

Wetland Advisory Council and Cranberries

At the June 9th meeting of the Wetland Advisory Council, Chairperson Rivet asked:

- What is the importance of cranberries?
- Why is so much time was being devoted in this statue on this issue?

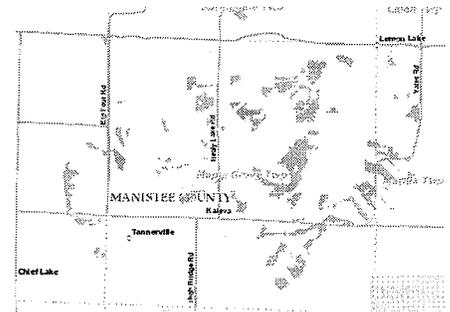
I agreed to provide the following information.

In accordance with the PA 120 of 2009, by August 15, 2012, the [Wetland Advisory] council shall submit a report {...} evaluate and make recommendations on all of the following:

- h) Appropriate regulation of the siting, construction, and operation of cranberry production activities, in light of the benefit of cranberry production activities to the economy, the regulatory approach of other states, and other factors.

The further growth of the cranberry industry is a focus of changes to Michigan's wetland law. The law recognizes cranberries as a "water dependent" crop and makes provisions for growth of the industry in Michigan. Today, Michigan has around 300 acres of cranberries. By comparison, Wisconsin has nearly 19,000 acres of production. A report generated at Michigan State University estimates that an additional 2,500 acres of production would create an economic impact of ~\$29 million and 383 jobs.

The legislation calls upon the Commission of Agriculture to work with DEQ to map an additional 2500 acres of production area for potential cranberry production. That work was performed with 2500 acres being identified in Manistee County. The map can be found <http://www.mcgi.state.mi.us/wetlands/>. The analysis simply looked at upland sites that would be suitable for Cranberry Production. It is not known if these sites are available. If 2000 acres of new production is sited in Michigan, another 2500 acres will be identified for development.



The law also contains other provisions specific to exciting cranberry production including:

- The department shall consider construction of cranberry beds, including associated dikes and water control structures associated with dikes, such as headgates, weirs, and drop inlet structures, to be a water dependent activity. The construction of roads, ditches, reservoirs, pump houses, secondary support facilities for shipping, storage, packaging, parking, and similar purposes are NOT considered water dependent.
- The demonstration by an applicant that there is no feasible and prudent alternative to the construction of cranberry beds is not subject to either of the following presumptions:
 - That feasible and prudent alternatives that do not involve a wetland are available.
 - That a feasible and prudent alternative that does not affect a wetland will have less adverse effects on the aquatic ecosystem.
- There is no fee for a pre-application meeting for cranberry production activities, whether at the district office or project site.
- Inclusion of a minor/general permit category for cranberry expansion.

Despite these efforts, cranberry acreage has not grown in Michigan as a result of this effort. After communication with cranberry growers in recent weeks, barriers to expansion remain and include, but are not limited to:

- The economics of cranberries are not conducive to expansion in Michigan today. While the value of cranberries have grown for those growers with market access to processors like Ocean Spray, a

general sense from growers that regulatory requirements are burdensome and an understanding that infrastructure is expensive remain impediments to growth.

- Beyond economics, the limited number of farmers involved in raising cranberries "feel" that our state's regulatory system is not conducive to growth. A leader in the cranberry industry continues to fight with DEQ over permitting. This casts a long shadow. One cranberry grower does have a DEQ permit and he remains quiet.

Whether or not these barriers are or can be addressed by the legislation remains to be seen. To date, I am not aware of farmers approaching DEQ for a free pre-application meeting. In lieu of cranberry expansion, blueberries continue to expand on likely cranberry acreage as there are fewer infrastructure costs. Michigan is a national leader in blueberry production.

Michigan has significant acreage conducive to expanding both production and processing capacity for crops like cranberries and blueberries. Below is an article from Wisconsin that shows some realized potential.

US: Wisconsin cranberry harvest expected to increase 8.5%

Wisconsin - the nation's biggest cranberry growing state - will produce 4.3 million barrels of the red berries during this fall's harvest, an increase of 8.5% from 2010, the U.S. Department of Agriculture estimates. The U.S. is expected to produce 7.5 million barrels in total, up 10% from 2010, the department's National Agricultural Statistics Service said Tuesday. That would be the second-largest production on record, the service said. Massachusetts, with the next-highest production forecast at 2.1 million barrels, along with Oregon, Washington and Wisconsin are projected to have higher production this year, while New Jersey's harvest will be lower, the service said. Wisconsin's cool spring did not damage the crop, and lengthened the growing season, the service said. The Wisconsin Cranberry Growers Association is hoping for warm weather through August and cooling temperatures into fall to help the berries ripen and turn red for harvest, Lochner said. Along with the weather, factors that have helped increase production are growers' investments in new varieties, improved technologies for monitoring weather and soil moisture, and better irrigation systems, nutrient management and pest technologies, Lochner said.

Wisconsin has about 250 cranberry growers who will harvest a little more than 18,000 acres this year, Lochner said. Two-thirds of the crop is grown in Jackson, Juneau, Monroe, Portage and Wood counties, he said. "Our Wisconsin cranberry growers are second to none, not only for their productivity but also for their innovation and investment," Sen. Herb Kohl (D-Wis.) said in an e-mailed statement. Kohl toured Ocean Spray's Wisconsin Rapids facility, which produces Craisins, on Monday. "They do a tremendous job producing quality products that are helping drive demand for cranberries." Ocean Spray, which has about 120 of the state's growers, has stepped up its Craisin marketing efforts in the last decade, and the USDA Cranberry Marketing Committee is working to develop international markets further, Lochner said. Meanwhile, the growers association plans to continue selling its Cran on a Stick, which was developed in partnership with Niemann's Candies in Wauwatosa, at the Wisconsin Cranberry Discovery Center in Warrens. "The sweetened dried cranberry has done quite a bit to grow the market," Lochner said.

Moving forward, I am working with the EPA sub-committee to explore potential recommendations to address some of the roadblocks to cranberry production in Michigan. Some areas of inquiry include:

- The effectiveness of performed mapping.
- Possibilities for outreach to potential cranberry growers informing them of changes in law and potential opportunities for growth.
- Review of other state programs like Wisconsin regarding wetland jurisdiction and regulation in comparison to Michigan.

These issues will be explored and addressed in the submission of the EPA sub-committee for the August 2012 Council report.

Respectfully submitted,

Scott Piggott, MFB