



**2018 SPECIALTY CROP BLOCK GRANT
APPLICATION FORM
USDA SCB COMPETITIVE GRANT
MICHIGAN DEPARTMENT OF AGRICULTURE & RURAL DEVELOPMENT**

TO: Heather Throne, Grant Administrator
PO Box 30017
Lansing, MI 48909
(P) 517-712.0841
E-mail: mda-grants@michigan.gov

NAME OF APPLICANT ORGANIZATION: Michigan Farm Bureau

EMPLOYER IDENTIFICATION NUMBER: 38-1718391

ADDRESS: 7373 West Saginaw Highway

CITY: Lansing

STATE: Michigan

ZIP: 48909-8460

CONTACT NAME: Kevin Robson **TITLE:** Horticulture and Industry Relations Specialist

PHONE: 517-679-5353

E-MAIL: krobson@michfb.com

CHECK ONE:

For Profit _____

Non-Profit Organization X

The acceptable font size for the narrative is 11 pitch with all margins at 1 inch. The following information must be included in the project profile.

PROJECT TITLE

Fruit Acreage Inventory and labor Survey

DURATION OF PROJECT

Start Date: December- 2018

End Date: December- 2019

PROJECT PARTNER AND SUMMARY

Project Partner: Michigan Farm Bureau

Michigan Farm Bureau, the state's largest general farm organization, representing over 42,000 regular members, will be the primary organization carrying out the reporting requirements of this project. Our goal is to conduct a fruit acreage inventory survey of sweet cherry, tart cherry, apple, peach, and

blueberry grower acreage in Michigan. We then will disseminate data received from the survey in a manner that will allow the fruit industry and policy makers to make sound business, marketing, and policy decisions that will position Michigan's fruit industry by improving their competitiveness in both national and global markets. The fruit industry is a major component of Michigan with an estimated annual farm gate value well over \$500 million.

The survey will be conducted by the USDA-NASS Great Lakes Regional Office. NASS is the recognized collector and provider of valid, third-party agricultural information and data for the U.S. agricultural industry. An inventory of fruit acreage in the state of Michigan has been conducted periodically by USDA-NASS with two most recent surveys completed in 2011, and 2014. With the changes in the fruit industry over the last five years, including varietal trends, 21st century growing techniques, labor shortages/trends/struggles, and changes in the marketplace, further drives the industry's need for current data to make conscious business decisions. The industry believes the information changes, often annual, warranting data collection on acreage on a three-five year rotational basis.

The fruit industry organizations will cooperate with NASS to update mailing lists, develop the survey timing, format and develop questions, encourage grower response and promote access and utilization of the survey data.

PROJECT PURPOSE

PROVIDE THE SPECIFIC ISSUE, PROBLEM OR NEED THAT THE PROJECT WILL ADDRESS

- A. The availability and utilization to valid, timely, and reliable data is critical to decision makers in today's fast-paced and rapidly changing global market. The Michigan fruit industry is composed of a diverse mix of commodities, growers, market utilization segments and growing regions. Production data along with very limited acreage information is available from USDA-NASS on an annual basis. These estimates are useful in determining annual pricing and marketing issues, but provide no data regarding varieties, age of planting, or planting of root stocks/cultivars and other critical issues for use in both short and long term planning. Some limited data is also available in the periodic 5 year Census of Agriculture, but this survey does not provide any detail beyond acres and production. NASS, at neither the federal or state levels, has the funding to conduct this type of survey anymore. In combination with annual production surveys from NASS, the Michigan fruit industry believes that the data from this fruit acreage and labor survey will provide the necessary data for growers, handlers, input suppliers, and public policy makers to make sound business and policy decisions that will be beneficial to individual businesses and the entire fruit industry.
- B. The last Fruit Inventory Survey was conducted in 2014/15. This survey was also funded with SCBG-FB grant received in FY 2014 and FY 2015. Prior to that survey, the last survey was conducted in 2011. The fruit industry believes that this data is not needed on an annual basis, but five years between surveys creates a data gap that is too long in today's ever-so-fast changing markets. However, a three year rotation would be sufficient to provide the data necessary for planning purposes. In the absences of this SCBG-FB this project will not be funded by other means- from USDA-NASS, MDARD, or the fruit industry.
- C. Labor continues to be a TOP TIER priority for fruit growers in Michigan. With the aging domestic workforce, and the growing popularity with H2A temporary guestworker program, we believe growers would benefit from knowledge of labor trends. We plan to include a segment of labor questions that will address this critical need. Crops like fresh blueberries, fresh sweet cherries, as well as every apple in Michigan, is still heavily reliant on skilled, hand harvest. We aim to

