

DRAFT
MINUTES
BOARD OF AGRICULTURE AND CONSUMER SERVICES
Room 204, Washington Building
Capitol Square, Richmond, Virginia
March 13, 2003

The meeting convened at 9:00 a.m. on Thursday, March 13, 2003 in Room 204, Washington Building, Capitol Square, Richmond, Virginia. Vice President Holland called the meeting to order and asked for a moment of silence. The Board Secretary called the roll:

PRESENT

Steve Wolfe
L. Bruce Holland
Gatewood Stoneman
T. M. Hardison
Clarence D. Bryant, III
Jennifer P. Nolen
Mark D. Sickles
Gary B. Brown
Mary Campbell
Warren H. McConnell
Dr. Winfrey Clarke

Dr. Steven H. Umberger

ABSENT

Andrea Lohr

STAFF PRESENT

J. Carlton Courter, III, Commissioner
Donald G. Blankenship, Deputy Commissioner
Roy E. Seward, Secretary & Director of Policy, Planning and Research

APPROVAL OF MINUTES

The minutes of the meeting of October 10, 2002 were approved as distributed.

REPORT FROM BOARD MEMBERS

Mr. Brown reported that farmers in his district have had a rough winter but noted that precipitation has been close to normal. He also reported that the burley tobacco quota is being cut 11 percent for 2003 and that cattle prices are down and there are no signs of improvement.

Mr. Bryant reported that agriculture in his district was affected by the extreme drought like other areas of the state. He noted that tobacco is a resilient crop and that most farmers were able to produce more than their quota despite the prolonged dryness. He reported that the flue-cured tobacco quota for 2003 has been reduced by 9.6 percent. He added that--based on this quota--the 2003 crop will be the smallest flue-cured crop since the United States began keeping production records on flue-cured tobacco. He talked about the efforts of innovative farmers in his district who are making a sizeable

DISTRICT

1st
2nd
3rd
4th
5th
7th
8th
9th
10th
11th
Representing Virginia State
University
Representing Virginia Tech

6th

(Board of Agriculture & Consumer Services - Draft Minutes, March 13, 2003)

Page 2

investment to upgrade their dairy operations to a state-of-art level. He promised to bring the Board members pamphlets regarding the new technology being used in these dairy operations. He mentioned that some farmers in his district are now contracting with Perdue to raise pullets for that company.

Mr. Hardison reported that farmers in his area are faced with the same problem that they dealt with last year---whether to plant or not to plant peanuts. He added that farmers and landowners will be struggling with this problem for the next four years thanks to the major changes in the national peanut program. He added that Virginia's peanut industry is in a critical situation. He also stressed the importance of the state budget amendment to provide additional funding for Virginia Cooperative Extension and encouraged members of the Board to support this funding.

In her report Mrs. Stoneman advised the Board regarding farming activities in her district and the impact of cold weather and geese on crop growth. She also mentioned plans for relocating the Philip Morris headquarters in the Richmond area and talked about the importance of finding a new home for the State Fair of Virginia. Before concluding her remarks she asked the Commissioner if he would include in his report comments on the State Fair, the Virginia Horse Center, legislation affecting the Soil and Water Conservation Board membership and the 2002 Ag Census.

Mr. Sickles indicated that he was happy to be a part of the Board and that he is looking forward to learning more about the Board's work. He noted that he heads a trade association that represents the interests of dredging and marine construction businesses. He talked about some of the projects being sponsored by members of his organization in the area of environmental restoration. In his report he expressed an interest in the Canada geese problem which he noted has affected a restoration project in the Norfolk area to re-establish grasses.

Mr. Wolfe indicated that he was glad to serve on the Board and advised the members that he is a former member of the King George County Board of Supervisors and the former Deputy Director of the Virginia Resources Authority. He indicated that as a county supervisor he was familiar with the issue of local animal shelters and pounds. Concerning the 2002 drought, he noted that many of the localities in his district were given federal disaster designation because of major reductions in corn, soybean and other crop yields. He added that recent precipitation has been helpful to farmers.

Mr. McConnell reported that folks his district are finally getting rid of the snow from the winter storms. He mentioned Fairfax County's efforts to deal with local problems caused by geese, deer, and beavers. He shared with the Board an article about the production of valuable pharmaceutical products using agricultural crops such as corn, soybeans and tobacco grown on "pharms" and suggested that the Board and the Department take a look at the opportunities "pharming" may offer to Virginia farmers.

Ms. Campbell reported that President Bush signed a National Telemarketing Law that became effective in 2002. She suggested that the Commissioner and the Board consider the need for a law that would protect Virginia consumers from computer hackers who steal credit card information.

(Board of Agriculture & Consumer Services - Draft Minutes, March 13, 2003)

Page 3

Ms. Nolen reported that she has also heard consumer concerns about telemarketing activities and that it is a huge issue. She welcomed the new board members to the Board.

