

FINAL MINUTES
BOARD OF AGRICULTURE AND CONSUMER SERVICES

Oliver W. Hill Building,
102 Governor Street, 220 Board Room
Richmond, Virginia
March 22, 2006

The meeting convened at 9:00 a.m. on Wednesday, March 22, 2006, in the Second Floor Board Room of the Oliver W. Hill Building in Richmond, Virginia. President Holland requested a moment of silence and then called the meeting to order. The Board Secretary called the roll:

PRESENT

Stephen Wolfe
L. Bruce Holland
Paul W. Rogers, Jr.
T. M. Hardison
Wanda G. McDowell
Andrea Lohr
Edward S. Fleming
Gregory J. Galligan
C. C. Clark, Jr.
John D. Hardesty, Jr.
Melvin E. Murphy
Eddie N. Moore, Jr.
Dr. Jim Riddell

DISTRICT

1st
2nd
3rd
4th
5th
6th
7th
8th
9th
10th
11th

President, Virginia State University
Representing Dr. Charles W. Steger, President,
Virginia Tech

ABSENT

None

STAFF PRESENT

J. Carlton Courter, III, Commissioner
Donald G. Blankenship, Deputy Commissioner
Roy E. Seward, Board Secretary

INTRODUCTION OF DR. HOBBS

Mr. Moore introduced Dr. Alma Hobbs, the new Dean of Virginia State University's School of Agriculture and Extension Program Administrator., who heads the University's Extension Program. Mr. Moore noted that Dr. Hobbs, who holds degrees from Tennessee State University and North Carolina State University, has held several positions with the U. S. Department of Agriculture. He advised the Board that Dr. Hobbs would be representing him at the March meeting (he had to leave for a funeral) and at future meetings when he is unable to attend.

Secretary Bloxom thanked the board members for the time they are spending to serve on the VDACS board.

APPROVAL OF MINUTES

The minutes of the December 8, 2005 meeting were approved as presented. Mr. Wolfe abstained from voting because he was not present when the Board met in December.

REPORT FROM BOARD MEMBERS

Mr. Fleming reported that his district has been very dry and that farmers need timely rainfall as they prepare for planting corn and other crops. He noted that consumers in his area are complaining about fuel prices.

Mr. Rogers reported that his district is also dry, adding that this weather is hurting the wheat crop. He indicated that his area is expected to have smaller corn and peanut crops, but that cotton will be strong this year.

Mr. Hardison reiterated the concerns about dry weather. He reported that farmers are ahead of schedule in spring crop preparation. He emphasized the continuing need for alternative crops for peanuts in southeast Virginia. He noted the potential benefits that a grower cooperative could have for the area and mentioned that he had been in contact with Virginia Tech on a number of occasions about the subject. He asked the Board and the Commissioner to join him seeking an answer to the question—"Are we doing all we can as far as research and determining an alternate crop for peanuts in southeastern Virginia?"

In his report Mr. Hardison also reported on conversations he has had with local feed dealers about the anticipated horse industry referendum and the concerns these dealers have regarding the imposition of administrative costs. He stated that the public needs to be informed of plans for the referendum and how they may qualify to participate if they are horse owners.

On behalf of the Fairfax County Consumer Protection Committee (FCCPC), Mr. Murphy thanked everyone for their help in getting a proclamation recognizing Larry Fowler's forty-plus years of service on the FCCPC. (Statements from Governor Kaine and Commissioner expressing appreciation for Mr. Fowler's service were obtained for the FCCPC by VDACS staff.) He noted that the Fairfax County Board of Supervisors is in the process of creating a "Larry Fowler Award" to recognize persons appointed to local boards and commissions for longevity and outstanding service.

Mr. Murphy noted that farmers report that the sales of Christmas trees and pumpkins were good this past season. He informed the Board that he was appointed to the Consumer Affairs Advisory Committee by President Holland to serve as the Board's

representative. He briefed the Board on the role of the Committee as advisor to the Commissioner and the Director of the Division of Consumer Protection. He asked that Dr. Irene Leech, the Committee President, be invited to the next meeting to report on the successes of this advisory group.

Ms. Lohr reported that the Shenandoah Valley is also dry and that fire safety is a concern for everyone. She stressed that, in view of all the national publicity about bird flu, the public needs to be informed and assured that poultry is safe and that the food supply is safe. She noted that she was pleased to see that state legislation (House Bill 982) was passed that gives the Commissioner and VDACS more authority to deal with an outbreak of avian influenza and to be able to stop the spread of the disease.

Mr. Wolfe reported that he was not at the December meeting due to illness. He noted that his district is not quite as dry as other areas of the state and that his district received above average precipitation for first part of the winter. He reported that consumers in his district are concerned about the extreme variations in gasoline prices they are seeing.

