

FINAL MINUTES

Board of Agriculture and Consumer Services
Patrick Henry Building
1111 East Broad Street
West Reading Room
Richmond, Virginia
Thursday, March 22, 2018

The meeting of the Board of Agriculture and Consumer Services (Board) convened at approximately 11:00 a.m. on Thursday, March 22, 2018, at the Patrick Henry Building in Richmond, 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.
Clifton A. Slade
Shelley Barlow
Robert J. Mills, Jr.
Rosalea R. Potter
L. Wayne Kirby
Richard Sellers
Neil Houff
Kevin J. Kordek
Lonnie Johnson

Dr. Jewel Hairston Bronaugh

CONGRESSIONAL DISTRICT

1st
3rd
4th
5th
6th
7th
11th
Pesticides – Commercial Agricultural
Pesticides – Commercial Structural
Representing Dr. Timothy D. Sands, President,
Virginia Tech
Representing Dr. Makola Abdullah, President,
Virginia State University

ABSENT

Donald Horsley 2nd
Kay Johnson Smith 8th
James S. Huffard, III 9th
John R. Marker 10th

STAFF PRESENT

Charles Green, Acting Commissioner of Agriculture and Consumer Services
Kevin Schmidt, Board Secretary

APPROVAL OF MINUTES

Mr. Kirby moved that the draft minutes of the meeting on December 7, 2017, be approved. Ms. Potter seconded the motion, and it was passed by a unanimous vote.

REPORT FROM BOARD MEMBERS

Kevin J. Kordek

Mr. Kordek reported that homeowners and commercial builders would have to be extra vigilant about termites this year because termites will not swarm again this season due to the cold weather. Many homeowners and owners of commercial buildings will not realize they have a

termite problem as a result. Pest control companies that do termite work generate 30 percent of their annual revenues during this two to three month period when termites traditionally swarm. He anticipates that both the ant and mosquito business will be robust this season. Stinging insects made a strong appearance in February. He also noted that hiring has been solid. He shared that he recently returned from the Virginia Pest Management Association's (VPMA) legislative conference in Washington, D.C., where Ms. Liza Fleeson Trossbach presented on regulatory matters. He stated that her presentation was outstanding and received positive feedback.

Mr. Kordek reported that the master technician series will be conducted in Richmond. The topics will be bed bugs and cockroaches. There has been a 10 percent decline in bed bug revenue nationally, which may indicate that the industry is getting a handle on bed bug infestations. He offered a complimentary pass to VPMA workshops for any interested board members. He shared that VPMA has a certified inspector program for termites, which is a voluntary certification on top of the required VDACS certification. Virginia has over 500 active certified inspectors and are a template for the rest of the country. He reported that the General Assembly Session was busy for the pesticide industry. There were three bills introduced this year that they followed closely, and all were resolved very favorably. He concluded his report by saying that fleas, ticks, and stinging insects continue to be a concern despite the cold weather.

Neil Houff

Mr. Houff reported that he attended the 2018 Virginia Food and Beverage Expo (Expo). He said it was a new experience for him and demonstrated to him that Virginia is blessed with a wide variety of products. He expressed concern over the negative perception of genetically modified organisms (GMOs), which was evident at the Expo. He stated that the GMO technology is under fire. In his opinion, GMOs are some of the most environmentally friendly technologies in the agriculture industry. GMO crops allow the opportunity to reduce pounds of pesticide in the market, reduce fertilizer and water utilization, and make plants more efficient. He expressed concern that there are conflicting messages within the agriculture industry in a quest to differentiate with labeling. He believes GMOs are one of the best technologies of our generation, and he does not want to see it get caught up in internal turmoil within the industry.

O. Bryan Taliaferro, Jr.

Mr. Taliaferro reported that the small grain, wheat, and barley crops advanced beyond normal in the month of February because of the warm weather. The cold weather in March slowed growth, and the hitting height is less than would typically be expected this time of year. Waterman shared with him that the oyster crop in the Rappahannock was good. He invited the Bboard to visit Urbanna, Deltaville, Yorktown, and Tappahannock to partake in good oysters this year. He stated his concerns regarding potential trade disruptions that may occur in retaliation to certain Trump Administration trade policies that may have far-reaching effects. Specifically, China is threatening to impose sanctions on U.S. soybeans. Nearly 30 percent of U.S. soybeans are currently exported to China. Not only do Virginia farmers grow and export soybeans, but many of the soybeans grown in the Midwest are shipped out of Virginia ports. Soybeans are the second most-shipped agriculture commodity out of Hampton Roads. This trade retaliation could impact jobs in the shipping and transportation industries as well as lead to lower commodity prices for producers. He noted that if China does not buy its soybeans from the U.S., there could be a redistribution of movement of soybeans. Bases will decline, and that will have a direct effect on Virginia farmers. He asked that Board members reach out to their contacts in Washington, D.C., about this issue.

