

Minutes

November 10, 2010

N. C. Board of Agriculture

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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

## Table of Contents

Call to Order

Referendum Request – NC Tomato Growers Association

Referendum Request – Corn Growers Association of NC

Referendum Request – American Dairy Association of NC

Proposed Rules – Food and Drug Protection Division

Proposed Rules – Plant Industry Division

Procedure for Expansion of Fire Ant Quarantines

Review of Fees and Report to General Assembly in 2011

Other Business

## Minutes

November 10, 2010

### N.C. Board of Agriculture

The November 10, 2010 Board of Agriculture meeting was held at 2:00 p.m. in the Hall of Fame Room of the North Carolina Department of Agriculture and Consumer Services in Raleigh, NC. Commissioner of Agriculture Steve Troxler called the meeting to order, 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 and Kirk Mathis. Ossie Kearney joined the meeting late.



The first item on the agenda was the approval of the minutes of the last Board meeting. Upon MOTION by Kirk Mathis, seconded by Billy Johnston, the minutes of the April 20, 2010 meeting were approved. The motion passed by unanimous vote.



The second item on the agenda was a report on the 2010 NC State Fair. Wesley Wyatt, State Fair Manager, was called upon to update the group. Mr. Wyatt reported that there were no major incidents at this year's fair and cited the great relationship the fair has with the NC State Highway Patrol. Mr. Wyatt also gave credit to all of the fair's superintendents and NC State Fair employees who helped the fair operate like an efficient city. He mentioned that the fair contained quality exhibits, concerts, and rides, many of which are unique to our fair.

Mr. Wyatt then talked about the assistance the fair gives to many small businesses, not only by giving them a way to earn income during the ten days of the fair, but also by the many events year round that attract small businesses.

He reported on several projects that were completed by the start of the fair, including the opening of 51 new RV spaces and lighting improvements. A new attendance record was set this year with more than one million people attending. \$3.4 million was collected in gate sales with over \$1 million in advance sales.

Mr. Wyatt then called on Pastor Ross Carter of Sunrise Methodist Church in Holly Springs to talk about what the fair means to his church. The first year the church had a booth at the fair, they made \$25,000, which paid for land to build their church. They continue to use the funds they collect during the fair each year for a building fund as well as a missions fund.



Commissioner Troxler then called upon David McLeod to talk about the third agenda item, a referendum request from the NC Tomato Growers Association. The Association is asking for authorization to conduct a referendum among the growers and producers of tomatoes prior to the 2011 growing season. The proposed assessment is twenty dollars (\$20.00) per acre for a six year period. David McLeod noted that most of the growers are in the western part of the state.

Upon MOTION by Kirk Mathis, the Board moved to approve the referendum. The motion was seconded by Maurice Berry and carried by unanimous vote.

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Mr. McLeod continued with the agenda items by explaining the referendum request from the Corn Growers Association of NC. The referendum will be held on February 22, 2011 for  $\frac{3}{4}$  cent per bushel. The rate has been  $\frac{1}{2}$  cent per bushel since 1987.

Billy Johnston made the MOTION that the Board approve the referendum request. The motion, seconded by Casey Armstrong, carried by unanimous vote.

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Commissioner Troxler then called upon Eric McLean with the American Dairy Association of North Carolina to present their referendum request. The American Dairy Association would like the opportunity for the dairy farmers in North Carolina to vote on keeping ten cent (\$.10) of fifteen cent (\$.15) mandatory assessment from the national referendum in North Carolina. The ten cent (\$.10) collected will stay in North Carolina and be used in the Southeast. Mr. McLean clarified that they were not asking for an increase, only asking to keep money in North Carolina.

Upon MOTION by Maurice Berry, and seconded by Kirk Mathis, the Board voted unanimously to approve the referendum.

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Dan Ragan, director of the Food and Drug Protection Division, was called upon to present proposed rules. Mr. Ragan explained that the proposed rules would modernize and update the rules by repealing obsolete sections while updating existing rules with minor things such as new addresses. In addition, the "definitions" section of the federal code needs to be adopted so that they can further enforce them. By accepting these changes and updates, NC rules would be consistent and equivalent to FDA rules.

The proposed rules also include general requirements and safety for nutritional supplements, or "nutraceuticals." Jerry Smith, with Nature's Pearl, was in attendance and wanted to make it known that they strongly agreed with these rules.

