

FINAL MINUTES
Board of Agriculture and Consumer Services
Oliver W. Hill Building, 102 Governor St., Richmond, Virginia
May 17, 2007

The meeting convened at 9:00 a.m. on Thursday, May 17, 2007, in Room 220 of the Oliver Hill Building, 102 Governor Street in Richmond, Virginia. President Holland requested a moment of silence and then called the meeting to order. The Board Secretary called the roll:

PRESENT

L. Bruce Holland
Paul W. Rogers, Jr.
T. M. Hardison
Andrea Lohr
Edward S. Fleming
Gregory J. Galligan
Charles C. Clark, Jr.
John D. Hardesty, Jr.
Melvin Murphy
Dr. Craig Nessler

DISTRICT

2nd
3rd
4th
6th
7th
8th
9th
10th
11th
Representing, President of Virginia Tech

ABSENT

Stephen Wolfe
Eddie N. Moore, Jr.

1st
President of Virginia State University

POSITION VACANT

5th

STAFF PRESENT

Donald G. Blankenship, Deputy Commissioner
Roy E. Seward, Board Secretary

APPROVAL OF MINUTES

The minutes of the March 22nd, 2007 meeting were approved as distributed.

Roy mentioned that the draft and final minutes and notices of meetings are posted on the VDACS website.

ELECTION OF PRESIDENT, VICE PRESIDENT & SECRETARY

President Holland turned the meeting over to Deputy Commissioner Blankenship who called for nominations for Board President.

Mr. Hardesty nominated Mr. Holland for President and Mr. Rogers seconded the nomination. Mr. Rogers then made the motion that nominations are closed and that Mr. Holland be elected by acclamation. Mr. Fleming seconded the motion and Mr. Holland was elected President by a unanimous vote.

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Mr. Holland took the gavel as the new President and called for nominations for Vice President. Mr. Fleming nominated Mr. Rogers for Vice President and Ms. Lohr seconded the motion. Mr. Clark moved that nominations be closed and that Mr. Rogers be elected by a unanimous vote. Ms. Lohr seconded the motion and Mr. Rogers was elected Vice President by a unanimous vote.

Mr. Holland called for nominations for Secretary. Mr. Rogers nominated Mr. Seward and Ms. Lohr seconded the motion. Mr. Hardesty moved that the nominations be closed and that Mr. Seward be elected by acclamation. Mr. Rogers seconded the motion and the Board voted unanimously to elect Mr. Seward Board Secretary.

REPORT FROM BOARD MEMBERS

Mr. Fleming reported that in his area the farmers complained about a lot of rain. He noted that hay cutting has not been good because of the rainy weather. He added that some farmers are chopping wheat and barley for silo and that there are reports of some barley fields yielding 5-6 tons per acre. He reported that early corn has been planted and that wheat and barley crops look very good. He shared concerns about the lack of honey bees for pollination this year.

Mr. Rogers reported that the corn planting is on schedule, and that the corn crop looked excellent so far. Cotton has been planted and looks like a good stand overall; however, the acreage is going to be down. There is an increase in the price of grains. Peanut planting is near completion. More peanut acreage is being planted, but there will probably be fewer producers, but this planting few more acreage than what they did. I believe they are going to have newer producers coming back. Wheat harvest is a month away and looks good at this point. There are adequate moisture in some areas and dry in other areas. We had a lot of activity in our area with the events of Jamestown and the Queen, President, and Vice President to visit Williamsburg. On consumer side there were no issues to address.

Mr. Murphy reported that, in northern Virginia, he had nothing to report. On the consumer side, he mentioned that he is no longer on the Consumer Protection Commission for Fairfax County because he is now attending graduate school. The CAAC met and discuss Executive Directive #5 issued by Governor Kaine relating to do not sell registry, freeze of credit, and breach of notification. He indicated that it was very interesting and hopes the board takes a look at it because it affects all of us.

Ms. Lohr expressed her condolences to Virginia Tech on behalf her family. The corn acreage is up, and farmers are planting more corn. About six weeks ago,

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an outbreak of AI was found on a turkey farm in Pennington, West Virginia. The six districts are dry and need rain. Farmers have started to plant their tomatoes and other types of produce. For May, frost has caused problems with crops.