have the data shed light on the shortages, to display a critical need for broader immigration reform, in order to keep Michigan as a premier fruit growing region of the United States.

PROVIDE A LISTING OF THE OBJECTIVES THAT THIS PROJECT HOPES TO ACHIEVE

Add more objectives by copying and pasting the existing listing or delete objectives that aren't necessary. Only one objective is required.

Objective 1: The NASS Great Lakes Regional Field Office will conduct an inventory survey of Blueberry, Sweet & Tart cherry, Apple, and Peach growers in Michigan. After compiling the data, NASS will disseminate a report online with limited print copies available.

Objective 2: The fruit industry groups will assist NASS in the following:

- Update grower mailing lists
- Provide input on survey construction and questions
- Promote grower participation in the survey
- Conduct outreach to promote the availability of the data once disseminated by NASS
- Evaluate and record use of the survey data

Objective 3: The entire project will focus on providing inventory data on fruit crops in Michigan, as well as shedding light on labor data. We hope to provide solutions to critical needs within the varietal trends, cultivar, labor uses, as well as acreage reporting, so that growers can be confident in their future business and marketing decisions.

Add other objectives as necessary

PROJECT BENEFICIARIES

Estimate the number of project beneficiaries: 1,550 growers

Does this project directly benefit socially disadvantaged farmers? A farmer or rancher who is a member of a socially disadvantaged group. A "Socially Disadvantaged Group" is a group whose members have been subject to discrimination on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. A farmer or rancher who is a member of a socially disadvantaged group. A "Socially Disadvantaged Group" is a group whose members have been subject to discrimination on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. **Yes** **No**

Does this project directly benefit beginning farmers as defined in the RFA? An individual or entity who has not operated a farm or ranch for more than 10 years and substantially participates in the operation. An individual or entity who has not operated a farm or ranch for more than 10 years and substantially participates in the operation. **Yes** **No**

STATEMENT OF SOLELY ENHANCING SPECIALTY CROPS

By checking the box to the right, I confirm that this project **solely** enhances the competitiveness of specialty crops in accordance with and defined by [7 U.S.C. 1621](#). Further information regarding the definition of a specialty crop can be found at www.ams.usda.gov/services/grants/scbqp.

CONTINUATION PROJECT INFORMATION

If your project is continuing the efforts of a previously funded SCBGP project, address the following:

DESCRIBE HOW THIS PROJECT WILL DIFFER FROM AND BUILD ON THE PREVIOUS EFFORTS: This project does not directly build on a previously funded SCBGP or SCBGP-FB. However, indirectly this project does build on a SCBG-FB funded project from FY 2014 and FY-2015. The 2014 and 2015 projects funded a similar fruit inventory survey conducted by NASS in 2014 and completed in 2015.

PROVIDE A SUMMARY (three to five sentences) OF THE OUTCOMES OF THE PREVIOUS EFFORTS: Previous surveys have stood to provide a part of the historical record of the fruit inventory and has provided a gauge that helped record how the industry has changed over time. It also has provided data as to how the industry responded to changing markets and how they were best positioned to properly plan, construct, and carry out industry driven decisions.

PROVIDE LESSONS LEARNED ON POTENTIAL PROJECT IMPROVEMENTS: As previously learned in past projects, this grant will be carried out in one fiscal year, as opposed to two. This way, all activities will take place in one calendar year. This way, we will be able to get the data collected, aggregated, and out into the countryside as expeditious as possible.

