-A-Day Coalition, and has gained seats on Healthy Kids and Team Nutrition groups.

Marketing Activities

- The most significant achievement of 2005 was the completion of a full marketing calendar (five programs) with individual sell sheets by July 2005. This allows MAC to mail packages and leave behind professional sell sheets, and helps shippers to be "on the same page" in their sales efforts. (Sell sheets were mailed to all growers in September.)
- The second most significant achievement was a redesign of the Michigan apple bag.



Michigan bag design (front)

- MAC engaged in two months of Select Michigan activities in Grand Rapids and Detroit. Seven shippers and processors financially supported the pilot.
- The Chicago promotion continued with evaluation by Perishables Group. Sales results were minimal. With the hiring of the merchandiser in Chicago, this effort should be more effective this fall.
- MAC participated in a cider promotion with Beaner's Coffee Shops chain. Sponsorships occurred with the Eli's Cheesecake Festival and the Chicago Food & Fitness Festival.
- New display wrap and varietal charts have been designed that are also compatible with MAC signage and new bag.
- MAC's efforts to get Michigan apples back into Michigan schools is paying off for the state's shippers and growers, with increased sales via the U.S. Department of Defense and the Michigan Department of Education.
- MAC contracted with a tourism promoter to distribute Farm Marketing & U-Pick Directories and Michigan apples to hotels this fall. This program has the endorsement of six travel, agricultural and tourism associations.

International Marketing Activities

- MAC facilitated two inspectors visits and other activities to again send approximately \$250,000 of fresh apples to Mexico.
- MAC utilized a Mexico consultant to execute merchandising and sampling activities with Michigan apples in Mexican supermarkets.
- MAC supported the Mexican marketplace by travelling there to see Michigan imported apples with two board members and a shipper. **Jim Byrum**, chair of the Michigan Agricultural Commission, also attended.
- MAC organized a reverse trade delegation from Central America, further solidifying our relationship in this region.
- Executive Director served as Vice President of U.S. Apple Export Council. She helped oversee its transition from U.S. Apple to a free-standing trade association.
- MAC brought Export Council to Michigan for its summer meeting, inviting board members and other shippers.

THIS 'N' THAT

Michigan Apple Industry Travels to Cuba

Three representatives of the Michigan apple industry were scheduled to visit Cuba as part of a state trade delegation on October 31, 2005.

Don Armock of Riveridge Produce, **Ezequiel Jiminez** of North Bay Produce, and **MAC Chair Julia Hersey** planned to travel to Havana, Cuba. They were part of a delegation, organized by Michigan Department of Agriculture Director **Mitch Irwin** and MDA Commission Chair **Jim Byrum**.

The group was to meet with Alimport, the Cuban agency responsible for purchasing all food for the island nation of 11 million people. While Cuba has under been U.S. government sanctions for decades, sales of food and medicine are permitted.

The Michigan delegation holds a sales license, although phytosanitary requirements for Cuba have not been finalized.

In early December, a Cuban visit is scheduled to Fruit Ridge to observe storage and shipping facilities, in advance of setting phytosanitary requirements for Michigan. Cuba currently imports apples at times from Pennsylvania and Virginia, both of which have phytosanitary protocols in place.

Concentrate Antidumping Order Extended

The U.S. International Trade Commission (ITC) voted recently to maintain the current antidumping order on imports of Chinese non-frozen apple juice concentrate to avoid further injury to the domestic apple industry. In a unanimous vote, the ITC Commissioners have prevented a return of the predatory pricing practices of the 1990s which harmed the domestic concentrate industry. Their decision is the last step in the process to extend the current antidumping order for five years.

Michigan Apples at the Henry Ford

The Henry Ford, a Detroit-area attraction with museums and activities for families, is celebrating Michigan apples this fall! MAC sponsored a special apple day in October, in which Michigan apples are provided to visitors of the Henry Ford.



Children enjoy some tasty Michigan Apples in Greenfield Village's town square

2006 Funding Plan Approved

At its August meeting, the Michigan Apple Committee approved a \$1.9 million budget for fiscal 2006, which began September 1, 2005.