Mr. Clark reported that he also sends his condolences. He indicated that his corn planting is about 80 percent complete. The weather has gone through what's left of the double cropping and the staggering of the planting. They had a ground-breaking in Abingdon for a new a farmers market. Also, his district had some rain, but been dry. The frost is affecting everyone.

Mr. Galligan reported no new information. Still working with wildlife issues and continuing to work with the Secretary on that issue.

Mr. Hardesty also expressed his condolences to the families of Virginia Tech. His area has been cool and dry and need some rain. Eighty percent of the corn has been planted, but he is 10 days behind in planting. He indicated that he had a ten to 15 percent increase in corn. Beans are about 5 percent planted. Peaches and apples have had a heavy bloom and good sap with good potential for apples and peaches. The honey bees are a big concern in his area, especially with the apples. Hay is about 10 percent less than projected this year because of the dryness. The small grain is a little behind and off, but not too much. The strawberries look good. Their farmers market opened last weekend. There was a major outbreak of alfalfa wheat and it is about 10 to 15 days later than usual. Some have already cut their alfalfa. Another major problem is the gas prices.

Mr. Hardison also expressed his condolences to Virginia Tech. In regard to the Farm Report, he has a serious complaint regarding the agriculture program and would like the Deputy Commissioner to provide the board some guidance. Corn fertilizer is up some 60 percent, \$325 a ton. Nitrogen, in the past few years, has gone up 400 percent. He want guidance on the proper way to pursue the possibility of price gouging involving increases in the price of fertilizer, specifically, corn fertilizer. Mr. Blankenship agreed that prices have skyrocketed.

Dr. Craig Nessler, representative for Virginia Tech, send appreciation for the kind words and prayers on behalf of the Virginia Tech, students and faculty. State passed the Commonwealth Staffing Initiative, which will permit VT to hire seven positions at a cost of \$461,000. These positions will be directed toward Sustainable Forestry, the Shock Launder Program and the Power of Natural Resources, the storm-water run-off issues, which is a major concern in the northern Virginia area as well as the area around Virginia Beach and Tidewater.

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There will be two specialists: one in parenting issues and viticulture and three county agents. There were some concerns about the fuel prices and other issues. The college has made a major commitment to bio-energy; several of our faculty has been successful with the tobacco indemnification committee which will begin looking at switchgrass and areas where switchgrass can be grown. The extension services are also looking at surveying for potential commitment to growing switchgrass on the part of the producers if you are going to produce bio-ethanol from siulose. You must have commitment by growers before a processing plant can be established. They also have a few bright people in bio-systems engineering, one of whom have patent two several processes related to production of ethanol which reduces the cost of production to where it gets very competitive with petroleum products. They are looking forward to developing a pilot plant to test that on commercial scale.

VT have a new distant MS program that as been approved in Agricultural Sciences, Bi-shelv and will be available in 2007, and an online MS degree that will have areas of concentration in food safety, bio-security, and agriculture production, etc. This will be a very important education for our agents who don't have their MS degree as well as the general public. Before we established this degree we did a need-assessment, and particular, in federal agencies.

Mr. Holland reported that the Department of Agriculture donated \$500 to Hokie's Memorial Fund of Virginia Tech. On the shore, it has been very cool, dry and damp in his area. The corn in his area has been planted. They are having some problems with slugs, birds, and cool weather, which have caused them to replant some of their corn. The wheat crop is good. The tomatoes have had some problems with the frost and some had to be replanted. The potatoes, overall, look almost as good as last year. There is a demand for processed vegetables on the Eastern Shore. For the south, there was a little bit of sweet corn planted in our area, 5 or 6 years ago and then they kind of move north because of freight and now there is a big demand for lima beans and squash possibly in the fall and things are looking up. We all are glad to be able to reap the increase in grain prices because of the demand for fuel.

VDACS OPERATIONAL REPORT

Deputy Commissioner Blankenship introduced Kendra Shifflet, Budget Analyst at the Department of Planning and Budget, who works with VDACS on related budget and legislative issues. He then briefed the Board on agency operations. A copy of the report was included in the Board's meeting folders.

