

FINAL MINUTES

Board of Agriculture and Consumer Services
Patrick Henry Building
1111 East Broad Street
West Reading Room
Richmond, Virginia
Thursday, May 23, 2019

The meeting of the Board of Agriculture and Consumer Services (Board) convened at approximately 9 a.m. on Thursday, May 23, 2019, 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.
Donald Horsley
Clifton A. Slade
Shelley Barlow
Robert J. Mills, Jr.
Rosalea R. Potter
L. Wayne Kirby
Kay Johnson Smith
James S. Huffard, III
John R. Marker
Richard Sellers
Neil Houff
Kevin J. Kordek
Dr. Alan Grant

Dr. Milton O. Faison

CONGRESSIONAL DISTRICT

1st
2nd
3rd
4th
5th
6th
7th
8th
9th
10th
11th
Pesticides – Commercial Agricultural
Pesticides – Commercial Structural
Representing Dr. Timothy D. Sands, President,
Virginia Tech
Representing Dr. Makola Abdullah, President,
Virginia State University

ABSENT

None

STAFF PRESENT

Jewel Bronaugh, Commissioner, Virginia Department of Agriculture and Consumer Services
Kevin Schmidt, Secretary, Board of Agriculture and Consumer Services
Katherine Coates, Virginia Department of Agriculture and Consumer Services

APPROVAL OF MINUTES

Mr. Kirby moved that the draft minutes of the meeting on March 21, 2019, be approved as distributed. Mr. Houff seconded the motion, and it was passed by a unanimous vote.

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ELECTION OF OFFICERS

President Mills opened the floor for nominations for Board President. Mr. Kirby nominated Ms. Barlow for President, and Mr. Sellers seconded the motion. There being no other nominations, Mr. Mills closed the nomination and called for a vote on the nominee. The Board elected Ms. Barlow as President by a unanimous vote.

President Mills opened the floor for nominations for Vice President. Mr. Kirby nominated Mr. Kordek for Vice President, and Ms. Johnson Smith seconded the motion. There being no other nominations, Mr. Mills closed the nomination and called for a vote on the nominee. The Board elected Mr. Kordek as Vice President by a unanimous vote.

President Mills then called for nominations for Secretary. Mr. Kordek nominated Mr. Schmidt for Secretary, and Ms. Barlow seconded the motion. There being no other nominations, Mr. Mills closed the nomination and called for a vote on the nominee. President Mills called for a vote on the nominee. The Board elected Mr. Schmidt as Secretary by a unanimous vote.

All three officer positions become effective July 1, 2019, and run through June 30, 2020.

REPORT FROM BOARD MEMBERS

Dr. Milton Faison

Dr. Faison reported that 30 students received their bachelor's degrees from the Virginia State University (VSU) College of Agriculture across three academic departments during spring commencement and 13 students graduated earlier in December. Students and faculty advisors attended the 2019 Minorities in Agriculture, Natural Resources, and Related Sciences Annual Conference in Overland Park, Kansas, in April. VSU hosted an Honors Day for honor students and graduates. The Agricultural Research Station participated in the 40th Biennial Ag Research Symposium, during which four VSU students won awards for their presentations. VSU will host its industrial hemp field day on July 25 at the VSU Gateway Conference Center. VSU recently hosted a blueberry field day conducted by Dr. Reza Rafie and the fourth Urban Ag Summit in Virginia Beach. This summer, VSU will host its 4-H internship for youth to develop skills to serve in local, district, state, and national 4-H leadership roles. Finally, Dr. Faison reported that VSU will host its Ag Discovery program June 9-22.

Dr. Alan Grant

Dr. Grant reported that approximately 700 graduate and undergraduate students received degrees from the Virginia Tech (VT) College of Agriculture and Life Sciences (CALs) during spring commencement events. Many of those students will go on to graduate or professional-type schools. VT is seeing good placement for those who are going directly into the job market because the job market in agriculture and life sciences is very strong. Enrollment is strong for the fall. VT's incoming freshman class is much larger than anticipated, including CALs enrollment. VT recently helped to host the small grains field day in New Kent and has many more field days scheduled, details of which can be found on VT's website.

He reported that VT has a new forage system specialist at the Southern Piedmont Agricultural Research and Extension Center (AREC) starting July 1 and the Shenandoah Valley AREC has hired a new superintendent. VT will soon announce a new director for the Central District of Virginia Cooperative Extension. Finally, he reported they are pleased that Governor Northam

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will be visiting the Alson H. Smith AREC in Winchester to learn more about these programs and the impact they are having on the industry. It will be a great opportunity to showcase the AREC programs.

