

FINAL MINUTES

Board of Agriculture and Consumer Services
Hilton Alexandria Old Town
1767 King Street
Alexandria, Virginia
Wednesday, July 26, 2017

The meeting of the Board of Agriculture and Consumer Services (Board) convened at approximately 1 p.m. on Wednesday, July 26, 2017, at the Hilton Alexandria Old Town in Alexandria, Virginia. President Mills called the meeting to order. At the President's request, Mr. Kirby gave the invocation.

ROLL CALL

The Board Secretary called the roll:

PRESENT

O. Bryan Taliaferro, Jr.
Donald Horsley
Clifton A. Slade
Robert J. Mills, Jr.
L. Wayne Kirby
Kay Johnson Smith
James S. Huffard, III
John R. Marker
Richard Sellers
Neil Houff
Kevin J. Kordek
Dr. Alan Grant

CONGRESSIONAL DISTRICT

1st
2nd
3rd
5th
7th
8th
9th
10th
11th
Pesticides – Commercial Agricultural
Pesticides – Commercial Structural
Representing Dr. Timothy D. Sands, President,
Virginia Tech

ABSENT

Shelley Barlow
Rosalea R. Potter
Dr. Jewel Hairston Bronaugh

4th
6th
Representing Dr. Makola Abdullah, President, Virginia
State University

STAFF PRESENT

Sandra J. Adams, Commissioner of Agriculture and Consumer Services
Kevin E. Schmidt, Board Secretary

APPROVAL OF MINUTES

Mr. Kirby moved that the draft minutes of the meeting on May 25, 2017, be approved with an amendment to replace Mr. Sturgis with Mr. Mills as the president on the signature page. Mr. Kordek seconded the motion, and it was passed by a unanimous vote.

REPORT FROM BOARD MEMBERS

Dr. Alan Grant

Dr. Grant reported that summer has been busy for Virginia Tech. The campus hosted the 4-H State Congress, the Virginia Future Farmers of America State Convention, Master Gardner College, and The Governor's School of Agriculture. This fall, the College of Agriculture and Life Sciences is expecting 600 new freshmen and 120 transfer students. Additionally, approximately 60 new students will be coming into the two-year Agricultural Tech program. Finally, Dr. Grant reported that Virginia Tech hired Dr. Matthew Holt as the new department head for the Department of Agricultural and Applied Economics.

Board of Agriculture and Consumer Services

July 26, 2017

Page 2

L. Wayne Kirby

Mr. Kirby reported that the wheat crop harvest for his area was average, if not better than it has been in the past. He reported that the corn and soybeans crops were hurt by the dry weather, but the extent of the damage is not yet known. Finally, he reported that the vegetable growers are telling him vegetables are coming along but ripening sooner than normal.

Clifton Slade

Mr. Slade reported that growers in his district are currently experiencing drought stress. Soybeans are showing the biggest percentage of drought stress, but the cotton crop does not appear to be affected. Mr. Slade was also pleased to announce his granddaughter graduated from Virginia State University with a degree in agriculture business and economics and would be joining Slade Farms.

Donald Horsley

Mr. Horsley began his report by saying he appreciated the Governor appointing him to this position and is looking forward to serving on the Board. He reported that in his area the corn, soybean, and wheat crops have been good overall. The crop damage growers have experienced is from excessive rain in late May and early June.

O. Brian Taliaferro

Mr. Taliaferro reported that while they did take some hits from the dry weather the corn crop looks good and the soybeans will be good as long as they get rain. He reported that there are vineyards and nursery operations in his area that appear to be in good shape with the dry weather.

Kay Johnson Smith

Ms. Johnson Smith welcomed the Board to Northern Virginia. She informed the Board that Alexandria is the sixth most populous independent city in Virginia, and, while there are not many commercial agriculture businesses, residents are eager for locally grown food and they have several vibrant farmers' markets in the area.

James S. Huffard, III

Mr. Huffard reported that it has been extremely hot in his area of the state and the corn is suffering. He reported that Duchess, his milk bottling business, is doing well, and they are slowly growing the business. He reported he expects to see continued media interest in A2 milk. He also noted that that he attended the World Jersey Cattle Conference in Costa Rica, where he saw a lot of U.S. genetics, and that next year's convention will be held in the U.S.