Mr. Clark reported that his district is also dry. He explained that his area had very dry during the fall but that a mild January provided fuel, hay and feed savings. He told the Board that his district is experiencing a significant reduction in the number of small dairy operations and that these dairy farmers are going out of business or changing to beef cattle or other farming operations. He echoed Mr. Wolfe's comments about consumer concerns for the variability in gasoline prices.

Ms. McDowell reported that she was not at the last meeting due to a medical appointment relating to her mother. She commended President Holland and Ms. Lohr for their work with local youth and added that the Board members need to think about our youth and the next generation coming along. She indicated that there are not a lot of young people interested in a career in agriculture. She stressed that we need to let our youth and the public know that agriculture is more than just cows and plows. She noted that we need to think about the future and these youths and where are the people of the future who will work in the field of agriculture.

Ms. McDowell reported on diversification activities in her district including the planting of vineyards and the opening of a winery. She added that a couple of Christmas tree farms have been started and that some farmers are raising meat goats. She advised that, based on contracts made with tobacco companies, tobacco production in her area is going to increase about 25 percent this year. She mentioned the benefits of putting farmland into warm season grasses that could be harvested once a year for bio-fuel.

She noted that, with escalating land values and rising real estate taxes, she is seeing more farmland being sold for non-agricultural uses.

Mr. Galligan indicated that he was not at the meeting because of a prior obligation with the Army Reserve/National Guard. He talked about the global threat of terrorism and the preparedness of the National Guard to be fully engaged in this struggle. Regarding consumer issues, he told the Board that his current consumer concern is with e-Commerce. He explained that he is concerned that the Commonwealth provide protection to the consumer on the internet by putting some limits on e-Commerce activities and policing this very powerful marketing/communication medium. He asked the Commissioner to update the Board at the next meeting on what the Commonwealth is doing to protect consumers on the internet. He added that he wants VDACS to send out a consumer alert on Ticketmaster regarding a letter he read from a consumer who indicated he had been defrauded.

Mr. Murphy commented that he would be interested in getting a report from staff on the total value of food and beverage products being purchased via the internet and how the consumers of these products are being protected.

Mr. Hardesty reported that his district is dry and there were four fires in his area in one day. He noted that milk prices have been falling and this is affecting the dairy farmers. He indicated that the horse industry is thriving in his area and that horse operations are replacing dairy and beef farms. He advised that corn planting will be starting April 20 in his area. He also mentioned complaints from farmers and other consumers regarding rising prices and the impact on doing business. He mentioned that farmers in his area are asking a lot of questions about avian influenza and that a number of people are worried about the possibilities of an outbreak.

Dr. Riddell, who represented Virginia Tech President Dr. Charles Steger, reported on the activities of the College of Agriculture and Life Sciences. He mentioned that Virginia Tech hosted the "Women in Agriculture Conference" along with Farm Bureau, Southern States, and Farm Credit and that 200 women in agriculture were in attendance. In his report he advised the Board regarding the new Agriculture and Forestry building that will provide new and expanded facilities. He also reported that Extension has filled about 40 agent positions over the past two years, has filled several specialist positions at the research and Extension centers and is interviewing to fill nutrient management and forest crop specialist positions. He mentioned the interest in pursuing energy crops and the growing interest in farmland protection issues. He noted the work that Virginia Tech is doing relating to safeguarding animal health and implementing the National Animal Identification Program.

Dr. Hobbs stated that she was pleased to represent Virginia State University President Eddie Moore and honored to serve as VSU's new Dean of Agriculture. During her report she noted that as Dean she is responsible for agriculture, human ecology and Extension research. She indicated that the School of Agriculture has approximately 185 students and one of her goals is to increase that number. She reported that VSU is hiring a recruiter as part of the University's recruitment efforts. She also announced that the University's new Masters in Plant Science Program has been approved. She explained that this new program is a part of VSU's 2020 Vision plan to have a doctorate program in plant science and that the first step is to have a masters program in place. She announced the hiring of Sylvia Montgomery as VSU's new 1890 USDA liaison. She also reported on the launching of a new program effort in Extension concerning food and nutrition. She advised the Board of VSU's plans in the area of research and the University's plans for hosting the 1890 Council of Presidents Summer Meeting in Norfolk during June 28-July 1, 2006.