Clifton A. Slade

Mr. Slade shared his perspective as an organic farmer on the GMO dilemma. He stated that The Commonwealth Gin in Windsor has mountains of cotton trash that is certified organic but not GMO free, so the people he sells to will not do business with him if he uses that composted cotton as fertilizer. He requested that VDACS and the land grant universities explore conducting a study to see what amount of GMOs remain in composted cotton trash, because the gins are sitting on millions of dollars of environmentally sound potential fertilizers that could be utilized on any farm if not for the GMO issue. He would like to see the cotton trash tested for GMOs and stated that other industries could benefit from the results of these tests as well. He reported that the greenhouses in his area are loaded with vegetable bedding plants ready to go into the field. They normally transplant on April 15, which is the average frost-free day. He orders enough plants to transplant twice because the weather is now so often unseasonable. They can put out 4,000-5,000 tomato plants on April 10, and the plants survive three out of five years. However, there has been a frost as late as May 9, and to be successful, they have ordered twice the amount of transplants. He concluded by reminding the Board about the issue of wildlife damage, specifically damage caused by deer. He noted that profits are already low, and in some cases, deer may be eating as much as 10 percent of the profit in southeast Virginia.

Shelly Barlow

Ms. Barlow echoed Mr. Slade's concerns about wildlife and reported that it has been rainy and cold in the southeast. They have been getting some fieldwork done. The small grains are average at this point. They have been able to get fertilizer and lime out between nor'easters and to work on equipment and get planters in shape. She stated her continued concerns about depressed commodity prices in production agriculture. She shared that there have been several recent instances of good news for the cotton industry. The U.S. Secretary of Agriculture recently approved gin share payouts that will be available to cotton farmers, which will offset the ginning costs of the 2016 cotton crop. She was also pleased that seed cotton was recently reclassified as a Title I crop in the federal Farm Bill, which will create a safety net for cotton farmers. She stated that cotton prices are up but there is concern that the increase in prices will result in more growers planting cotton, which would bring the price back down again. In reference to the GMO discussion, she stated that the science is out there in support of GMOs and that she is seeing more and more traction for reasonable and sensible information. While she is beginning to see some shifting of opinions in favor of GMOs, she agrees that it continues to be a problem. She noted that she recently met with two young people who stated that they didn't care if food was organic or non-GMO, instead they cared about good agriculture and getting healthy food to the people who need it. She concluded her report by wishing everyone a Happy Agriculture Month.

Rosalea R. Potter

Ms. Potter reported that she exhibited at the Expo as a vendor for Buffalo Creek Beef and also as a buyer for her new store in Lexington. She stated that VDACS did a great job with the showcase, and although the weather prevented some buyers from attending, it was a quality show with buyers who were serious about using Virginia products in their restaurants and stores. They saw many people from the Williamsburg area, which is great for people on the west side of the state who want to expand their reach farther east. She noted that she didn't find there were any buzzwords in the questions from buyers this year. In previous years, they had been asked about GMOs and organic certification. She reported that in the Valley, corn planting is around the corner. There have been reports of between five and 11 inches of snow in her region, which can create issues when you're trying to feed cows, but the moisture from the snow is needed. She stated that meat processing is

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going strong, and her meat processing operation is booking into June. She reported that a meat processor in the Valley had its U.S. Department of Agriculture (USDA) license revoked, which has created pressure on other meat processors in the region from the producers that had used that processor. She stated that it's hard to meet those new requests and is hopeful the meat processor will regain its USDA license. She concluded by sharing that markets are up, particularly for sheep producers, with Easter around the corner.