Richard Sellers

Mr. Sellers reported that he reviewed the recently released Census of Agriculture and Fairfax County lost farms. As of this year, five years of Census of Agriculture data is available online for review. He requested that VDACS staff provide a review at a future meeting of what the census data means for Virginia and how that data impacts VDACS's marketing plans.

John R. Marker

Mr. Marker reported that it has been a wet spring in his district. About 80 to 90 percent of the corn has been planted. Beans are being planted. It looks like a good hay crop. The pasture is excellent. There is a good bloom of apples and peaches and good pollination. Some apples did not set as well as they would like, but there will be a good crop of apples and a big crop of peaches. Many of the vegetables are already in the ground and doing well. Dairies and grain farmers are struggling with low prices in his district. Apple growers are also struggling. As a result, 10 to 15 percent of the apple acreage has been taken out and will not be replaced. This is a premium crop that won't go back in as quickly.

James Huffard

Mr. Huffard reported the weather has been nice for the last couple of weeks in his district and everyone has been out in the field. Dairy prices are still flat. They have lost half the dairies in his county, and Virginia is leading the Southeast in loss of milk, probably because a lot of cows are leaving the state. Nationally, exports are down 11 percent from this time last year, and last year wasn't a banner year. He noted that, with the loss of some of the markets, it is easy to understand why prices remain stagnant. His milk processing operation is stable. They are selling more all the time and recently introduced a new dreamsicle flavored product. It has been a success. More schools are adding chocolate milk to their athletic programs as a recovery drink. He hopes that with tourist season and more people out and about and travelling that his sales will continue to improve.

Ms. Johnson Smith

Ms. Johnson Smith reported that she just arrived back from the National Restaurant Association Conference in Chicago. Her organization attends the conference to engage with restaurateurs from around the world. About half dozen state departments of agriculture were represented, and Virginia Farm Bureau Federation also sent a representative. The Animal Agricultural Alliance hosted its annual conference two weeks ago in Kansas City, Kansas. The theme was "A Seat at the Table." The goal was to bring everyone involved with the animal agriculture discussion to the table to talk about issues and how to work together to make informed decisions. There was a record turnout of 335 people. There were presentations on animal welfare, sustainability, and how to engage influencers. All presentations will be available on the Animal Agriculture Alliance website, www.animalagalliance.org, in the next couple of weeks.

L. Wayne Kirby

Mr. Kirby reported that, like many of the other districts, his district had a slow start due to weather. The last few weeks have had a strong run of corn. Corn is off to an excellent start, with 95 percent of the planting complete. Soybeans are going in. Most of the hay was cut. He stated

there is not much hope for prices and so they are focusing on yield. If they do not have anything to sell, it does not make any difference what the prices are.

Kevin Kordek

Mr. Kordek reported that it is already a strong pest season, especially with stinging insects and termites. He spoke with a pest management business operator in Northern Virginia who has more business than he can handle because he can't find enough employees. Mosquitos are in full bloom early because of the wet spring. He noted to Liza Fleeson-Trossbach, Program Manager, Office of Pesticide Services, that the message about Category 8 has been received loud and clear. He is seeing more industry consolidation. In California, a 117-year-old family business just sold, and no one ever thought that would happen. The Virginia Pest Management Association (VPMA) will have the Jeffrey M. Johnson Memorial Associated Certified Entomologist prep course coming up on June 25. The VPMA State Technical Meeting is also coming up. It is a national quality educational event with a management and technical track. VPMA just announced that June 2 – 8 is Bed Bug Awareness Week. There was a 2018 survey done, and 90 percent of the pest control company respondents reported they had treated for beg bugs in the prior year. Sixteen years ago, only 25 percent of survey respondents reported having treated for bed bugs. There is a debate going nationally and in Virginia about spray on foam insulation and the fact that spray insulation can conceal moisture problems and termite damage until it becomes catastrophic. There is also some concern about fumigants becoming trapped in the foam insulation if a house has been treated. There will be a resource on the VPMA's website about do's and don'ts with spray-on foam insulation. He concluded his report by saying it has been a pleasure to serve under Mr. Mills's leadership and thanked him for his service.