What was previously learned from implementing this project, including potential improvements? We have excellent commodity groups in Michigan, that support broad efforts like this project. In the past we have worked to promote the usage of the data through their commodity specific newsletters, field days, and board meetings. We could potentially improve this by using more widespread mediums for mass distribution of the data link, like on commodity websites, a link on the Michigan Farm Bureau website, or through the Fruit Grower News or Michigan Farm News.

How are the lessons learned and improvements being incorporated into the project to make the ongoing project more effective and successful at meeting goals and outcomes? We have scaled down the project to be covered within the confines of new SCBG requirements. We hope this change will get the data set completed and out to growers at a faster pace. We plan to incorporate labor questions on this survey, this was an area where growers wanted more of this type of information. We plan to include those on this project, enhancing the effectiveness of the project.

DESCRIBE THE LIKELIHOOD OF THE PROJECT BECOMING SELF-SUSTAINING AND NOT INDEFINITELY DEPENDENT ON GRANT FUNDS: This project's activities are carried out through USDA/NASS, which are funded through the United States Department of Agriculture. Over time, budget cuts have left a hole where these types of projects would have historically been funded through normal budget line items. That being said, Michigan's Fruit Industry relies on SCBG dollars to increase the competitiveness of our industry through the use of up-to-date data sets. This type of survey is multi-commodity, industry broad in nature, making it a perfect project to be funded through the SCBG program. The likelihood of this project becoming self-sustaining could be possible, if other check-off program structures within Michigan could have their budgets enhanced through state or federal funds for this specific type of project. It would most likely take a legislative change, and at this juncture, funding through the SCBG program is more viable and realistic.

OTHER SUPPORT FROM FEDERAL OR STATE GRANT PROGRAMS

The SCBGP will not fund duplicative projects. Did you submit this project to a Federal or State grant program other than the SCBGP for funding and/or is a Federal or State grant program other than the SCBGP funding the project currently?

Yes

No

IF YOUR PROJECT IS RECEIVING OR WILL POTENTIALLY RECEIVE FUNDS FROM ANOTHER FEDERAL OR STATE GRANT PROGRAM

- **Identify the Federal or State grant program(s).**
- **Describe how the SCBGP project differs from or supplements the other grant program(s) efforts.**

EXTERNAL PROJECT SUPPORT

A. Those individuals and groups that will be impacted by the survey include: fruit growers, fruit handlers, input suppliers, commodity organizations, research and extension specialists and policymakers.

B. How will the specialty crop beneficiaries be impacted by the project?

- Growers will use the survey data to help make plant decisions regarding varieties, rootstocks and planting systems. Making the right planting decision is a critical factor in the grower's ability to capitalize on the considerable investment they make in planting fruit trees.
- Michigan has a large number of both fresh and processed (canned and frozen) fruit handlers. Handlers will utilize data from the survey to determine future equipment and infrastructure needs, estimate product blends, make market plans and acquire workers and storage space.
- Fruit growers and handlers require services and supplies to produce, pack and sell fruit products. Farm products are produced through converting inputs such as fertilizer, fuel, credit, equipment, land, chemicals, trees, packaging and other factors of production into fruit crops. Input suppliers and service vendors use the survey data to tailor marketing program and guide product/service development.
- Fruit industry commodity groups include commodity specific organizations like Cherry Marketing Institute and the Michigan Blueberry Growers Association to general organization like Michigan State Horticultural Society and Michigan Farm Bureau. These groups will utilize the survey data for use in the development of promotion and marketing program, to help direct research efforts and to respond to legislative and regulatory issues.
- While some private sector research is conducted, most fruit research is performed by personnel at Michigan State University, other land grant institutions or at USDA research centers. Extension Specialists assist in carrying the knowledge gained from research efforts to the producer community where the knowledge can be applied. Researchers and Extension personnel need access to up-to-date fruit inventory data so that they can best direct research and extension efforts toward the most critical problems, issues and opportunities facing the fruit industry.