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In response to Mr. Hardison's questions about the role of the Department in responding to natural disasters in the Commonwealth, Mr. Blankenship talked about the different roles and duties VDACS staff play.

REPORT FROM SECRETARY OF AGRICULTURE & FORESTRY

During his remarks Secretary Robert S. Bloxom noted how helpful it was to him to hear reports from the Board members on issues of concern to them and to farmers and consumers in their districts.

VIRGINIA AGRICULTURAL STATISTICS REPORT

Herman Ellison, Director, Virginia Field Office, National Agricultural Statistics Service of USDA, presented the Board a report on planting intentions for Virginia.

ADOPTION OF REGULATIONS GOVERNING GRADE "A" MILK (2 VAC 5-490)

Dr. Richard Wilkes, Director, Division of Animal and Food Industry Services, introduced John Beers, Program Supervisor, Office of Dairy and Foods, who briefed the Board on public comments received on the proposed regulations 2 VAC 5-490 that were published in The Virginia Register of Regulations at the Board's direction. Mr. Beers noted that staff recommends that the proposed regulations, as presented, be adopted by the Board as final regulations with an effective date of May 23, 2007.

Mr. Seward reported that Mr. Hardesty had submitted to him a disclosure statement of financial impact regarding 2 VAC 5-490. He noted that the statement reads as follows:

"I, John D. Hardesty, Jr., acknowledge that I may possibly be financially impacted as a result of votes by the Board concerning 2 VAC 5-490, Regulations Governing Grade "A" Milk. The nature of my personal interest is as follows: I am a dairy farmer. I am a member of a business, profession, occupation, or group affected by actions relating to 2 VAC 5-490. I am nevertheless able to vote fairly, objectively and in the public interest."

Mr. Seward told the Board that the statement, which was signed by Mr. Hardesty and dated May 17, 2007, will be kept as a part of the record of this meeting.

Following the discussion of the staff recommendations, Mr. Clark moved that the Board of Agriculture and Consumer Services adopt as final regulations the draft Regulations Governing Grade "A" Milk, 2 VAC 5-490, presented by staff and authorize staff to take any and all actions necessary to make these regulations final regulations with an effective date of May 23, 2007. Ms. Lohr seconded the motion and the motion was passed by a unanimous vote.

UPDATE OF FARMLAND PRESERVATION ACTIVITIES

Kevin Schmidt, Coordinator of the Office of Farmland Preservation, presented an update on farmland preservation activities and the matching fund program.

GYPSY MOTH QUARANTINE UPDATE

Andy Alvarez, Director, Division of Consumer Protection, introduced Frank Fulgham, Program Manager, Plant Pest Services, who briefed the Board on recent actions by Deputy Commissioner Blankenship to expand the Virginia gypsy moth quarantine area to include Montgomery County. He explained that state law requires that the Board be advised of such changes in the state gypsy moth quarantine within 90 days of the action taken.

NEW BUSINESS

Mr. Hardison restated his earlier request for a staff report on complaints that the recent increases in the price of fertilizer products constitute price gouging under state law. In response to Mr. Hardison's question of when he could have a report on this issue, Mr. Blankenship told him that staff would be making a report to Mr. Blankenship as soon as possible. He also noted that it did not appear that the Price Gouging Law passed by the General Assembly in response to price escalation following a natural disaster would apply to price increases not related to natural disasters.

PLANS FOR FUTURE BOARD MEETINGS

Mr. Seward reported on staff work with Mr. Clark in planning the Board's next meeting scheduled for August in Southwest Virginia. He noted that August 16th is the date currently being considered. He added that a tour would be held for Board members, their spouses and VDACS staff on August 17th. Mr. Seward reported that the Board's last meeting of the year will be on December 6 in Richmond.

PUBLIC COMMENT PERIOD

President Holland called for public comment. No one came forward with comments or questions for the Board.

ADJOURNMENT

The Board adjourned at 11:20 a.m.

Respectfully submitted,

L. Bruce Holland, Board President

Roy Seward, Board Secretary