Heritage and Viability: A Farm Processing Use Case

I want to start this by addressing what many of you are likely thinking. You are probably thinking here is yet another opinion piece that leans heavily one way that is not going to make me happy.

For those of you that want to protect the township, it probably feels like any change to zoning is a betrayal. It feels like if you give an inch, we are going to slide down a slope that turns our gem into an amusement park and destroys the character of the peninsula that you love. You might feel that your need for preservation is not being understood.

For those of you who are trying to make a living off the land, it looks like the township is stuck in the past. It feels like your ability to survive is being stifled and that the hard work of running your farm is not being respected. You probably feel that by not changing, we are slowly killing your way of life.

You are likely afraid that whatever direction we go, it will be a disaster for the community.

Given how high the stakes feel, would it be ridiculous to look at a way to test the water for our farmers without stripping away the protections that make and keep this township what it is?

Since it's not ridiculous to look at a path that protects us against worst-case scenarios, I want to share a plan that prioritizes caution over speed.

Before we get into the specifics of the approach to zoning (which is coming up for a vote soon), I wanted to share our specific use case and how this impacts us financially, as well as from an efficiency and effectiveness perspective. We started our farm in 2017 and have done chickens, sheep, market gardening, grapes, apples, pears, cherries, etc. Today we have about 800 fruit trees spread over 10 acres (we recently took out 2.7 acres of grapes due to demand and frankly, I hated the work). For the last 7 years we have been making aged vinegar from our fruit and vegetables as well as buying from other growers on the Peninsula.

Many of you may not know that to sell goods at wholesale, and even many farm markets, those goods need to originate from a licensed facility. Every box, jar, bottle, can, plastic container, etc. you see in a store did. Stores cannot carry our goods without a license. Nor do the major farm markets, or festivals – like our very own Cherry Festival. In our state that is called an MDARD license (Michigan Department of Agriculture and Rural Development). You need it for vinegar, eggs, honey, maple syrup, hot sauces, processed fruit and vegetables, canned goods, etc. - anything consumable.

We purchased a 2200 square foot building back in 2001 in Traverse City to move from selling "Cottage Goods" (which has a revenue limit) to a wholesale food producer where we are allowed to do vinegar, honey, eggs, black garlic as well as maintaining a MLCC license for wine and cider to do bond to bond transfers with other wineries and cideries. We must document and demonstrate SOP (standard operating procedures) to MDARD inspectors as well as have each batch of each flavor tested for things like acidity, PH, ABV, nutritional labels, etc. In addition, the requirement is to have a space with washable floors/walls, hot water, a three-compartment sink, enclosed toilet, a dedicated hand-washing station and mop sink. Start-up costs are very expensive.

Problem Statement: the cost to run a separate facility is duplicative and increasing.

I want to be as open and direct as I can to make this real. We grossed around $123,000 in vinegar sales in 2025. A huge portion of that is our processing facility where we make everything. Below is our average overhead related to our facility (mortgage, insurance, taxes, and utilities). If you factor in the original down payment, the building has cost us over $330,000 and utilities, taxes and insurance continue to rise. We also have an ARM that will be coming due May of 2028 that will most likely increase the mortgage rate.

Production Facility

EXPENSE CATEGORY	Monthly Spend	Annual Spend
Mortgage	$2,307	$27,684
Insurance		$3,300
Property Taxes		$7,700
Water	$63	$756
Electric	$111	$1,332
Gas	varies	$2,367.36
Internet	$140	$1,680
Garbage	$103	$1,236
Snow Removal		$500
Rental Needs (forklift)		$1,100
	TOTAL	**$47,656**

The operation is also becoming increasingly inefficient as we grow and age our product longer (3 years and more in barrels). An example is getting fruit and juice between my farm, another farm, and the facility. I don't have the ability to offload these heavy items from a truck at our shop, so I must pump it out of a delivery truck from the outside, through our doors, and inside into fermenters. We had 2 instances during the winter where wine and juice froze in the pump and we had to take it to a cooler on another farm to thaw for a couple weeks and try again. If this was on my farm, I could use my tractor to lift it off and drive it inside. Not to mention it would be less traffic than having to go back and forth with my trailer several times a week.