Neil Houff

Mr. Houff reported that it has been an early wet spring up in the Valley. He noted that he likes it to be wet in the April 15 time-frame because he prefers later planted corn because it grows quickly and doesn't stay next to herbicides for too long. They have had an excellent start, and trucks are running hard. They have excellent stands coming out of the ground. The biggest thing potentially impacting the pesticide industry is happening on the West Coast. There was a \$2 billion verdict against Monsanto for RoundUp causing cancer. He stated that it will be appealed, but that appeal process will take time. It is his understanding that there are 13,000 lawsuits in 39 states going down this same path. The U.S. Environmental Protection Agency stands by its assertion that there is no causal relationship between glyphosate and cancer. There are some insurance carriers out west raising premiums to retailers or saying they will not insure if you carry a glyphosate product. It is an issue that is 4,000 miles away at present, but it could get here fast

O. Bryan Taliaferro

Mr. Taliaferro reported that the weather and crop condition report for the 1st district are very similar to the conditions in the 2nd district as reported by Mr. Kirby. It takes time to get an industry started, but, because of variety research work being done at Virginia Tech, there is an increasing interest in growing malting barley. There are a number of malting houses in the market, and it is just a matter of connecting people and knowing where your crop is going to go. The downside is that barley that does not meet malting industry standards cannot be sold. He also reported there is a market for hard red winter wheat. It is a new class of wheat. It has been demonstrated that it can be grown successfully in Virginia, and many farmers in his district are interested in it. There is a strong market pull from two major millers in Virginia.

Don Horsley

Mr. Horsley reported his district has had the same weather that was reported from the other districts. Most of the corn is planted. Corn planting season lasted six weeks instead of the normal three because of weather conditions. There is corn ranging from shoulder high to two inches tall. Soybean planting is going well because the ground is drier than it has been in three years. The wheat crop is maturing on schedule. Many farmers were not interested in planting wheat this year because of the low price. The quality looks good, and they have not had any disease problems this year. Spring was short, and the 80 degrees temperatures got the corn out of the ground very fast. He stated that there a couple of younger farmers in his area trying new niches. They are selling meats and vegetables directly to the restaurants and home delivery services. They are in survival mode. The recent small rally in the market has been great, but it is just a small start of what they need to happen so they can recoup some of their losses.

At a previous meeting, the Board discussed young people in agriculture. He stated that he thinks many of them have been in the business long enough to realize these last couple of years are something they will remember a long time and it is up to those who have been around a long time to continue to encourage the young farmers.

Clifton Slade

Mr. Slade reported that it is dry right now in his district, but things are looking good for stand-up crops, especially corn, soybeans, and cotton. They had one of the best crops of sweet potato transplants they have ever had, but the deer found them. They are combatting the deer issue with electric fencing and other methods. He estimated he has lost between \$5,000 - \$7,000 worth of sweet potato transplants to deer on his acre of sweet potato plants. He stated that if someone wanted to try a crop of sweet potatoes this year, he is not sure there is a place to get transplants anywhere. The transplants from North Carolina are sold out, which might be a result of last year's hurricanes. He concluded his report by announcing that his farm will plant two acres of industrial hemp early in June.

Shelley Butler Barlow

Ms. Barlow began her report by stating she was honored and humbled to be elected the President of the Board.

She reported that the corn planting is complete in her area. They finished their cotton planting this week. The conditions for planting cotton this year were unprecedented, with perfect moisture and temperatures. She agreed with Mr. Kirby that they need to have exceptional yields to deal with the economic situation. The strawberry fields are open in her district. She reported that the community and school gardens in her area are off to a great start. They have a 10-year-old garden in Suffolk that is undergoing a great rejuvenation. Today, they are putting a roof on the new pergola. It is encouraging to see the community get interested in urban agriculture. She is working on pairing the community gardens with the No Kid Hungry program, a summer feeding program in Virginia that brings free meals to children under 18.

She reported that the Nansemond Farm Bureau and local agriculture community in Suffolk met with the Suffolk City Council and they unanimously approved the initiation of a process to work on looking into reinstating the city's agriculture committee. She noted that she was included on a panel that interviewed three of Dr. Grant's Virginia Tech graduates for the City of Suffolk Ag Extension agent position. They have not had an agent there for two years and hope to have the

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position filled in June. She mentioned that they all have concerns about the trade war and its significance to agriculture. The price for cotton has been stable and reasonable. But, prices went down three days in a row a few weeks ago, and they are trying to be optimistic.

Rosalea Potter

Ms. Potter reported that there is a lot of fieldwork being done in her district. Small grains have been chopped, hay is being made, and corn is still being planted. Her meat processing operation is looking strong. Their books are filled up through August. Earlier in the week, they had the honor of hosting Governor Northam at her meat processing facility and market store to celebrate Virginia Ag Week. They were glad to share their story and information about Virginia agriculture with him and to serve him a meal that showcased their products.

