

Minutes

April 13, 2011

N. C. Board of Agriculture

Casey M. Armstrong

Kirk Mathis

Maurice K. Berry, Jr.

Elbert R. Pitt, Jr.

Jean J. Boseman

Larry Sampson

William F. Johnston

Douglas I. Torn

C. Osmond Kearney, Jr.

Jeffery B. Turner

Steve Troxler, Chairman

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The April 13, 2011 Board of Agriculture meeting was held at the Martin Building at the North Carolina State Fairgrounds in Raleigh, NC. Commissioner of Agriculture Steve Troxler called the meeting to order at 3:52 pm, read the ethics reminder, and called upon Mr. Zane Hedgecock to begin the meeting with prayer. The following Board members were in attendance: Casey Armstrong, Maurice Berry, Jean Boseman, Billy Johnston, Ossie Kearney, Kirk Mathis, Bert Pitt and Larry Sampson.



The first item on the agenda was the approval of the minutes of the last Board meeting. Upon MOTION by Billy Johnston, seconded by Kirk Mathis, the minutes of the November 10, 2010 meeting were approved. The motion passed by unanimous vote.



The second item on the agenda was a Contract Feeder Exemption Request by Sanderson Farms. Commissioner Troxler called upon David McLeod, Assistant Commissioner at the NC Department of Agriculture and Consumer Services, to explain the request. Mr. McLeod explained that as part of the North Carolina Commercial Feed Law, all material processed for animal feed must be registered with the Department, and a twelve cent (\$.12) per ton inspection fee must be collected from the registrant. Manufacturers or blenders of commercial feed may apply for an exemption from the inspection fee. Sanderson Farms has applied and is seeking the Board's approval for an exemption.

Mr. McLeod asked Mr. Bob Ford, Executive Director of the NC Poultry Federation, if he wanted to make any comments regarding the request. Mr. Ford commented that they already participate in "Nickels for Know How," which collects an assessment of fifteen cent (\$.15) per ton of commercial feed and fertilizer, which goes to the NC Agricultural Foundation to fund agricultural research.

Mr. McLeod noted that Randi Barham, who works in the Department's Budget and Finance Division, makes sure all of the fees get paid and verifies all information. Ms. Barham was in attendance if anyone had any questions.

There being no questions on the request, Bert Pitt made the MOTION to approve the exemption of Sanderson Farms. The motion was seconded by Jean Boseman and carried by a unanimous vote.



Mr. McLeod then continued onto the next agenda item which was a referendum request by Nickels for Know-How. The petition, signed by representatives from NC Farm Bureau Federation; NC State Grange; and NC Agricultural Foundation, is to conduct another referendum for a six year period. As mentioned earlier, the referendum is for an assessment of fifteen cents (\$.15) per ton of commercial feed and fertilizer. These funds are provided to the NC Agricultural Foundation for agricultural research. It is scheduled to take place in November.

Mr. McLeod pointed out that this has been in effect since the 1950s and asked Ms. Barham the amount of revenue collected by this referendum. Ms. Barham noted that the revenue collected is roughly \$2 million.

After a brief discussion on what is defined as commercial feed, Kirk Mathis made the MOTION, which was seconded by Larry Sampson, to approve the request. The motion passed by unanimous vote.

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Dan Weathington, Executive Director of the NC Small Grain Growers Association, was then called upon to present their referendum request. Mr. Weathington explained that they represent Canola/Rape and are requesting to conduct a referendum for an assessment for a six year period of one-half (1/2) of one (1) percent of total money growers receive for Canola/Rape. He explained that this was a niche market and that they now have the ability in North Carolina to produce the oil here, unlike the last time they asked for a referendum. There was brief discussion on the competition in this market.

Kirk Mathis made the MOTION that the Board approve the referendum request. The motion, seconded by Bert Pitt, carried by unanimous vote.

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Commissioner Troxler then asked Joy Hicks, Policy Development Analyst with the Department, to update the Board on the Department's proposed budget. Ms. Hicks explained that the Governor, in her budget, proposed a thirty percent (30%) reduction in the Department's budget, including the loss of 190 positions and the elimination of the Agricultural Development and Farmland Preservation Trust Fund (ADFPTF).

The House of Representatives' proposal, which was released this week, calls for a 3.4% decrease in the Department's budget. This equates to about \$2 million in reductions. Their proposal includes reductions to cell phone budgets, loss of vacant positions and a loss of \$300,000 to the ADFPTF. This proposal also includes the increasing of certain fees, such as soil samples.

Ms. Hicks also noted that the proposal also includes expansion items such as the transfer of the Grade A Milk Program from the Department of Environment and Natural Resources, as well as the inspection of bedding manufacturing. Also mentioned as a possible transfer, is the Division of Forestry from DENR. This would result in fifty percent (50%) growth for the Department.

Ms. Hicks also discussed two studies that involved Research Stations and the Southeastern Ag Center. She pointed out that the House will have a week to study this bill and will begin taking amendments next week. The General Assembly hopes to have a budget by mid-June.

Commissioner Troxler noted that the Department is thankful for the relatively small cuts proposed by the House. The Department has tried and will continue to try and convey the message of the importance of agriculture to the state. Some discussion ensued regarding research stations and the inspection of gasoline and weights and measures.

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Commissioner Troxler then called on Ray Starling, General Counsel at the Department, to give a legislative update. Mr. Starling reported that 870 bills have been introduced in the House, while 599 bills have been introduced in the Senate. He also pointed out that bills must pass one body by May 12<sup>th</sup> in order to stay alive this session. This is known as "crossover."

Mr. Starling went through a list of numerous bills the Department is currently monitoring. A bill proposing the transfer of Soil and Water Conservation from DENR to the Department was discussed. Commissioner Troxler noted that the program would be a good fit at the Department. Discussion then ensued on possible water legislation. The Board will be added to a list serve that gives notice about water legislation moving through the General Assembly.

A possible transfer of the Child Nutrition Program to the Department was discussed. A letter from Superintendent of Public Schools June Atkinson was shown to the Board. Kirk Mathis then made the MOTION that the Department of Agriculture respond to the letter. The motion was seconded by Billy Johnston and carried by unanimous vote.

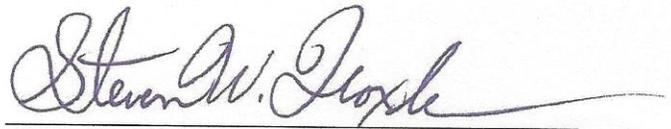
Any questions regarding legislative matters can be directed to Ray Starling.

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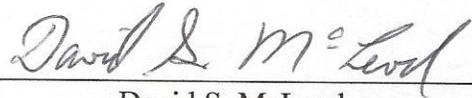
There being no further business to discuss, Kirk Mathis moved that the meeting be adjourned, which MOTION was seconded by Larry Sampson. The motion carried by a unanimous vote and the meeting was adjourned at 5:25 pm.

Recorded and Prepared by:
Christina L. Waggett

Adopted by the Board this 10th day
of August, 2011.



Steven W. Troxler
Commissioner of Agriculture
Chairman



David S. McLeod
Secretary