Dr. Umberger, recently appointed Director of Virginia Cooperative Extension (VCE), represented Virginia Tech President Dr. Charles Steger at the meeting. He reported that Dean Andy Swiger has retired as Dean of Virginia Tech's College of Agriculture and Life Sciences after 11 years. He added that Virginia Tech has begun the process to recruit a successor. He also reported that Dr. David Barrett, his predecessor, retired as VCE Director on March 1. In his report, Dr. Umberger briefed the Board on Virginia Tech's construction and renovation projects underway. He noted that, due to budget cuts, VCE had to reduce its workforce by 85 extension agents and over 20 extension specialists. He advised the Board that VCE was very fortunate to receive funding for budget amendment through the General Assembly for a little over a million dollars, which, if approved by the Governor, will be used to fill Extension agent and Extension specialist positions.

Mr. Hardison noted that funding for Extension is quite critical. He added that when his local Extension agent retired as part of the Extension budget reductions his local government chose to fully fund that position for the time being. He encouraged members of the Board to support maintaining the Extension budget amendment in the state budget. Mrs. Stoneman concurred with his comments.

Mr. Bryant noted that Dr. Umberger should have mentioned the new Bioinformatics Institute in his report of new developments at Virginia Tech. Mr. Bryant, who serves on the Virginia Tobacco Indemnification and Community Revitalization Commission, noted that that Commission given \$12 million in support for that institute. He added that the institute will place Virginia Tech on the cutting edge of new technology.

Dr. Clarke, representing Virginia State President Eddie Moore, reported that his university is also having to deal with major state budget cuts, including reductions in staffing. He noted that a \$100,000 cut to the University's agriculture budget was restored in the budget bill passed by the General Assembly. He also reviewed the impact of delays in federal funding on agriculture-related programs at Virginia State and reported on the hiring of two new research positions in science and in plant biotechnology.

Mr. Holland noted Eastern Shore's position as the top producer of most vegetables, corn, soybeans, and wheat in Virginia. He reported that the precipitation over the fall and winter have helped turns things around after a very dry year. He indicated farmers in his district are beginning to plant potatoes in the southern part of the Shore. He concluded that he was looking for planting conditions to improve and that hopefully 2003 will be a very productive year for Virginia's farmers. He also noted that he looked forward to meeting new member Andrea Lohr at the May meeting.

ELECTION OF OFFICERS

Vice President Holland asked Commissioner Courter to preside over the election of the Board president. The Commissioner called for nominations. Mrs. Gatewood Stoneman nominated Vice President Holland for president and Mr. McConnell

(Board of Agriculture & Consumer Services - Draft Minutes, March 13, 2003)

Page 4

seconded the nomination. Mrs. Stoneman moved that the nominations be closed and Ms. Campbell seconded the motion. Mr. Holland was elected president by a unanimous vote.

Commissioner Courter turned the meeting over to Mr. Holland who thanked the Board for electing him president. He then called for nominations for vice president. Ms. Campbell nominated Mr. Brown and Ms. Nolen seconded the nomination. Mrs. Stoneman moved that the nominations be closed and Mr. McConnell seconded that motion. Mr. Brown was then elected vice president by a unanimous vote.

Mr. Holland called for nominations for Board secretary. Mrs. Stoneman nominated Mr. Seward and Ms. Nolen seconded the nomination. Ms. Campbell moved that nominations be closed and Ms. Nolen seconded the motion. Mr. Seward was elected secretary by a unanimous vote.

COMMISSIONER'S REPORT

The Commissioner welcomed the new board members to the Board and indicated that he is looking forward to working with each of them. He also thanked the former Board members, Joseph Wampler, Herbert Culpepper, Robert Pope, and Alexandra Liddy Bourne for providing outstanding service to the Board. He added that an appreciation certificate will be presented to each of them at a later date.

The Commissioner reported on the following matters:

- *Recognition of New Board Members
- *Recognition of Board Members Whose Terms Expired
- *Restructuring of Agency Divisions/Offices
- *Avian Influenza Response
- *State Apple Board Referendum Results
- *Wrap-up Report on Drought Response
- *Federal Disaster Relief Bill
- *NASDA Mid-Year Conference
- *Virginia Ag Summit
- *Virginia Century Farms
- *Results of Cuban Trade Mission
- *2003 Risk Management Grant
- *Export Trading Company Designation
- *May is Agriculture Week
- *Canada Geese Problem
- *State Fair of Virginia
- *2002 Agriculture Census
- *Soil and Water Conservation Board Legislation

PUBLIC HEARINGS

After 10:00 a.m. President Holland convened the Board for four public hearings. A court reporter was present to make an official transcript of each of these public hearings. A copy of the transcript will be kept with the minutes of this meeting. The following proposals were the subject of these public hearings:

(Board of Agriculture & Consumer Services - Draft Minutes, March 13, 2003)

Page 5

- "Rules for the Enforcement of the Virginia Commercial Feed Act" (a proposal to amend an existing regulation)
- "Regulations for the Enforcement of the Endangered Plant and Insect Species Act" (a proposal to amend an existing regulation)
- "Rules and Regulations for Enforcement of the Virginia Pest Law - Cotton Boll Weevil Quarantine" (a proposal to amend an existing regulation)
- "Rules and Regulations Governing the Cooling, Storing, Sampling, and Transporting of Milk or Milk Samples from the Farm to the Processing Plant or Laboratory" (proposed repeal of this existing regulation) and "Regulations Governing the Cooling, Storing, Sampling and Transporting of Milk" (proposed adoption of this replacement)
- "Rules and Regulations Governing the Production, Handling and Processing of Milk for Manufacturing Purposes and Establishing Minimum Standards for Certain Dairy Products to be Used for Human Food" (proposed repeal of this existing regulation) and "Regulations Governing Milk for Manufacturing Purposes" (proposed adoption of this replacement)

The public hearings ended at 2:45 p.m.

REPORT OF STATE STATISTICIAN

After the public hearings, President Holland reconvened the Board in its regular meeting session and called on Steve Manheimer, State Statistician, who presented copies of the Virginia Equine Survey Report and reported on the 2002 Census of Agriculture project. Mr. Manheimer advised the Board that he would be leaving Virginia to accept a position with USDA in Arizona. He told them that Kevin Barnes would be replacing him as State Statistician.

REPORT ON GENERAL ASSEMBLY ACTIONS

Donald G. Blankenship, Deputy Commissioner, briefed the Board on the actions of the General Assembly during the 2003 session concerning the Department budget and legislation of interest to the Department.

PETITION CONCERNING REGULATION 2VAC5-140

Dr. Donald W. Butts, Director of the Division of Animal, Plant, and Food Industry Services, presented the Board with staff recommendations concerning a response to a petition Christine Solem of Charlottesville filed with the Board requesting that regulatory action on 2VAC5-140 concerning the admission of livestock, etc., be initiated. Dr. Butts recommended that the Board deny the petition and that the Board encourage Ms. Solem to submit her suggestions for amending the regulation when the public is invited to comments on the 2VAC5-140. In response to President Holland's request for a motion on the petition, Ms. Campbell moved that the Board adopt the suggested response (to deny the petition) as presented by Dr. Butts. Mr. Hardison seconded the motion. The Board then voted unanimously to deny the petition.

REVISED CIVIL PENALTY MATRIX FOR ANIMAL POUNDS AND SHELTERS

Dr. Butts presented the Board with suggested changes to the Board's civil penalty matrix for animal pounds and shelters. Dr. Butts noted that the current matrix was adopted some time ago by the Board that he now recommended a change in the name of the division listed in the matrix to reflect the new name of Dr. Butts' division. He noted that the title of a position referenced in the matrix also needed to be changed. Among other changes, Dr. Butts suggested that the number of annual inspections be reduced from two to one in response to budget and staff reductions.

Mr. Wolfe moved that the Board adopt the revised matrix as presented by Dr. Butts. Mr. Bryant seconded the motion and it was carried by a unanimous vote.

REPORT - DIVISION OF ANIMAL, PLANT, AND FOOD INDUSTRY SERVICES

Dr. Butts presented a report on the 2002 activities of the Department's gypsy moth program and plans for 2003.

REPORT FROM DIVISION OF CONSUMER PROTECTION

Dr. Marvin Lawson, Acting Director of the Division of Consumer Protection, reported on the peanut seed and soybean seed situations indicating that drought conditions have affected the quality of these seeds but that the seed industry has not requested an emergency suspension of current state standards. He also gave a quarterly report on civil penalty assessments for violations of the state weights and measures law.

PLANS FOR FUTURE MEETINGS

Mr. Seward advised the Board that its next meeting is scheduled for May 15, 2003. Mr. Seward recommended that the Board meet on September 26, 2003, during the State Fair of Virginia and that its last meet of the year be held on December 4. He indicated that he would be working with the Commissioner's Office and agency staff to plan a half-day orientation for new Board members. He noted that Ms. Campbell and any other members who may not have attended previous Board orientations would also be welcome to participate in the orientation.

PUBLIC COMMENT PERIOD

No persons came forward to speak to the Board during the public comment period.

ADJOURNMENT

The meeting adjourned at approximately 4:00 p.m. The next scheduled board meeting is May 15, 2003.

Respectfully submitted,

L. BRUCE HOLLAND, President

ROY E. SEWARD, Secretary