- Local, state and federal policymaking can have a very significant impact on the success and vitality of the fruit industry. Policymakers -- elected officials, regulatory bodies, public institutions and allied organization -- will use the survey data in the development of laws, regulations, ordinances and other public programs. It is critical that policy decisions be based on accurate and timely information.
- C. What is the potential economic impact of the project if available?
- Michigan has approximately 3500 fruit growers who annually generate nearly \$500 million in fruit crop sales. Michigan has about 110,000 acres of fruit crops. The MSU Product Center estimates the direct economic impact of fruit production in the state is \$337.9 million. The total economic activity including backward linked industries related to fruit production is \$758.4 million. Michigan growers plant 2500 to 3500 acres of fruit per year. With land values averaging \$5000 per acre and fruit site planting and development cost averaging an additional \$5000 per acre the annual investment in new plantings is \$30 million based on the planting of 3000 acres annually.
 - By extrapolating data from the MSU Product Center we estimate that the fruit processing, packing and wholesaling industry in Michigan has a total economic impact of \$1.27 billion, and these industries provide 13,136 jobs.
 - The farm input supply industry is a critical link in the food and agriculture supply chain. For example, in 2012, Michigan farmers purchased \$683 million in fertilizer and lime, \$327 million in pesticides, and \$370 million in petroleum fuels and oil according to NASS. Approximately 280 input suppliers exhibit the Fruit and Vegetable Expo in Grand Rapids, and the Fruit Growers News lists 120 vendors in their 2013 Buyers' Guide.

EXPECTED MEASURABLE OUTCOMES

The 2016 SCBGP performance measures are linked below your convenience. **Please review for Marketing and Promotion projects.**

http://www.ams.usda.gov/sites/default/files/media/SCBGP%20FY15%20PerformanceFINAL_10272015.pdf.

SELECT THE APPROPRIATE OUTCOME(S) AND INDICATOR(S)/SUB-INDICATOR(S)

You must choose at least **one** of the eight outcomes listed in the [SCBGP Performance Measures](#), which were approved by the Office of Management and Budget (OMB) to evaluate the performance of the SCBGP on a national level.

OUTCOME MEASURE(S)

Select the outcome measure(s) that are applicable for this project from the listing below.

- Outcome 1:** Enhance the competitiveness of specialty crops through increased sales (required for marketing projects)
- Outcome 2:** Enhance the competitiveness of specialty crops through increased consumption
- Outcome 3:** Enhance the competitiveness of specialty crops through increased access
- Outcome 4:** Enhance the competitiveness of specialty crops through greater capacity of sustainable practices of specialty crop production resulting in increased yield, reduced inputs, increased efficiency, increased economic return, and/or conservation of resources

- Outcome 5:** Enhance the competitiveness of specialty crops through more sustainable, diverse, and resilient specialty crop systems
- Outcome 6:** Enhance the competitiveness of specialty crops through increasing the number of viable technologies to improve food safety
- Outcome 7:** Enhance the competitiveness of specialty crops through increased understanding of the ecology of threats to food safety from microbial and chemical sources
- Outcome 8:** Enhance the competitiveness of specialty crops through enhancing or improving the economy as a result of specialty crop development

OUTCOME INDICATOR(S)

Provide at least **one** indicator listed in the [SCBGP Performance Measures](#) and the related quantifiable result. If you have multiple outcomes and/or indicators, repeat this for each outcome/indicator.

FOR EXAMPLE: Outcome 2, Indicator 1.a. Of the 150 total number of children and youth reached, 132 will gain knowledge about eating more specialty crops.

1.

MISCELLANEOUS OUTCOME MEASURE

The project partners and NASS believe that it is almost impossible to measure the true outcome of this project, which is to provide relevant inventory data that will help the fruit industry to make good business decision. However, we can measure the percentage of growers submitting usable data and the percentage of the state's fruit acreage represented in the survey and the number of users accessing the data from the NASS website.

Goal #1: To improve the usable grower response rate to the survey and improve the percent of the Michigan fruit industry covering by the survey.