The budget was based conservatively on an 18 million bushel crop.

MAC's 2006 budget makes distinct allowances for processed apples, fresh apples and farm market development, and educational activities.

MAC members may obtain a more detailed budget summary by calling the office at (800) 456-2753.

BUDGET HIGHLIGHTS 2005/2006

Trade Contractual . . .	\$146,495	Trade Education . . .	\$213,243
Export	\$123,000	Conventions	\$40,000
Consumer Education .	\$274,000	Signage	\$20,000
Public Relations	\$67,000	Staff (8 FT & PT) . .	\$353,100
Queen	\$25,000		

Areawide Control of Codling Moth

David Epstein, MSU IPM Program

The Michigan Areawide Codling Moth (CM) Project in the Fruit Ridge is completing its second season. As a response to increasing number of CM control failures on farms with documented CM resistance to azinphosmethyl, a cooperative effort between apple producers and MSU personnel to establish an areawide CM management program got underway in 2004. An areawide approach to CM management involves the cooperative efforts of adjacent growers in deploying strategies aimed at driving down CM population densities through pheromone mating disruption.

Mating disruption works best where over large, contiguous plantings. This approach makes it difficult for male moths to locate mates, and minimizes the movement of pregnant female CMs into the pheromone-treated blocks.

In 2004 the areawide project included 800 contiguous acres along Fruit Ridge Avenue near Sparta. In 2005 the project expanded to over 2300 acres, including two new groupings of neighboring apple farms.

An areawide approach to CM management is one option Michigan growers may want to consider in regions with contiguous plantings where traditional OP programs are not providing adequate control.

This project is supported by MAC/grower funds. A report will be made at Expo. For more information e-mail epstei10@msu.edu.

Calling All Cider Makers

The Cider Safety Task Force of the Michigan Apple Committee will be meeting twice in November. If you are interested in being heard on the issue of cider safety, make plans to attend! November 10 and November 22, both at 11:00 a.m. at the office of the Michigan Apple Committee in DeWitt. Call (800) 456-2753 to RSVP.

Yockey Chair of U.S. Apple Export Council

Denise Yockey, Executive Director of the Michigan Apple Committee, has been elected to a one-year term as Chair of the US Apple Export Council, headquartered in Washington, D.C.

Yockey, who had just completed a year as the export council's Vice Chair, will help guide the council's export interests on behalf of 10 major apple-producing states that are marketing apples around the globe.

The US Apple Export Council uses the federal Market Access Program and other funds to contract specialists to develop markets in target countries around the world. Michigan apple marketers are particularly active selling to Mexico and Latin America, and, to lesser extent, the United Kingdom.

Vice Chair is **Jim Allen**, Director of the New York Apple Association; and Treasurer is **Karen Tananis**, of the Pennsylvania Apple Marketing Program.



Pictured, l-r: Ernesto Cardona, Sonia Giron, Rebeca Martinez, Bruce Rasch, Sophia Gurgi, Oscar Reyes, Juan Linares, Hector Rodriguez, Jorge Moreno.

Central Americans Visit Orchards and Packing Houses

At the end of September, 10 representatives from Mexico and Central America visited orchards and packing houses along the Fruit Ridge. The trade mission had the visitors checking out C.A. rooms and visiting with Michigan's apple exporters.

"These types of visits are important to apple exporters," said **Denise Yockey**, Executive Director of the Michigan Apple Committee. "It is so beneficial for the representatives of these countries to see our packing lines and C.A. rooms, to educate them on the quality of product they can get from Michigan."

This is the third time Michigan has hosted Central American and Mexican buyers.

Assessment Rates

	2004 Crop	2005 Crop
Fresh	\$0.52 per 100 lbs.	\$0.51 per 100 lbs.
Process	\$0.28 per 100 lbs.	\$0.27 per 100 lbs.
Juice	\$0.12 per 100 lbs.	\$0.11 per 100 lbs.