Previously, she reported issues with residents of Rockbridge County moving into agriculture zones and not wanting poultry houses in their backyard. That has gone through the Planning Commission and Rockbridge County Board of Supervisors to make sure setbacks and guidelines are well defined. She stated it was exciting to see how many farmers from Rockbridge County and other surrounding counties came out to support the farmers who are trying to build poultry houses. She noted that many of the residents fighting against the poultry houses are also consumers of locally raised and processed chicken, which are now in short supply. Another concern for the poultry industry in the Valley is that some poultry processing companies are having difficulty getting birds.

She added that her farm is in the process of growing hemp and they are optimistic about what will happen. She concluded her report by stating that her term has ended and this will be her last meeting. She has enjoyed being on the Board and values the connections she has been able to make.

Robert Mills

Mr. Mills reported that he has never seen as much hay put up in his district as he has seen in these last three weeks. On his operation, they baled 460 acres in five days. It is the best quality forage crop he has seen in his career. Cattle prices are still depressed. One of the mainstays in Southside and Southeastern Virginia is tobacco. The tobacco industry has been decimated by the current trade war with China, Russia, and Turkey. The agricultural industry doesn't realize how globally connected it is, and one decision can affect many farmers and their livelihoods. The tobacco crop is the smallest it has been since the end of the Civil War, and that is farm families that have gone out of business and will not return.

He reported that he will also be growing industrial hemp for the first time. The planting will start the week after next. They will have six acres. For the tobacco region, industrial hemp has been exciting because the fields freed up due to lack of contract pounds of tobacco are being filled with industrial CBD hemp. He is cautiously optimistic. Industrial hemp is the brightest thing he has seen as another possible alternative to growing tobacco. Most of the corn is in the ground. The topsoil moisture is leaving quickly because of recent hot and windy weather. He concluded his report by thanking the Board and agency staff. He stated that it has been his honor to serve as President of the Board.

COMMISSIONER'S REPORT

Commissioner Jewel Bronaugh delivered her report to the Board. During the presentation of this report, she briefed the Board on 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 EXEMPT ACTION TO AMEND 2 VAC 5-490 (REGULATIONS GOVERNING GRADE "A" MILK)

President Mills called on Hunter Moyer, Dairy Program Supervisor, Office of Dairy and Foods. Mr. Moyer presented the Board with a brief overview of the proposed exempt action to amend 2 VAC 5-490 and answered Board member questions.

Following Mr. Moyer's presentation and discussion by the Board, Mr. Sellers moved that the Board of Agriculture and Consumer Services adopt 2 VAC 5-490, Regulations Governing Grade "A" Milk, as presented by staff today and that the Board authorize staff to take any and all steps necessary to amend this regulation through an exempt regulatory action as authorized by Section 3.2-5206 of the Virginia Milk, Milk Products, and Dairies Law and to file this proposed regulation for public comment as required therein. Ms. Potter seconded the motion, and it was carried by unanimous vote of the Board.

PROPOSED FAST-TRACK ACTION TO AMEND 2 VAC 5-501 (REGULATIONS GOVERNING THE COOLING, STORING, SAMPLING AND TRANSPORTING OF MILK)

Mr. Moyer remained at the podium, presented the Board with a brief overview of the proposed fast-track action to amend 2 VAC 5-501, and answered Board member questions.

Following Mr. Moyer's presentation and discussion by the Board, Mr. Sellers moved that the Board of Agriculture and Consumer Services adopt 2 VAC 5-501, Regulations Governing the Cooling, Storing, Sampling and Transporting of Milk, as presented by staff today and that the Board authorize staff to take any and all steps necessary to amend this regulation through a fast-track regulatory action. Ms. Potter seconded the motion, and it was carried by unanimous vote of the Board.

PROPOSED APPOINTMENT OF VIRGINIA WINERY DISTRIBUTION COMPANY BOARD MEMBER

President Mills called on Commissioner Bronaugh. Commissioner Bronaugh informed the Board of the resignation of Gary Archuleta, Executive Vice President of Republic National Distributing Company, from the Virginia Winery Distribution Company (VWDC) board of directors, effective March 18, 2019. Commissioner Bronaugh then presented the Board with an endorsement from the Virginia Wine Wholesalers Association recommending that Doug Zerbst, representing Republic National Distribution Company, be appointed to the VWDC board of directors to fill the vacancy as an owner or manager of a wine wholesaler licensee.