Target: To achieve a minimum usable grower response rate of 85 percent for the 2014 survey (up from 82 percent in the 2014 survey), and to achieve a response that represents 80 percent of the state's fruit acreage (up from 78 in the 2014 survey).

Benchmark: The baseline number for the 2014 survey was a usable response rate of 82 percent, representing 78 percent of the state's fruit acreage.

Goal #2: To increase the number of website "hits" to the 2019 Fruit Inventory Survey on the NASS website compared to the number of website "hits" recorded on the 2014 Fruit Inventory Survey.

Target: To achieve a 10 percent increase in the number of "hits" for the 2019 survey compared to the 2014 survey.

Benchmark: The 2011 survey has received 85 "hits" per month.

Performance Measure: For the first goal, we will use the response rates directly obtained from grower surveys submitted to and audited by NASS. For the second goal, NASS will record and report the number of hits per month.

Monitoring: Goal attainment for the first goal will be known after surveys are submitted and audited by NASS. Accomplishment of this goal should be known by early 2019. For the second goal, NASS will provide the data to the project coordinator monthly.

DATA COLLECTION TO REPORT ON OUTCOMES AND INDICATORS

USDA/NASS will be the primary data collector, by use of surveys. Surveys will be mailed to growers, with follow-up phone calls and on farm visits if needed. The final report will consist of the aggregated data that will be disseminated into the countryside, by way of field days, commodity newsletters, NASS website, MFB website, Fruit Grower News, and Michigan Farm News.

WORK PLAN

Work Plan:

<u>Date</u>	<u>Activity</u>	<u>Responsibility</u>
Nov 2018 – Jan 2019	Update lists of growers	Commodity groups, MSU, MDARD, NASS

During this period, commodity groups will work with partners at MSUE, MDA and other organizations to ensure that USDA/ NASS has complete lists of known growers of their commodity. Commodity groups are best suited to this task as they are in communication with the grower community.

October – Nov. 2018	Review and revise forms/ questions	Commodity groups with MSU & NASS
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Commodity groups will review and suggest revisions to forms and questions. Commodity groups are best suited to this task as they are know what kinds of information will be needed by their commodity in planning effective programs for future growth and understand how best

to frame the questions for ease of grower response. For instance, at the request of commodity groups the 2019 survey will include questions about labor, but will not include a question about neglected orchards, which was included in the 2011 at the request of the industry.

Dec. 2018 – Jan. 2019	Pre-survey promotion and public relations	NASS/commodity groups
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Prior to mailing of the survey to growers, efforts will be made to inform growers that the survey is coming and remind them of the importance of the survey and their need to submit the survey in a timely manner.

December 2018	Promotion at Expo	Commodity groups
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Growers will be reminded at the G.L Fruit and Vegetable Expo regarding completion and importance of the survey.

January 2019	Finalize Survey	NASS
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NASS will finalize survey questions, prepare sample and coordinate mailings.

February 2019	Survey mailed to growers	NASS
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Survey forms will be mailed to growers who have been previously entered into USDA/NASS fruit grower database.

February – April 2019	Survey follow up	NASS
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NASS will conduct follow up with growers who have not responded with phone calls and in some cases, personal visits to the farm. USDA is uniquely able to perform this responsibility due to confidentiality issues.

February – April 2019	Reminders to growers in newsletters/ meetings	Commodity groups/ MSU/ MFB/ media and others
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Partner groups will communicate with growers to remind them about the importance of completing and returning the inventory materials. Media articles will be submitted to increase awareness of the inventory and its importance.

February – May 2019	Review, compile and analyze data	NASS
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June 2019	Prepare summary & begin data release	NASS
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June 2019	Promote availability and use of data	Commodity groups, MSU, MDA-RD
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NASS will provide a news release indicating that the data has been posted on their website. Commodity groups will promote usage of the data in their communications to growers and industry representatives. MSU researchers and specialists will also begin using the data in research and extension activities. Articles regarding the availability of the data and promoting utilization will be published in the Michigan Farm News, the Fruit Growers News and the Good Fruit Grower magazines.

