

Agriculture grants touted to fuel the economy

By **BRIAN McVICAR**
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LANSING - Fighting to diversify its struggling economy, the state is giving the agriculture industry a boost: \$5 million for agriculture grants.

The grants, from the 21st Century Jobs Fund, will help 40 agricultural businesses in 27 counties implement innovative technologies and expand their markets, said Mitch Irwin, director of the Department of Agriculture.

Among the winners are businesses in Allegan County, Huron County and Traverse City.

"This agriculture innovation fund will help us stay on the cutting edge," Irwin said. "There's a great spirit of entrepreneurship in Michigan's agriculture industry."

Irwin said the grants, which are subject to approval by the State Administrative Board on Oct. 3, could create up to 267 jobs and attract up to \$43 million in investment.

The grants place an emphasis on value-added agriculture processing, an approach Jim Bardenhagen defines as using crops to create alternative products.

Bardenhagen, director of the Michigan State University Leelanau County Extension, said that instead of companies selling only grapes, they could use them to make wine, jelly and other products. He added that bio-diesel, ethanol and wind energy are also value-added products.

"This is where I see a lot of agriculture going," Bardenhagen said.

Traverse City-based Cerise Nutraceuticals is a company that follows the value-added processing philosophy.

Cerise, which is in line for a \$100,000 grant, uses a combination of kalaya oil, which comes from the Australian Emu bird, and cherry concentrate to produce all-natural skin lotions and supplements.

Ray Pleva, president of Cerise Nutraceuticals, said he plans to use the grant to expand his company through advertising and research, which will help create growth in the agriculture and health care industries.

He said he plans to have research started in November at Central Michigan University that will attempt to develop treatments for Parkinson's and Alzheimer's diseases using a blend of kalaya oil and cherry concentrate.

"We're going to make some good things happen for the state of Michigan," Pleva said.

The grants could also help expand Michigan's agricultural reach in other countries.

For example, the Pigeon-based Cooperative Elevator Co. is in line for a \$250,000 grant for packaging its black beans, which would place them on the shelves of Mexican grocery stores. Currently, its beans are sold to Mexico only in bulk.

Mike Janowicz, vice president of the grain and bean division at Cooperative Elevator, said there's a big market for Michigan black beans in Mexico because people favor them.

"It's a preferred black bean," he said. "There's a lot of opportunity that can come out of this segment of the business."

Janowicz said no one in Michigan is now shipping individual packages of beans to Mexico.

Some of the grants will also be used to help Michigan's environment.

For instance, Geerlings Hillside Farms is in line for a \$250,000 grant that will be used to build an anaerobic digester, which will turn hog manure into renewable energy.

"We think this is an up-and-coming thing for a lot of farms," said Mike Geerlings, president of the firm.

He added that he plans to use about 30 percent of the renewable energy himself and sell the rest.

Geerlings said the grants are helpful because anaerobic digesters aren't common in the United States, and that makes them expensive. Grants will help more people afford renewable energy technology, which in turn will make it more common and drive down the price, he said.

"It's going to be the wave of the future," Geerlings said.

Irwin, the Agriculture director, said he expected all 40 proposals to be approved.