

# CORN MARKETING PROGRAM OF MICHIGAN

## PURPOSE

To enhance the economic position of Michigan corn growers by providing for the growth and expansion of the corn industry in Michigan through foreign and domestic market development, promotion, and research that will stimulate the demand for corn. This shall be accomplished through this program by increasing demand and utilization, disseminating market information, discovering new and more efficient marketing and production methods, and by enhancing markets for Michigan corn.

## AUTHORITY

This marketing program for Michigan corn is hereby issued by the Director of the Michigan Department of Agriculture **and Rural Development**, pursuant to the "Agricultural Commodities Marketing Act", Act No. 232 of Public Acts of 1965, as amended, MCL290.651, et seq.

## DEFINITIONS

"Bushel" means fifty-six (56) pounds of shelled corn by net weight.

"Committee" means the Michigan Corn Marketing Committee established under this marketing program.

"Corn" means and includes all kinds and varieties of corn grown in this state and sold as corn by the producers, except sweet corn, ~~seed corn~~, popcorn and corn grown for silage.

"Department" means the state department of agriculture.

"Director" means the director of the department of agriculture.

"District" means each of the geographic divisions of the production area as established herein.

"First Purchaser" means the first person who purchases corn from a producer.

"General Administration" means office rents, general office supplies and equipment, and utilities of the program.

"Market Year" means the twelve-month period beginning the first day of October and ending the following thirtieth day of September.

"Marketing Agreement" means an agreement entered into with the Director by producers, distributors, processors, or handlers pursuant to this act and binding only on

those signing.

"Marketing Program" means a program established by order of the Director pursuant to 1965 P.A. 232, as amended, prescribing rules and regulations governing the marketing for processing, distributing, selling, or handling corn produced in this state during a specified period and which the director determines would be in the public interest.

"Net income" means gross revenue minus the revenue paid out for exemptions.

"Processor" means a person engaged in canning, freezing, dehydrating, fermenting, distilling, extracting, preserving, grinding, crushing, or otherwise preserving or changing the form of corn for the purpose of marketing it.

"Producer" means a person engaged in the business of producing, or causing to be produced for any market corn in quantity beyond his/**her** own family use, and having a value at first point-of-sale of more than \$800.00 in any one (1) growing season within the last three (3) years.

"Production" means bushels of corn sold **or in the case of seed corn, bushels equivalent paid or settlement account bushels.**

"Research" means programs directed toward developing new products, new markets and improved methods of handling and distribution, or programs that develop more efficient corn production through improved varieties and cultural practices.

"Sale" (or "Sold") means a transaction wherein the title to the corn is transferred from the producer to a first purchaser for consideration. Corn placed under commodity credit loan is considered sold for purposes of this program.

## **ESTABLISHMENT AND MEMBERSHIP**

The committee is authorized to perform the function of administering the Michigan Corn Marketing Program pursuant to Michigan Act No. 232, P.A. 1965, as amended. The members of the committee shall be appointed by the Governor with the advice and consent of the Senate from nominations received from producers.

## **DISTRICT**

As a basis for representation, nine districts, having similar production, are established.

A.

DISTRICT	COUNTIES	BUSHEL OF PRODUCTION
1	Allegan, VanBuren, Cass, Berrien	25.08 million
2	Kalamazoo, St. Joseph, Barry, Kent, Ottawa	27.04 million
3	Calhoun, Hillsdale, Branch	23.53 million
4	Lewanee, Monroe, Washtenaw, Livingston, Oakland, Wayne, Macomb	25.51 million
5	Ionia, Eaton, Ingham, Jackson	26.35 million
6	Clinton, Shiawassee, Genesee, Tuscola	22.51 million
7	Huron, Sanilac, Lapeer, St. Clair	26.40 million
8	Bay, Midland, Gratiot, Saginaw	25.28 million
9	Balance of State	21.95 million

*The Corn Marketing Program was redistricted based on county bushel production with approval of Michigan Department of Agriculture Director Dan Wyant and the Michigan Commission of Agriculture on February 10, 2004 per amendments to 1965 PA 232, as amended.*

The Committee may revise the basis of representation according to the bushels of production at time of reaffirmation.