Ms. Potter moved that the Board of Agriculture and Consumer Services appoint Doug Zerbst to fill Gary Archuleta's unexpired term through June 30, 2020, on the Board of Directors of the Virginia Winery Distribution Company as an owner or manager of a wine wholesaler licensee. Mr. Houff seconded the motion, and it was carried by a unanimous vote.

MEETING RECESS

At approximately 10:18 a.m., President Mills called for a recess. President Mills reconvened the meeting at approximately 10:34 a.m.

SPOTTED LANTERNFLY QUARANTINE UPDATE

President Mills called on David Gianino, Program Manager, Office of Plant Industry Services. Mr. Gianino presented the Board with an update on the Spotted Lanternfly Quarantine and responded to Board member questions.

VIRGINIA INDUSTRIAL HEMP PROGRAM UPDATE

President Mills called on Erin Williams, Senior Policy Analyst, Office of Policy, Planning, and Research. Ms. Williams presented the Board with an update on the Virginia Industrial Hemp Program and responded to Board member questions.

NEW BUSINESS

No new business was introduced.

FUTURE BOARD MEETINGS

Mr. Taliaferro informed the Board that the summer meeting will be held at Brent and Becky's Bulbs in Gloucester. Following the meeting, the Board will tour the location and then later return for dinner. The next day, the Board will take a bus tour with stops at Bay's Best Feed, the Crop Improvement Foundation Seed Farm, and the Purdue grain elevator in Tappahannock, followed by lunch.

PUBLIC COMMENT PERIOD

Mr. Mills recognized Christopher West, who spoke on behalf of the Virginia Medical Cannabis Coalition (VMCC), which represents the five pharmaceutical processors that are licensed and registered by the Commonwealth to process and dispense CBD and THC-A oils for medicinal purposes. He stated that the VMCC supports the Virginia Department of Agriculture and Consumer Services (VDACS) determination that VDACS's Food Safety Program is not able to approve the manufacture, distribution, or sale of a hemp-derived extract intended for human consumption that is produced by a Registered Industrial Hemp Processor, which was conveyed by Commissioner Bronaugh in a letter distributed to Registered Industrial Hemp Processors on May 16.

Mr. Mills recognized Aaron Lopez, who spoke on behalf of Dalitso. Mr. Lopez stated that Dalitso is a VMCC member and echoed Mr. West's comments. He added that Dalitso is grateful for Ms. Williams's coverage of the topic.

Mr. Mills recognized Sam Johnston, who spoke on behalf of the Virginia Industrial Hemp Coalition (VIHC). VIHC represents the interests of hemp processors and growers throughout the Commonwealth. Mr. Johnston stated that the VIHC requests that (i) the Commissioner withdraw the May 16 letter, (ii) the Board issue a request for a legal opinion from the Office of the Attorney General, and (iii) the Board or VDACS promulgate a regulation establishing requirements for industrial hemp extracts. He also provided the Board with supplemental material that consisted of rules from Colorado, Oregon, and Maine governing the production of hemp products and a letter to Commissioner Bronaugh from Delegate Freitas in response to Commissioner Bronaugh's May 16 letter.

Mr. Mills recognized Joe Domino, who owns Gourmet Hemp Foods. Mr. Domino provided information to the Board on the Virginia State University (VSU) Hemp Field Day and invited Board members to attend. Mr. Domino also asked for clarification on the legality of industrial hemp products that contain CBD but are not an extract.

Mr. Mills recognized Geo Ogburn, who owns Atlantic Coast Hemp. Mr. Ogburn provided the Board with background regarding his entry into the industrial hemp business. He commented that pharmaceutical companies are making cannabis products inaccessible and expressed frustration with the current industrial hemp regulations and processes.

Mr. Mills recognized Dylan Bishop, who spoke on behalf of the Cannabis Business Association of Virginia, which represents growers, processors, retailers, and ancillary businesses in the cannabis space, including laboratory testing facilities. He commented that his organization wishes to expand and promote all facets of the expanding industry, but in a safe and sustainable way. He thanked the Board for its diligent work in the area thus far and welcomed the opportunity to work with the Board in a collaborative way to grow this industry in a safe and sustainable way.

ADJOURNMENT

There being no further business, Mr. Sellers made a motion for the Board to adjourn. Mr. Huffard seconded the motion, and it was carried by a unanimous vote of the Board. The Board adjourned at approximately 12:21 p.m.

Respectfully submitted,



Ms. Shelley Butler Barlow
Board President



Kevin Schmidt
Board Secretary