John Marker

Mr. Marker reported that his area has been dry, which has impacted the corn and soybean crops. He reported that the apples and grapes are looking good and the peach harvest is going well overall.

Kevin Kordek

Mr. Kordek reported that this is a record year for insects. He also reported that there has been recent industry consolidation—three of the largest pest management companies in the state were sold to a national organization. He reported the presence of a significant number of spiders in homes, including the presence of more black widows statewide than ever before. Finally, Mr. Kordek extended an invitation to the Virginia Pest Management State Technical meeting in Richmond, where he will speak on regulatory items the Board is handling.

Neil Houff

Mr. Houff reported that the wet spring has been good for crop protection because the chemicals work well when they have the right moisture. He reported a fair number of genetically modified dicamba-tolerant soybeans have been planted and sprayed throughout the state with no drift complaints reported so far.

Robert Mills

Mr. Mills reported that some crops in his area have been washed out while others look good. He reported that growers in his area are concerned with the tobacco that has really taken a hit with heat. He reported that tobacco growers may experience a 25 percent reduction in production this year. On the dairy side, three of the top five dairies in the state are located in his county, and producers report that the excess heat has caused the milk production and the health of the cows to plummet.

COMMISSIONER'S REPORT

Commissioner Adams delivered her report to the Board. During the presentation of this report, she briefed the Board on the agriculture impact study done by the Weldon Cooper Center for Public Service, personnel changes, recent events, and other matters relating to VDACS. A copy of the written report on which her presentation was based was included in the Board meeting folder.

PROPOSED STAGE – 2 VAC 5-675 (REGULATIONS GOVERNING THE PESTICIDE FEES CHARGED BY THE DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES)

President Mills called on Liza Fleeson Trossbach, Program Manager, Office of Pesticide Services (OPS), to brief the Board on the proposed action to amend 2 VAC 5-675 to increase pesticide fees charged by VDACS. The amendments were drafted with the assistance of a regulatory advisory panel, and the increase in fees will support OPS's core activities.

The Board discussed how the proposed fees rank nationally, the impact of the funds on OPS, and the regulatory process. After discussion and a review of the amendments drafted by the regulatory advisory panel, Mr. Kordek moved that the Board of Agriculture and Consumer Services adopt 2 VAC 5-675, Regulations Governing the Pesticide Fees Charged By the Department of Agriculture and Consumer Services, as presented by staff today and that the Board authorize staff to take any and all steps necessary to file this proposed regulation for public comment. Mr. Huffard seconded the motion, and it was carried by a unanimous vote.

Ms. Fleeson Trossbach also reported on a recommendation developed by the regulatory advisory panel, stating that support by the panel for the proposed amendments was predicated upon the establishment of an advisory committee to review year end cash balances to determine if the fees are appropriate to prevent an excessive increase in the cash balance. The proposed advisory committee would go into effect two years after the proposed amendments become effective.

Mr. Houff moved that the Board of Agriculture and Consumer Services request that the Department of Agriculture and Consumer Services (VDACS) establish a stakeholder committee to evaluate pesticide fees assessed by VDACS and provide feedback to the Board within two years of the effective date of the proposed revisions to 2 VAC 5-675 regarding the need to increase or decrease pesticide fees assessed pursuant to this regulation. Ms. Smith seconded the motion, and it was carried by a unanimous vote.

PROPOSED APPOINTMENT OF VIRGINIA WINERY DISTRIBUTION COMPANY BOARD MEMBER

President Mills called on Commissioner Adams. Commissioner Adams presented the Board with an endorsement from the Virginia Wineries Association for Ms. Courtney Mailey of Blue Bee Cider to be considered for the Virginia Winery Distribution Company board of directors.

Mr. Kordek moved that the Board appoint Ms. Courtney Mailey to fill the vacancy on the board of directors of the Virginia Winery Distribution Company in the position of a winery or farm winery licensee that produces no more than 10,000 cases per year for a term from July 1, 2017, through June 30, 2021. Mr. Taliaferro seconded the motion, and it was carried by a unanimous vote.

