FINAL MINUTES BOARD OF AGRICULTURE AND CONSUMER SERVICES

Second Floor Board Room, Washington Building 1100 Bank Street Richmond, Virginia December 9, 2004

The meeting convened at 9:00 a.m. on Thursday, December 9, 2004, in the Second Floor Board Room, Washington Building, 1100 Bank Street, Richmond, Virginia. President Holland requested a moment of silence and then called the meeting to order. The Board Secretary called the roll:

PRESENT	DISTRICT
L. Bruce Holland	2 nd
Gatewood Stoneman	3 rd
T. M. Hardison	4 th
Clarence Bryant, III	5 th
Andrea Lohr	6 th
Jennifer P. Nolen	7 th
Gary B. Brown	9 th
Mary Campbell	10 th
Warren H. McConnell	11 th
Dr. Winfrey S. Clarke	Representing Virginia State University
Dr. Patricia Sombrero	Representing Virginia Tech

ABSENT

Stephen Wolfe 1st Gregory Galligan 8th

STAFF PRESENT

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

APPROVAL OF MINUTES

The minutes of the September 24, 2004 meeting were approved as distributed.

REPORT FROM BOARD MEMBERS

In her report, Ms. Campbell mentioned a news article concerning the impact of changes in the federal peanut program on Virginia's peanut industry including those farmers who have drastically reduced or discontinued peanut production. She also reported that for the first time the tall tree that will decorate the Nation's Capitol will come from Virginia. She also noted that the 70 smaller trees that decorate the offices of the senators and representatives will come from Virginia. Ms. Campbell stated that she understood that the December meeting would be her last meeting before her term as Board member expires and indicated that it has been an honor to represent the 10th Congressional District and work with the Board and staff.

Dr. Sobrero, representing Dr. Charles Steger, President of Va. Tech, noted that she has been in Virginia for about five months and that she is looking forward to getting

acquainted with the Board and staff. She reported on Virginia Tech's efforts to put together a shared vision for the 21st century. She added that Dr. Sharron Quisenberry, Dean of the College of Agriculture & Life Sciences, has asked President Steger, Tech's Provost, several other key officials at the University, representatives of Extension leadership council, the Virginia Farm Bureau, the Virginia Agribusiness Council, and other industry leaders to take part in this statewide effort.

Dr. Clarke reported that Dr. Lorenza W. Lyons, Dean/Administrator, School of Agriculture, Virginia State University, has announced his retirement from the University effective February 1, 2005. Dr. Clarke noted that Dr. Lyons has accepted a job as Executive Administrator for the 1890 Association of Extension Administrators. Dr. Clarke explained that the Association is the professional organization of the Extension Administrators of the seventeen historically black land-grant colleges and universities and Tuskegee University. In his report, Dr. Clarke advised the Board that Virginia State would be holding its second annual winter commencement on December 18, 2004.

In his report, Mr. Brown told the Board that the tobacco buyout legislation is not providing farmers what they need and wanted given that the buyout is based on the much reduced 2002 allotment level which was 60 percent less than the 1997 allotment level. He added that the payout is over 10 years instead of seven. Concerning the future, he stated that burley tobacco is history in southwest Virginia and that large producers will be producing what is grown in Virginia. He noted that farmers are still looking for an alternative crop, but none has been found thus far. He reported that cattle prices are still high.

Mr. Bryant reported that farmers in his district have seen one of the better crop years in 2004 for corn and certain other crops, but that the tobacco crop is not going to be a good one. Concerning the tobacco buyout, he gave the Board members some background on the federal tobacco program (what he considers to be one of the most successful agricultural programs instituted in the U.S.) and the establishment of the nonet cost basis that has been in place since 1976 whereby producers bear the cost of the program. He explained that the potential benefits flue-cured tobacco farmers could have realized from a federal allotment buyout were drastically reduced thanks to the massive cuts made in flue-cured tobacco allotments in recent years. He added that if the program had continued, the tobacco quota would have been reduced another 25 to 30 percent and that this anticipated quota reduction along with the no-net cost payments would have made it impossible for growers to produce tobacco and make a profit. During his report, he also briefed the Board on farmers' efforts to contract for the sale of their crop.