We could build a building on our farm for less than $250,000 and do it the right way. It would look exactly like our Red Barn which everyone seems to like, and we could put $4,000 a month back into our pockets - not to mention more time. Happy to discuss this with anyone who cares too, just wanted to share a real-world example of what zoning, or a lack thereof, means to some of us

This is why I think it is important to have a zoning framework to work within. First and foremost, appropriate farm zoning ensures that our operation complies with local law and regulations. They should be in place to designate specific areas for particular land uses, and understanding what you can and can't do is essential for compliance. Without proper zoning, you have fines, legal challenges, and potentially the loss of farms to growth.

As I mentioned earlier, there is a recommendation going to the Township board about changes to zoning to support the smaller farms on 5 to 39 acres. I wanted to give you a strawman point of view on the big

rocks that need to be moved in order to help us, while still maintaining control on growth and development in the community.

Core Guidelines

Before we go down the path there are three main safe keeping mechanisms or rules to ensure that it stops if it doesn't work:

1. *The Expiration Clause – "the zoning change expires automatically in 24 months. If the township and the Board takes no action, the zoning reverts back to its original state. Inaction or silence equals cancellation."*
2. *Nuisance Thresholds – "If a processor receives repeated citations (noise, odor, misuse, or traffic) within a 12-month period, their permit is suspended for a period. There is no multi-year court battle, the processing permit is conditional on compliance."*
3. *Place of Origin Cap – "a majority percentage of the product processed or sold must be grown on-site or within the township. If a strict audit shows this ratio has dropped, the "Farm Processing" status is revoked and they revert to standard residential/ag restrictions." (There is a recommendation coming from the Ag Committee on this I believe).*

We know that temporary allowances have a habit of becoming permanent because of the paperwork and lawyers required to stop them. So, we want to make this easy for the farmers to get in, but at the same time harder to keep the new zoning - than it is to kill it. Under this framework, if the noise is too loud or if a 10-acre farm starts trucking in goods from all over the country, you don't have to fight to shut it down. The zoning shuts itself down. It's not unreasonable to suggest processing and sales privileges should be contingent upon maintaining good standing with the community.

The Gated Roadmap

Phase 1: Small Processing

- *Goal: Allow existing small family farms the opportunity to capture more value from what they already grow. They need new or existing structures to make goods and services, to store their goods and services, and to sell their goods and services.*
- *What is Allowed:*
    - *Light Processing*
    - *Sales*
    - *Services: Low impact engagement (CSA pickup, educational/therapy classes, U-Pick, etc.)*
- *The Gate: Strict Place of Origin Cap and Nuisance Thresholds*

Phase 1 isn't about development, it's about utilization. It allows farmers to turn the crops they are already producing and sell it as a value add, rather than dumping it or shipping it away at a loss. It doesn't increase the traffic footprint.

Phase 2: Coordinated Expansion

- *Trigger: This phase only unlocks if Phase 1 is extended with fewer than X nuisance complains township-wide by multiple parties.*
- *What Changes (samples only):*

- *Processing: allowance for custom pressing, co-packing, storage, etc. Farm A can take apples to Farm B for processing into juice and take them to Farm C for cold storage. This encourages a tighter local ecosystem without industrial trucking.*
- *Sales/Services: smaller scale events*

If Phase 1 proves that we can handle the activity without disruption to the community, Phase 2 allows farmers and neighbors to help each other.

Phase 3 is still open-ended. However, if this project proves valuable to the community, we should consider letting them. Especially on the larger parcels.

The first rule of business is you have to start. If we continue to prioritize conversation over action, we risk losing the very thing that makes our communities vibrant. I,for one, am tired of the noise as I am sure most of you are. The choice isn't between the past and the future; it's about what we're willing to sacrifice in the present.