B. Selection of Members

1. Nine (9) committee members shall be chosen: one from each district in which they produce corn.
2. Four (4) ex-officio members shall serve in an advisory non-voting capacity: A member from the Michigan State University College of Agriculture and Natural Resources appointed by the Dean, the Director of the Michigan Department of Agriculture **and Rural Development** or his/her designee, ~~the president of the Michigan Agri-Business Association or his designee, and the president of the Michigan Corn Growers Association or his/her designee,~~ **and others as determined by the Committee to serve in an advisory, non-voting capacity.**

C. Terms of Office

The regular term of office for members of the committee shall be for three (3) years from the date of appointment or until their successors are appointed and qualified. ~~The initial appointment shall provide for staggered terms by appointing three (3) members for three (3) years; three (3) members for two (2) years; and three (3) members for one (1) year.~~

D. Nominations

Not more than **one hundred eighty (180)** ~~sixty (60)~~ days and not less than **sixty (60)** ~~thirty (30)~~ days prior to the expiration of the term of office, no more than two nominees for each office shall be submitted to the Governor for selection to fill the committee vacancies. In the event that more than two petitions are received for an office, a meeting within the district involved will be held to determine the two nominees to be presented to the Governor. Such a meeting will be called by the **chairperson** ~~chairman~~ of the marketing program **or his/her designee** and will be governed by Robert's Rules of Order. Nominations for the vacant position will be taken from those growers submitting petitions. A vote of growers present at the meeting will determine the two nominees whose names will be submitted to the Governor. Results of the vote will be made available to the Governor upon request.

E. Qualifications and Appointments

1. A nominee for committee member shall file a written petition to the committee, duly signed by **ten (10)** ~~five (5) percent or 50~~ of the producers from within his/**her** district affected by the program, ~~whichever is less. Initial committee appointment petitions shall be submitted to the Director.~~ If the number of qualified nominees is insufficient to meet the above required for each office, **the committee shall recommend not more than two nominees to fill the requirement.** ~~a meeting within the district involved will be held to determine the two nominees to be presented to the Governor. For initial meetings before formation of the Committee, the Director shall call the meeting.~~

2. A person appointed as a committee member shall be a producer in the district and shall qualify by filing a written acceptance and oath of office within 10 days after being notified of his/**her** appointment.

3. To fill the unexpired term of a committee member whose office is vacant, the Governor shall appoint a member from nominees provided by the committee from the district involved.

4. A committee member whose term of office has expired may serve until his/**her** successor is appointed.

F. Disqualification

Disqualification of a committee member may be made for any of the following reasons:

1. He/**she** ceases to be a producer in the district he/**she** represents.
2. Executive disqualification by the Governor on recommendation of the committee and the Director when a member's conduct is unsatisfactory to the industry and the commodity marketing program. The member against whom charges are made shall have a hearing before the committee with the assistance of counsel if he/**she** desires.

## **PROCEDURE**

- A. A simple majority of the voting members of the committee shall be necessary to constitute a quorum. A simple majority of concurring votes shall be required to pass any motion or approve any committee action,.
- B. The committee shall keep minutes, books, and records which clearly reflect all its acts and transactions. The minutes, books, and records are subject to examination at any time by the director or his/**her** authorized agent or representatives. Minutes of a committee meeting shall be reported promptly to the Director.

## **COMMITTEE EXPENSE**

- A. Committee members when acting on authorized committee business shall be reimbursed for reasonable expenses necessarily incurred by them in the performance of their functions under the marketing program. In addition, they may receive compensation at a rate to be determined by the committee, not to exceed the amount authorized in Section 7, Act No. 232 P.A. 1965, as amended, for each day or portion of a day spent in performing committee business.
- B. The committee may incur reasonable expenses for its maintenance and functioning, and for the purposes that the Director, pursuant to the program, deems appropriate.

## **DUTIES AND RESPONSIBILITIES**

- A. The duties and responsibilities of the committee shall be prescribed in the order establishing the program and to the extent applicable shall include the following duties and responsibilities:
  1. Developing administrative procedures relating to the marketing program;
  2. Recommending amendments to the marketing program which seem advisable;
  3. Preparing the estimated budget required for the proper operation of the marketing program.

4. Developing methods for assessing producers and methods for collecting the necessary funds.
5. Collecting and assembling information and data necessary for proper administration of the program.
6. Performing other duties necessary for the operation of the marketing program as agreed upon with the director.

B. Duties of the Committee:

1. As soon as practicable after the appointment of members, meet and organize, select a **chairperson** ~~chairman~~ and other officers deemed necessary, select subcommittees of committee members, and adopt procedures and rules deemed advisable for the conduct of its business;
2. Appoint employees, agents, and representatives deemed necessary, determine their salaries, and define their duties.
3. Furnish the Director such information as he/**she** may request;
4. Prepare a marketing policy within the scope of the program;
5. Cause the books of the committee to be audited by a certified public accountant at least once each fiscal year and at other times deemed necessary by the committee or as the Director may request. The audit report shall show the receipt and expenditure of funds handled during the fiscal year. A copy of each report shall be made available at the principal office of the committee for inspection by producers and handlers, and a copy of each report shall be furnished to the Director.

*Amendments to 1965 PA 232 in December 2002 removed Auditor General language.*

6. Publish annually a written activity and financial report and make it available to interested parties with a copy to the Director;
7. Keep accurate records of the date and funds received and disbursed. These records shall be maintained for at least five (5) years.
8. Protect the handling of committee funds.