Mr. Hardison reported that his district has had its share of moisture this year with too much rain and that the excess moisture caused some delays in harvesting efforts. He noted that despite the extra rainfall 2004 has been a good crop year overall for corn, peanuts, and late soybeans. He expressed concern that the future of Virginia's peanut industry is uncertain thanks to the federal peanut quota buyout. He added that a local extension agent is working with farmers to identify a replacement crop for peanuts. He

added that this effort is very important to his area. He also talked about his successful efforts to attract an out-of-state high tech company to Virginia.

Ms. Stoneman reported on the problems farmers in her area are facing in trying to get their crops transported to market because of a bridge closing and other challenges. She also noted that deer and geese in her area are continuing to destroy crops. During her report she introduced Brock Herzberg who is staff to the Virginia Farm Bureau. She also mentioned the discussion at the meeting of soil and water conservation districts regarding land conversion. In closing, she expressed her enjoyment in serving on the Board for two conservative terms representing the 3rd Congressional District.

Mr. McConnell reported that the only thing they are growing his district are consumers. He noted that they cannot get tomatoes thanks to excessive rainfall in the Shenandoah Valley. He mentioned that he did make some money this year on the sale of his calves.

Ms. Lohr mentioned that her district has also seen a lot of rain and that the area is still wet. She reported that the poultry growers' cooperative that purchased the Pilgrim's Pride plant has begun processing at this facility and that the success of this effort will be important to the local economy and to the Valley. She mentioned that her farm opened the pumpkin patch to approximately 2,000 school-aged kids who visit and learn more about the farming industry.

In his report, Mr. Holland noted that the corn crop on the eastern shore was close to being a record breaker. He indicated that the fall snap beans crop was exceptional thanks to a later frost. He added that farmers had trouble getting the fall wheat crop planted. Concerning efforts this fall to get more rail cars to transport grain, he stressed that we need to become better partners with the rail system in the future. In closing, he thanked those Board members who terms are expiring in 2005 for their dedicated service on the Board.

COMMISSIONER'S REPORT

The Commissioner's reported on the following matters:

- *Conservation Award for W. T. Holland Farms
- *Personnel Changes
- *National Animal I.D. System
- *National BSE Testing/Surveillance Program
- *Soybean Rust
- *Sudden Oak Death
- *Emerald Ash Borer
- *3rd Virginia Agriculture Summit (February 21-22, 2005)
- *Virginia Ag Tags
- *Additional Support for Marketing Promotions
- *AGR-Lite Program Approved for Virginia
- *WIC Farmers Market Nutrition Program
- *Interim Equine Industry Study

- *Canadian Ministerial Exemption Process
- *Update on Exports to Cuba
- *Sale of Virginia Xmas Trees to Mexico
- *Low Path Avian Influenza Program Funding
- *National Council of State Agricultural Finance Programs
- *Opening of Bloxom Winery on Eastern Shore
- *Virginia Poultry Growers Cooperative
- *Update on Weights and Measures Program
- *Governor's Approval of Dairy Regulations
- *VDACS Legislative and Budget Packages
- *National Capitol Tree Lighting
- *Filing of Conflict of Interest Forms
- *Conflict of Interest Training & Certification

REPORT OF STATE STATISTICIAN

Kevin Barnes, State Statistician, distributed copies of the latest <u>Virginia Agricultural Statistics Bulletin</u> and briefed the Board regarding recent reports on commodity yields and plans for future surveys and reports.

COMMODITY BOARD REPORTS

Stan Duffer of the Division of Marketing presented the Board with a report on the activities of the Flue-Cured Tobacco Board and the Dark Fired Tobacco Board. Mike Carpenter of the Marketing Division briefed the Board on the work of the Sheep Industry Board.

WEIGHTS AND MEASURES BRIEFING

Dr. Marvin Lawson, Director, Division of Consumer Protection, presented data on the number of inspections conducted by Department's weights and measures program which the Board requested had requested at its March meeting. A handout including the data was presented to the Board.

PLANS FOR FUTURE MEETINGS

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

March 17, 2005 September 23, 2005 December 8, 2005

During the discussion of plans for the July Board tour and meeting, President Holland volunteered to host the July meeting on the Eastern Shore.

PUBLIC COMMENT PERIOD

No comments from the public were received.

During this period, President Holland took the opportunity to recognize Matt Lohr who was in attendance. Mr. Holland also commented on the need to bring back the Farm and Family Showcase Virginia Tech used to hold on its farm in early September.

ADJOURNMENT The meeting adjourned at approximately 12:10 p.m.		
Respectfully submitted,		
L. Bruce Holland, President	Roy E. Seward, Board Secretary	