Mr. Holland told the Board that the Eastern Shore is extremely dry. He reported that 99 percent of his potato crop is planted and that it is unusually early to be that close to completion. He added that the tomato growers are well on the way to getting their plastic down and getting their fumigation done, He reported that farmers have not planted as much wheat as in the past and that the majority of the crop looks fairly good. He added that, like the poultry growers in the Shenandoah Valley, growers on the Shore are concerned about the potential for an avian influenza outbreak. He reported that consumers in his area are concerned about reports that their electric bills will increase 48 percent beginning July 1. He reported that Holland Farm hosted all the third-graders in Accomack County and that he made a presentation on "Ag in the Classroom." He noted that bio-fuel is a big topic in his area and that Accomack County is considering using biodiesel in all their vehicle.

COMMISSIONER'S REPORT

Before making his report to the Board, Commissioner Courter, in response to Mr. Hardison's report on new crops and new opportunities for our farmers, pledged his continued commitment to seek new crops or new opportunities for Virginia farmers and find new markets for traditional crops. He noted that those objectives were part of former Governor Warner's agricultural initiative and that as President of the National Association of State Departments of Agriculture, he has a keen awareness of the highly competitive global market that American farmers produce for and market in. He added that, as he travels about the U.S., he sees other folks looking for a new alternative crop meet that state's or region's needs—one that has a high profit margin and a low input cost.

Commissioner Courter talked about what contributed to the demise of the federal peanut program which, for decades, had been so important to Virginia farmers and the peanut industry. He also reported on North Carolina's success in persuading a South Korean firm to build an \$8 million plant near Elizabeth City, North Carolina to process edible soybeans for the South Korean market. He noted that the plant will be processing tens of thousands of acres of soybeans and that the demand could benefit Virginia farmers who either grow edible soybeans for the plant or who grow traditional soybeans to fill the production gap created when other farmers in the region shift their production to the edible market. He talked about recent development relating to Virginia's production of edible soybeans for the Japanese market and the promotion of Virginia products in Cuba.

In his report to the Board the Commissioner also covered the following items:

- *OAG Assigns Jasen Eige to VDACS
- *New OCA Program Manager
- *Amendment to Peanut Seed Regulation
- *AI Pandemic Summit
- *Virginia Poultry Disease Task Force
- *Livestock Premise Registration
- *Commonwealth Emergency Preparedness
- *VDACS Animal Disease Response Plan Review
- *Groundbreaking for VDACS Harrisonburg Lab/Offices
- *Biofuels Update
- *Soydiesel Rebate Program
- *Loss of VA Biodiesel Pioneer
- *Containerized Grain Shipments
- *WIC & Seniors FMN Programs
- *AGR-Lite Crop Insurance
- *Jamestown 2007
- *Virginia Wine Industry
- *VA Food & Beverage Expo

LEGISLATIVE UPDATE

Mr. Blankenship, Deputy Commissioner, presented the Board an overview on legislation introduced during the 2006 session of the state legislature which was tracked and analyzed by VDACS. During the Deputy Commissioner's presentation he recognized the work of agency staff in covering the legislature.

UPDATE ON STATE BUDGET

Sandy Adams, Director, Office of Administrative and Financial Services, presented an update on the status of the state budget as it relates to VDACS.

COMMODITY BOARD REPORTS

Stan Duffer of the Division of Marketing, who provides staff support to the two tobacco commodity boards, presented the Board a report on the status of the state's tobacco industry and the activities of the Flue-Cured Tobacco Board and the Dark Fired Tobacco Board.

DIVISION OF ANIMAL & FOOD INDUSTRY SERVICES REPORT

Dr. Richard Wilkes, Director of the Division of Animal and Food Industry Services, with input from Dr. Riddell of Virginia Tech, briefed the Board on antibiotics in animal production.

Following this presentation, Mr. Galligan discussed with the Commissioner and staff his concerns about the poor nutrition that certain "junk" foods offered to the public, particularly the young.

REPORT ON SPECIALTY AG INITIATIVE

Charles Green, Project Manager for Specialty Agriculture with the Department's Agribusiness Services unit, presented a briefing on the specialty agriculture initiative. This program was established through former Governor Warner's Virginia Works Initiative.

PLANS FOR FUTURE BOARD MEETINGS

Mr. Seward asked the Board to reserve the following dates for Board meetings in Richmond:

May 18, 2006
August 3 (meeting) and 4 (tour), 2006
December 7, 2006

PUBLIC COMMENT PERIOD

John Coles of Charlottesville informed the Board that the Virginia Independent Consumers and Farmers Association at its recent meeting voted to oppose a national animal identification program because such a program would have a negative impact on small farmers. During his remarks he questioned Dr. Wilkes about comments Dr. Wilkes made about the program. In closing, Mr. Coles stated that small farmers are faced with many burdensome regulations that affect their ability to do business.

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ADJOURNMENT

The meeting adjourned at 12:40 p.m.

Respectfully submitted,

L. Bruce Holland, President

Roy E. Seward, Board Secretary