June 2019	Interim Report to MDA	MFB
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July – October 2019

Compile data usage

**Commodity
Groups**

Commodity groups will compile and report usage of the data to MFB for inclusion in final report.

October 2019

**Final Report to MDA
on Project**

MFB

Michigan Farm Bureau will write a final report to MDA outlining the activities conducted during the project, a financial report detailing expenditures and documenting outcomes and impacts experienced and anticipated.

BUDGET NARRATIVE

All expenses described in this Budget Narrative must be associated with expenses that will be covered by the SCBGP. If any matching funds will be used and a description of their use is required by the State department of agriculture, the expenses to be covered with matching funds must be described separately. Applicants should review the Request for Applications section 4.6 Funding Restrictions prior to developing their budget narrative.

TOTAL BUDGET

Item	Grant Funds	Matching Funds	Project Totals
Salaries			
NASS Statisticians, Survey and Supervisory	\$40,100	\$0	\$
NASS Clerical/Support	\$14,800	\$0	\$
NASDA Enumerators, Field and Telephone (incl. Training)	\$20,300		
Total Salaries	\$75,200	\$0	\$
Fringe Benefits- % (Social Security and Medicare %, State Unemployment Insurance %, Workman’s Compensation Insurance %, Disability Insurance %, Retirement %, Health Insurance Supplement %)			
NASS Statisticians, Survey and Supervisory		\$0	\$

	\$10,100		
NASS Clerical/Support	\$5,100	\$0	\$
NASDA Enumerators, Field and Telephone	\$2,000		
Total Fringe	\$17,200	\$0.00	\$
Domestic Travel			
Travel for enumerators/data collection (approximately 5,000 miles@ \$.535/mile)	\$2,700	\$0	\$
Total Domestic Travel	\$2,700	\$0	\$
Materials & supplies			
Printing of materials other than mailed.	\$500	\$0	\$
Other supplies, training materials	\$100	\$0	\$
Mailings (1,600 packet questionnaires, printing & mailing and return postage cost)	\$4,300	\$0	\$
Total Materials & supplies	\$4,900	\$0	\$
Total Direct Cost	\$	\$	\$
Indirect Cost	\$0	\$0	\$0
Total Project Cost	\$ 100,000	\$0	\$

Organizational Capacity Survey

The objective of the Organizational Capacity Survey is to attain an understanding of your organization's systems, policies, processes, and practices. The information collected by this survey will be used by the Michigan Department of Agriculture & Rural Development (MDARD) as a tool to review the capacity of your organization to successfully execute the terms of this grant.

NOTE: MDARD reserves the right to request a copy of any materials attested to in this Organization Capacity Survey.

Instructions:

- ~ Respond to each applicable question: some questions may not be applicable to your entity;
- ~ Submit with your application to MDA-grants@michigan.gov.

Person completing this survey: Kevin Robson_____

Title: Horticulture Specialist_____

Phone / e-mail: 734-716-8960, krobson@michfb.com_____

1. Technology Resources. Does your organization:
 - a. Provide a computer for all employees/persons? Yes No
 - b. Have a dedicated e-mail account for all employees/persons Yes No
 - c. Have high-speed internet access? Yes No
2. What was your average annual employee turnover rate for the past two years?
3. Does your organization have the ability to effectively respond to sudden personnel changes on a:
 - a. Short-term basis (unexpected illness) Yes No
 - b. Intermediate-term basis (unexpected resignation) Yes No
 - c. Long-term basis (budgetary cutbacks necessitating staff reduction) Yes No
4. If you are a food establishment, do you hold a current license? Yes No
5. Has an audit by a Certified Public Accountant been finalized for the most recently completed fiscal year? Yes No
6. If "No", is one currently underway or scheduled? Yes No
7. Has your organization received funding for this project from another source? Yes No
8. Has your organization requested funding for this project from another source? Yes No
9. Has your organization received a federal or state grant award in the last two (2) years? Yes No
10. Does your organization use an automated accounting system? Yes No
If "Yes", what is the name of the system? Great Plains
11. Has your organization registered with [State Budget Office - Contract & Payment Express](#)? Yes No