Kirk Mathis made the MOTION that the Board adopt the proposed rules. Jean Boseman seconded the motion which passed by a unanimous vote.

Commissioner Troxler asked if these rules would be affected by the Governor's proclamation that agencies produce no new rules. Mr. McLeod clarified that these rules will not be affected and will continue to follow the same rule-making process as usual.

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Stephen Schmidt, Plant Pest Administrator with the Plant Industry Division, came forward to discuss proposed changes affecting the honey and bee industry. Mr. Schmidt explained that the current rules were outdated and need to be consistent with industry standards. After talking with beekeepers, Department staff reviewed the entire honey and bee industry rules and decided to repeal the existing rules and replace them with rules that would ensure that all terms and definitions are current and ensure that an effective regulatory compliance program is implemented. There is a fee increase to ten dollars (\$10.00) to cover administrative costs.

Kirk Mathis had a question about how the Department was going to keep up with pesticide spraying affecting bees. Mr. Schmidt explained that beekeepers will be notified when there will be aerial application of pesticides. He explained that it is essentially the same rule with different implementation. When asked who had access to records of aerial applications, David McLeod explained that it is a public record.

Upon MOTION by Billy Johnston, and seconded by Casey Armstrong, the board voted unanimously to approve the rules as proposed.

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Stephen Schmidt gave the Board an update on the expansion of the fire ant quarantine. Mr. Schmidt reported to the Board that at an earlier meeting, the Board asked the Plant Industry Division to review options for modifying the current Imported Fire Ant Regulations to ensure there is adequate notification time given for compliance purposes. Department staff worked with Doug Torn to determine alternatives. The Plant Industry Division will put forth a proposal at a future Board meeting.

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Commissioner Troxler then asked that David McLeod discuss the review of fees and report to the General Assembly in 2011. Mr. McLeod explained that this review is nothing different than what the Board has already been doing. The new law requires that the Board review all fees, such as agronomic fees, and look for fees that have not been changed in awhile. Most of these fees have been identified and a list will be sent to the Board with recommendations.

Commissioner noted that they will probably have to make some difficult decisions. When asked if the General Assembly will make recommendations, David McLeod mentioned that they will probably put those in the appropriations bill.



Joy Hicks was then asked to come forward and present an update on the budget situation. Our current budget is \$59.7 million. This includes \$2.63 million worth of cuts, including the closing of Rose Hill Laboratory. In addition, we shifted the Egg Law program from Grading and Regulatory to Food and Drug which resulted in the loss of three positions. The Structural Pest Control and Pesticide Division took a major hit, moving almost all positions to receipt supported. Ms. Hicks noted that the Department did get money for Farmland Preservation and International Trade.

Ms. Hicks reported that there is already a projected \$3.5 billion deficit in next year's budget. The Department has already been asked to identify five, ten and fifteen percent cuts. This equates to \$3 million, \$6 million, and \$9 million.

It was stressed that the Department's budget is the same now as it was in 2000. We now, however, have more responsibility than we did in 2000. Commissioner Troxler noted that the State's budget increased 47% in ten years, but Agriculture has remained stagnant. In addition, agriculture and agribusiness has increased by \$4 billion despite the recession.



Dewitt Hardee, Environmental Programs Manager, then came before the Board to give a general presentation on the Agricultural Development and Farmland Preservation Trust Fund and the Ag Water Cost Share Program.



Commissioner Troxler then asked Ray Starling to update the Board on grain dealer bankruptcies. Mr. Starling gave remarks about the bankruptcy of several grain dealers. He noted that because of these problems, the question has been raised of whether we need to revise the grain dealer law in North Carolina as this law has not been amended in several years.

Mr. Starling then gave brief updates about the start of the North Carolina Friends of Agriculture Foundation and the class that the Commissioner is teaching at NC State University.



After a brief general discussion about grain prices, there was no further business to discuss.

Kirk Mathis moved that the meeting be adjourned, which MOTION was seconded by Maurice Berry. The motion carried by a unanimous vote and the meeting was adjourned at 3:45 p.m.

Recorded and Prepared by:  
Christina L. Waggett

Adopted by the Board this 13<sup>th</sup> day  
of April, 2011.



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Steven W. Troxler  
Commissioner of Agriculture  
Chairman



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David S. McLeod  
Secretary