THIS 'N' THAT...continued

Smith Celebrates 10 Years with the Michigan Apple Committee

The Michigan Apple Committee's Manager of Administration and Finance, **Diane Smith**, is celebrating 10 years of employment with the committee.

"Ms. Smith is an incredible asset to the committee and a true professional. As a board member, I am able to depend on her—she is a great resource," said MAC Chair Julia Baehre Hersey.

Congratulations, Diane!

Praise from a Grand Rapids Teacher

Jane Podolak, a first grade teacher with Grand Rapids Public Schools, recently emailed MAC with the following message:

"I just read my students' October breakfast and lunch menu and to my delight they have Michigan apples listed...I am thrilled. They are a great size and variety is the spice of life! Outstanding! Nice job!"

MAC's **Greg Wilson** has been working closely with Grand Rapids Public Schools to get Michigan Apples on the menu. Wilson and the rest of the MAC staff are continuing to work with the Michigan Department of Education and schools around the state to make a difference in this area.

Michigan Apples at Eli's Cheesecake Festival

The Michigan Apple Queen, **Paula Fisher**, and MAC's own **Diane Smith** represented Michigan Apples at the Eli's Cheesecake Festival in Chicago. MAC sponsors the September event, which includes recipe demonstrations with Michigan apples, apple give-aways at the MAC booth, and more. This is one of the many ways in which MAC is working to reach the Chicago customer.



Michigan Apple Queen Paula Fisher poses at the MAC booth at the Eli's Cheesecake Festival.

Dates to Remember

November 5-7

PMA Convention, Atlanta, GA

November 14

Michigan Apples at Autumfest, MSU

November 24

Thanksgiving Day Parade (Michigan Apple Queen and Court), Chicago, IL

December 5

Michigan Apple Committee Research Committee meeting, Grand Rapids, MI

Michigan Apple Committee Board Meeting (all growers welcome), Grand Rapids, MI

December 6-8

Great Lakes Fruit, Vegetable & Farm Market Expo, Grand Rapids, MI

January 25

Michigan Apple Pie Baking Contest (sponsored by Michigan Apple Committee), Frankenmuth, MI

Michigan Apple Committee Board Members and Staff

Board Members

Julia Baehre Hersey, Chair

Scott Lewis, Vice Chair

Robert Colgren, Third Member

Donald Baiers

Mike Beck

Alvin Dietrich

Mark Doherty

Staff

Denise Yockey, Executive Director

Diane Smith, Manager of Administration & Finance

Ken Meyer, Southern Merchandiser

Scott Hoerman, Northern Merchandiser

Greg Wilson, Merchandiser

Gretchen Mensing, Communications Specialist

Karen Blink, Administrative Assistant

Hello, Apple Growers!

I hope you are enjoying a productive harvest season!

I am honored to be addressing you as Chair of the Michigan Apple Committee. I would like to thank the past chair, **Bryan Bixby**, as well as the current MAC board and staff for all their hard work!



In this issue of Michigan Apple News, you will find stories about new and exciting international marketing opportunities. Board members and apple exporters had the opportunity to meet with Mexican and Central American buyers in late September, and I look forward to representing the State's apple growers on a trip to Cuba in early November! We will also be welcoming a Cuban delegation to the Fruit Ridge for a visit the first week in December.

International markets are not the only ones opening up for Michigan apples. As you'll read in this newsletter, great strides have been made in providing Michigan apples to students of all ages.

If you have any comments or questions regarding these and other marketing efforts, please don't hesitate to contact the MAC staff at (800) 456-2753.

Having recently been elected as Chair of the Michigan Apple Committee, I look forward to serving Michigan's apple growers. Apples have been a major part of my entire life. I have known so many of you for so many years and have a great respect for you and your love of the industry. I plan to continue being a strong advocate for you and the Michigan apple industry.

Sincerely,

A handwritten signature in cursive script that reads "Julia Baehre Hersey". The ink is dark and the background is a light, textured grey.

Julia Baehre Hersey, Chair
Michigan Apple Committee



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