Lonnie Johnson

Mr. Johnson reported that the newly formed Virginia Tech (VT) School of Plant and Environmental Sciences recently hired Dr. Michael Evans from the University of Arkansas to be the school's director. He will start on April 16. Dr. Saied Mostaghimi asked Mr. Johnson to remind the Board about VT's Agriculture and Natural Resources Summit that will be held April 10-11 in Richmond. He stated that VT is looking for ways to enhance partnerships with the agriculture industry. He announced that the Eastern Virginia Agricultural Research and Extension Center named Mr. Joseph Oakes as the new superintendent to replace Bob Pittman. Finally, he shared that VT is currently recruiting a new cohort for the next VALOR class.

Jewel Bronaugh

Dr. Bronaugh reported that Virginia State University is in the process of undergoing its 10-year recertification through the Southern Association of Schools and Colleges. VSU has prepared for this process for quite some time and considers itself ready. She shared that the VSU College of Agriculture is conducting its second Urban Agriculture certification program. It has proved to be so popular that Dr. Leonard Githinji, who runs the program, received a grant from the National Institute of Food and Agriculture to create an online version of the program. Dr. Bronaugh extended an invitation to the Board to attend the Industrial Hemp Field Day that VSU is hosting on July 26 in partnership with VT and James Madison University. Finally, she reported that the university welcomed Dr. Marcus Comer as its newest 4-H extension specialist.

Richard Sellers

Mr. Sellers reported that he learned that Fairfax County now has an agriculture expert and that the Fairfax County Board of Supervisors allocated \$500,000 for agriculture and agritourism development last year. He shared that Fairfax County is 99.97 percent urban, with 23 farmers' markets and 166 farms that encompass 6,700 acres and have a total agricultural output valued at \$2 million. He was surprised to learn that Fairfax sees the potential for growth in agritourism despite the high property tax rate and proximity to Washington, D.C. He plans meet with the county's agriculture expert to learn more about agriculture in Fairfax County because land values are appreciating at a phenomenal rate. He noted that the land his house sits on is worth more than the house itself. Regarding the GMO discussion, he recommended the film Food Evolution narrated by Dr. Neil deGrasse Tyson. He stated that the film will make viewers believers in GMOs. The film was funded by the Institute of Food Technologists. The complete film is available on Hulu and a film trailer is available online. He hopes that people will walk away from the movie realizing that GMOs are a plant technology that has been used forever. He noted that he was particularly interested in CRISPR technology, which involves editing an existing gene instead of inserting a new gene that might be foreign.

Wayne Kirby

Mr. Kirby echoed Ms. Barlow and Mr. Taliaferro's reports about small grain crop prices and the issues at hand. The consensus in his area from the row crop producers is "what happened to January and February"? Because of the freezing weather, producers haven't been able to get a lot

of work done, and now that March is on them, they feel that they are way behind. He stated that yesterday's snow put early bird corn planters back in the shed for at least a week. There are several large vegetable producers in his area, including Dodd's Farms. Dodd's supplied fresh produce to the Richmond metropolitan area. Mr. Dodd passed away last spring and they are having a sale this coming Saturday because that operation is ceasing completely. He concluded by saying that he's sure other growers will take up the slack.

Robert J. Mills, Jr.

Mr. Mills reported that he attended the Expo for first time this year, where he had the best hamburger from Ms. Potter's Buffalo Creek Beef. He stated that VDACS did a great job with the event; it was well organized with good people and good conversation. He had to walk six blocks in the snow to get there and it was worth it. Mr. Mills reported that he recently spent a day at VT to meet with students and professors. He noted that there is a lot of misinformation out there about GMOs. No matter which group he was with, he was asked his opinion about GMO, organic, and all-natural. His response was to ask them what those words meant to them, and each one had a different answer. It is unfortunate that people have formed opinions without knowing all the facts. He doesn't think they are teaching the differences between the types of crops in the classroom. He stated that it is the responsibility of the agricultural industry to get the information out there and teach people the difference.