MEETING RECESS

President Mills called a recess at approximately 2:16 p.m. President Mills reconvened the meeting at approximately 2:30 p.m.

PROPOSED LETTER TO THE U.S. DEPARTMENT OF AGRICULTURE REGARDING FEDERAL CROP INSURANCE

Mr. Mills called on Deputy Commissioner Green. Mr. Green presented the Board with a draft letter to the U.S. Department of Agriculture regarding federal crop insurance. The letter was drafted by VDACS in collaboration with Mr. Slade and Ms. Barlow. Mr. Slade moved that the letter be amended to include Ms. Barlow's suggested revision and that the Board authorize President Mills to sign and send the letter to U.S. Department of Agriculture Secretary Perdue as presented on behalf of the Board. Mr. Marker seconded the motion, and it was carried by a unanimous vote.

PRESENTATION ON OFFICE OF CHARITABLE AND REGULATORY PROGRAMS

President Mills called on Michael Menefee, Program Manager, Office of Charitable and Regulatory Programs. Mr. Menefee presented an overview of the role of the program and its oversight responsibilities.

PLANS FOR TOUR ON THURSDAY, JULY 27

President Mills called on Secretary Schmidt. Secretary Schmidt provided an update on the logistics for the Board dinner on July 26 and the Board tour on July 27.

FUTURE BOARD MEETINGS

President Mills referred members of the Board to the future Board dates provided in the Board meeting folder. (The date for 2017 is December 7; the dates for 2018 are March 22, May 24, and December 6. All meetings will be held in Richmond.)

PUBLIC COMMENT PERIOD

President Mills recognized Charlie Jackson with Jackson West Consulting, who spoke on behalf of the People for the Ethical Treatment of Animals (PETA). Mr. Jackson commented that PETA is proud of its local program in Norfolk and provided the Board with PETA's quarterly report.

President Mills recognized Jonathan Harding with the Virginia Agribusiness Council (VAC), who commented that he wanted to make the Board aware that some of the council members are concerned that the proposed increase in pesticide fees will make these fees higher than the national average. Mr. Harding stated that VAC looks forward to working with VDACS on this issue in the future.

President Mills recognized Wilmer Stoneman with the Virginia Farm Bureau Federation (VFBF). Mr. Stoneman commented that VFBF had the same concerns the Board does regarding the Pesticide Control Fund and what it is not able to do this year. He also commented that, while the farmers he represents do not pay the fees directly, they will have to pay indirectly in the increase in products' cost. Mr. Stoneman offered VFBF's help as this regulation moves forward.

Additionally, Mr. Stoneman commented that VFBF's members have also been highly concerned about the federal crop insurance. He suggested that, if the Board and other agricultural organizations are willing, VFBF would sign on to the Board's approved letter to Secretary Perdue.

Lastly, he welcomed Mr. Donald Horsley to the Board and congratulated Mr. Mills on his presidency.

President Mills recognized Katie Frazier with the Virginia Agribusiness Council, who offered to coordinate signatures for the letter regarding federal crop insurance to Secretary Perdue from the commodity groups.

Mr. Schmidt noted that these stakeholders must sign on to the letter as approved by the Board. Additionally, the Board will need formal verification that an organization that signs on to the letter intends to sign on.

Mr. Sellers made a motion that the Board approves accepting additional agricultural organizations to sign on to the Board-approved letter regarding federal crop insurance to the U.S. Department of Agriculture

Board of Agriculture and Consumer Services

July 26, 2017

Page 5

Secretary Perdue with verification from those organizations by August 15. Ms. Smith seconded the motion, and it was carried by a unanimous vote.

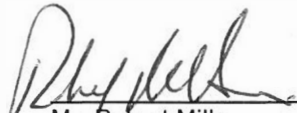
NEW BUSINESS

No new business was introduced.

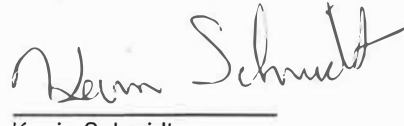
ADJOURNMENT

There being no further business the Board adjourned at approximately 3:26 p.m.

Respectfully submitted,



Mr. Robert Mills
Board President



Kevin Schmidt
Board Secretary