## **PROGRAM**

A. Market Development, Promotion, and Public Relations Program. The committee, subject to the provisions of this program and the Act, is authorized to contract with or

make grants to any qualified organization, agency, or person for market research and market development and promotion activities both foreign and domestic, education and public relations programs or market information services which may result in the openings of new markets for corn and corn products, or which may result in the expansion of existing markets. These activities may include, but not be necessarily limited to the following:

1. Prepare and disseminate marketing information to include supply information, demand information, quality characteristics, and other facts concerning corn and corn products;
2. Provide information to foreign feed manufacturers and corn refiners for the purpose of expanding their use of Michigan corn and corn products;
3. Provision for contracting with organizations, agencies or individuals for carrying out any of the above activities.
4. Participate in trade fairs, exhibitions, food shows, and other such activities for the purpose of developing markets.

B. Research Program. Subject to the provisions of this program and the Act, the committee is authorized to contract with or make grants to any qualified organization, agency, or person for any needed production, distribution, new product development, new market development, or research or survey studies related to corn and corn products or markets which may result in improved efficiency and aid corn producers.

C. Education Program. Subject to the provisions of this program and the Act, the committee is authorized to contract with or make grants to any qualified organization, agency, or individual for educational materials and programs pertaining to corn and corn products.

## **ASSESSMENT AND COLLECTION OF FUNDS**

A. Assessment levied: To carry out the provisions and intent of this marketing program, a maximum assessment of one **and one half (1.5) cents** per bushel for each bushel of corn sold during the marketing year shall be collected from all Michigan producers at first point-of-sale.

B. Collection of Assessments

1. All assessments shall be paid by the respective producer;
2. Such assessments shall be collected from the producers by the first purchaser of the corn whether purchased by processors or handlers, and such first purchaser shall deduct the full amount of the assessment from the total monies due to the producer and shall remit to the committee all monies collected

on a monthly basis before the end of the month following the month of payment to the producer. Producer/processors shall be responsible for remitting assessments on their own production to the committee on a monthly basis. First purchaser to be compensated for collecting the check-off by one (1) percent of check-off dollars; rebate to be deducted by the first purchaser prior to remitting funds to the Committee.

3. Any producer who sells, ships, or otherwise disposes of corn to a buyer or other person outside the jurisdiction of this marketing program shall forthwith remit to the committee the full amount of the assessment due or shall instruct the first purchaser to remit the assessment due;

4. The committee shall establish regulations and procedures to insure the collection of such assessments as shall be due and payable under this marketing program;

5. All Commodity Credit Corporation corn loans are included as corn sold and are subject to the assessment levied.

## **BUDGET**

As soon as practicable prior to the beginning of each fiscal year, the committee shall prepare a budget of net income and expenditures necessary to carry out the program. The committee shall present such budget to the Director with an accompanying report showing the basis for its calculations.

At any time during, or subsequent to, a given fiscal year the committee may amend the budget and present such budget to the Director with an accompanying report showing the basis for its calculations.

No more than fifteen (15) percent of the Michigan Corn Marketing Committee's net income will be spent for general administration of the program.

## **ACCOUNTING**

A. If at the end of a fiscal year, the assessments collected are in excess of expenses incurred, such excess shall be accounted for in accordance with one of the following:

1. If such excess is not retained in a reserve, as provided in subparagraph (2) of this section, it shall be refunded proportionately to the producers from whom it was collected;

2. The committee may establish and maintain reserve funds equal to approximately one fiscal year's expenses.

B. All funds received by the committee shall be used solely for the purposes specified in the program. The Director may at any time require the committee and its members to account for all receipts and disbursements.

C. Upon the expiration of the term of office of any member of the committee, such member shall account for all receipts and disbursements and deliver all property and funds of the committee in his/**her** possession to the committee and shall execute such assignments and other instruments as may be necessary or appropriate to vest in the committee full title to all of the property, funds, and claims vested in such member pursuant to this marketing program.

D. All personnel having access to the committee funds must be bonded appropriately.

### **SEVERABILITY**

If any provision or section of this marketing program is declared invalid, or the application thereof to any person, circumstance, or thing is held invalid, the validity of the remainder or the applicability to the other persons, circumstances or things shall not be affected thereby.

### **MISCELLANEOUS**

A. This program shall be resubmitted to a referendum of the producers during each fifth year of operation.

B. This program may be terminated in accordance with the provisions of Act No. 232, Public Acts of 1965, as amended.

C. This program shall become effective upon the Director certifying producer assent as a result of the referendum provided for in Section 11 of Act 232, P.A. 1965, as amended.

*The Corn Marketing Program of Michigan was amended February 10, 2004 per 2002 PA 601 (Amendments to 1965 PA 232) with the consent of both the Michigan Department of Agriculture and the Michigan Commission of Agriculture.*