He reported that there was a lot of early nitrogen and early chemicals that did not get put on the crops because of weather conditions. There are wheat producers that still have not gotten on land, which is very unusual. Producers are ready for warm weather. He is tired of feeding hay to cows, and the cows are tired of eating it. Usually at this time of year, he would be able to start grass-feeding cows, but this year they will have to continue hay-feeding for at least two more weeks, which is expensive. He was pleased to see that the weather forecast is finally showing a 70-degree day. On the tobacco side, he reported they saw some contract changes on the Southside. Contract volume is down with some companies, and they saw some new players come in on a relatively small role. In reference to Mr. Taliaferro's report on potential trade disruptions with China, Mr. Mills noted that China buys a lot of tobacco. He personally contracts with two Chinese tobacco companies, and the potential for trade retaliation concerns him. The decisions that seem good at the top may not necessarily be good for the industry. He concluded by stating that all greenhouses have been sown, and he is starting to see some people tweeting pictures of cold injury from the unusually low March temperatures, which sets the plants back a little bit. He normally has all of his land ready to plant at this time of year, but they have not gotten started, so they will have to push to make it happen this spring.

COMMISSIONER'S REPORT

Acting Commissioner Charles Green delivered his report to the Board. During the presentation of this report, he briefed the Board on personnel changes, recent events, and other matters relating to VDACS. A copy of the written report on which his presentation was based was included in the Board meeting folder.

2018 SESSION OF THE GENERAL ASSEMBLY – LEGISLATIVE REPORT

President Mills called on Secretary Schmidt. Secretary Schmidt provided a brief overview of legislation tracked by VDACS during the 2018 Session of the General Assembly and answered Board member questions.

2018 SESSION OF THE GENERAL ASSEMBLY – BUDGET REPORT

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President Mills called on Kendra Shifflett, VDACS Budget Director. Ms. Shifflett provided a brief overview of agency budget issues related to the 2018 Session of the General Assembly and answered Board member questions.

NOTICE OF INTENDED REGULATORY ACTION – 2 VAC 5-320 (REGULATIONS FOR THE ENFORCEMENT OF THE ENDANGERED PLANT AND INSECT SPECIES ACT)

President Mills called on Keith Tignor, VDACS Endangered Species Coordinator. Mr. Tignor briefed the Board on the proposed Notice of Intended Regulatory Action for 2 VAC 5-320. Following Mr. Tignor's brief and an opportunity for comments, Mr. Sellers moved that the Board of Agriculture and Consumer Services authorize staff to take any and all steps necessary to file a Notice of Intended Regulatory Action for 2 VAC 5-320, Regulations for the Enforcement of the Endangered Plant and Insect Species Act, for public comment. Mr. Kordek seconded the motion, and it was carried by a unanimous vote of the Board.

DICAMBA UPDATE

President Mills called on Ms. Liza Fleeson Trossbach, Program Manager, Office of Pesticide Services. Ms. Liza Fleeson Trossbach provided an update on current issues and activities related to dicamba.

IMPLEMENTING VIRGINIA'S PRODUCE SAFETY PROGRAM – ERIK BUNGO, PROGRAM SUPERVISOR, VDACS PRODUCE SAFETY PROGRAM

President Mills called on Dr. Charles Broaddus, State Veterinarian and Director, Division of Animal and Food Industry Services. Dr. Broaddus introduced Mr. Erik Bungo, Program Supervisor, VDACS Produce Safety Program, who briefed the Board on the activities of the Produce Safety program.

NEW BUSINESS

No new business was introduced.

FUTURE BOARD MEETINGS

President Mills announced that the remaining meetings for 2018 in Richmond are set for May 24 and December 6 in the Patrick Henry Building, West Reading Room.

President Mills called on Secretary Schmidt to announce the dates and location for the 2018 Board summer meeting and tour. Mr. Schmidt announced that the summer meeting will take place in Wytheville on July 24 and 25, hosted by Mr. Huffard.

PUBLIC COMMENT PERIOD

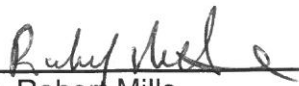
President Mills recognized Secretary Schmidt, who read remarks submitted by Mr. Herman Ellison of the U.S. Department of Agriculture National Agricultural Statistics Service regarding the 2017 Census of Agriculture.

Ms. Barlow recognized Katie Frazier, who is leaving as the President of the Virginia Agribusiness Council (VAC) to serve as the Director of External Affairs at Farm Credit of the Virginias. Ms. Frazier mentioned that the application process was open for the new Executive Director at VAC.

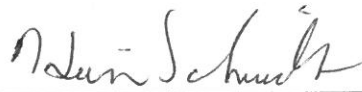
ADJOURNMENT

There being no further business, the Board adjourned at approximately 1:02 p.m.

Respectfully submitted,



Mr. Robert Mills
Board President



Kevin Schmidt
Board Secretary