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BEAN COMMISSION

House Bill 5967 (Substitute H-1) First Analysis (10-4-00)

Sponsor: Rep. Larry Julian
**Committee: Agriculture and Resource
Management**

THE APPARENT PROBLEM:

Under the bean commission act, the state is divided into eight districts for purposes of representation on the commission. The Michigan Bean Commission, with the advice and consent of the director of the Department of Agriculture and the Commission of Agriculture, can reapportion the districts every five years, but is statutorily required to do so on the basis of one or more counties. Because Huron County currently has over half of the total bean acreage in the state, the commission wanted to reapportion the districts by dividing the county in order to provide for more balanced representation, but could not do so under current law. Legislation has been introduced to address this, and other issues with regard to the bean industry.

THE CONTENT OF THE BILL:

The bill would amend the bean commission act (Public Act 114 of 1965) to do the following:

- Change the boundaries of five of the state's eight districts;
- Reduce the number of bean commission members from 11 to 9 by eliminating two of the three current processor members (the one processor canner and one of the two processor shipper handlers) and eliminate the requirement that the grower members have been growers or producers for at least 5 years before their appointment to the bean commission;
- Allow a county producing more than 20 percent of the state's beans to be divided into two or more districts;
- Double the annual grower assessments from 5 cents per hundredweight to 10 cents per hundredweight;
- Reduce the current 1,200 grower signatures needed for referenda petitions for supplemental assessments to 800 and to terminate the bean commission to 200; and

- Allow the bean commission to develop, publish, and dispense marketing information to growers, including such items as competing production areas, practices, crop protection, conditions, and prices, along with other factors affecting the pricing structure of dry beans throughout the world.

MCL 290.551 et al.

BACKGROUND INFORMATION:

According to the Michigan Agricultural Statistics Service, "Michigan's 1998 total dry bean production was 4,425,000 hundredweight (cwt.) which represented 14 percent of the U.S. crop. Michigan ranks second in dry bean production for 1998 as North Dakota placed first with 9,798,000 (cwt.) . . . Yields for all dry beans averaged 1,500 pounds per acre, down 120 pounds from 1997. Michigan continues to lead the country in Navy bean production accounting for 30 percent of the national total. Also, Michigan leads the nation in Black and Cranberry bean production. The fertile soils of the Bay-Thumb area and Saginaw Valley are particularly well suited for growing dry beans. Michigan dry beans are available worldwide and are especially popular in the United Kingdom and gaining popularity in Mexico. They are and will continue to be an important and valuable commodity to Michigan agriculture."

FISCAL IMPLICATIONS:

According to the House Fiscal Agency, the bill has no fiscal implications. (10-3-00)

ARGUMENTS:

For:

The bill would address a number of issues in the dry bean industry, which has changed since the bean commission act was first enacted in 1965. The bill would allow for fairer representation on the bean commission by allowing the commission to reapportion

districts within counties, while also continuing to allow county or multi-county districts. More specifically, the bill would divide Huron County into two districts and reconfigure some of the other districts, and allow for future reconfiguration as the need arose. The bill also would reduce the number of members on the commission, in particular eliminating the requirement that one member be a processor canner. According to the commission, due to consolidation in the bean industry, the nearest canner representative is located in Minnesota, and must be flown into the state for bean commission meetings at about \$600 a trip, for a total of about \$6,000 a year – a figure that represents nearly 2 percent of the commission’s budget (all of which, moreover, comes from growers assessments). Eliminating the canner member would not reduce grower representation on the commission, but would save the commission a considerable amount of money.

The bean commission currently is required, among other things, to promote research on bean varieties and agronomic practices; to promote scientific research to develop and discover “the health, food, therapeutic, and dietetic value of beans and bean products”; to carry out market development, research and promotion programs; and to compile and publish commodity information. However, it is prohibited from being a party to a procedure which involves price setting or production quotas, and from itself engaging in marketing or any activity that would result in the setting up of a marketing order. While the bill would continue these requirements and prohibitions, it would, nevertheless, allow the commission to help bean growers by developing, publishing, and dispensing information about markets and marketing, including information on competing production areas, practices, crop production, conditions, and prices, and other factors affecting the pricing structure of dry beans throughout the world. Given the reported decline in the bean industry in the state over the years, this provision would provide existing bean growers with potentially crucial information that could help them compete more effectively nationally and internationally.

According to the USDA Agriculture Statistics Service, the most recent agriculture census (1997) indicated that there are only 2,172 bean growers in the state, down from the 3,176 growers in 1992 and the 4,098 growers in 1987. In light of this decline in the number of bean growers, the bill would lower the number of grower signatures required for petitions to increase supplemental assessments and for petitions to terminate the commission, making it more realistic that petitions could be initiated, should growers wish to do so.

Finally, according to the bean commission, the statutory change that would double the existing assessment of 5 cents per hundredweight to 10 cents per hundredweight actually reflects the results of a grower referendum that already implemented this change.

POSITIONS:

The Department of Agriculture supports the bill. (10-3-00)

The Michigan Bean Commission supports the bill. (10-3-00)

The Michigan Farm Bureau supports the bill. (10-3-00)

The Michigan Agri-Business Association supports the bill. (10-3-00)

Analyst: S. Ekstrom

#This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.