

Minutes

May 24, 2017

N. C. Board of Agriculture

Maurice K. Berry, Jr.

Mark Peters

Doug Boyd

Ben Shelton

Tommy Burleson

Bob Sutter

John William Carter, III

Jeffrey Turner

Anne Faircloth

Faylene Whitaker

Jim Lambeth

Steve Troxler, Chairman

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N.C. Board of Agriculture

The May 24, 2017 N.C. Board of Agriculture meeting was held in Raleigh, NC at the Martin Building on the NC State Fairgrounds. Commissioner of Agriculture, Steve Troxler, called the meeting to order at 2:00 p.m. and asked Zane Hedgecock to open the meeting with prayer. The Commissioner read the Ethics Reminder and a roll call by Tina Hlabse established that there was a quorum. Board members present were: Maurice Berry, Tommy Burleson, Billy Carter, Jim Lambeth, Ben Shelton, Jeff Turner (via telephone), Doug Boyd, Anne Faircloth, Bob Sutter and Faylene Whitaker.

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The first order of business was the approval of minutes from the February 15<sup>th</sup> Board of Agriculture meeting.

Anne Faircloth made the MOTION to approve the minutes as provided. The MOTION was seconded by Ben Shelton. There were no questions or further discussion and the MOTION passed unanimously.

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The next item on the agenda was the introduction of four new Division Directors for NCDA&CS. Commissioner Troxler provided a brief biographical summary for Director of Meat & Poultry, Beth Yongue; Director of Emergency Programs, John Howard; Director of Plant Industry, Phil Wilson; and Director of Soil and Water, Vernon Cox. Each of the Division Directors then came forward to address the Board.

With no questions, Commissioner Troxler called on Tina Hlabse to provide a brief summary of the final rules adoption process before calling on Dr. Colleen Hudak-Wise, Director for the Agronomics Division. Dr. Hudak-Wise reiterated the need for minor changes to soil testing and plant analysis service rules that would bring them in line with the current statute that lists the current fee schedule. Dr. Hudak-Wise also explained that no public comments were received and the rules, 02 NCAC 37. 0201 and 02 NCAC 37 .0202, were ready for final agency approval.

A MOTION to approve 02 NCAC 37 .0201 and 02 NCAC 37 .0202 for final readoption was made by Faylene Whitaker. There was a second by Maurice Berry, and no further questions or discussion. The MOTION carried by unanimous vote.

Next, Tina Hlabse summarized for the Board the procedures for approving HB 74 Rule Reports. Bob Sutter asked a question regarding the difference between “necessary with substantive public interest” and “necessary without substantive public interest.” Ms. Hlabse explained the difference and provided a few examples. There were no further questions or discussion. Ms. Hlabse went through all 12 rules reports that were up for final agency adoption and asked if there were any questions or concerns. Hearing none, a MOTION to approve final agency determination for the 02 NCAC 31, 02 NCAC 39, 02 NCAC 43A, 02 NCAC 43B, 02 NCAC 43C, 02 NCAC 43D, 02 NCAC 43E, 02 NCAC 43G, 02 NCAC 43L, 02 NCAC 43M, 02 NCAC 53, and 02 NCAC 58 rule report was made by Faylene Whitaker. There was a second by Billy Carter, and no further questions or discussion. The MOTION carried by unanimous vote.

The next item on the agenda was a discussion led by Ms. Hlabse regarding State Board and Commission Members Classification and Compensation. Ms. Hlabse explained an April 7, 2017 Memo from the Office of State Human Resources regarding requirements for any commission member who receives a stipend or per diem.

Next on the Agenda, Ron Fish, Assistant Director of Marketing, was called on to provide an update on the Ag Products Dinner. The Ag Products dinner was hosted at the Expo Building on the N.C. State Fairgrounds. There was a good turnout from the Legislative members. He also discussed the success of the produce growers’ seminars that the Marketing Division has been putting on across the State. Mr. Fish also summarized the Flavors events in both Charlotte and Charlotte. There was a good turnout at both events and the event in Charlotte was the largest in its history.

The Commissioner then called on James Romer, Assistant Manager of the NC State Fair, for an update on the Got To Be NC Festival. Mr. Romer stated that it was “very successful” and the weather was almost perfect. No serious injuries were reported, other than a few minor heat-related occurrences. The midway ride area gross revenue was up from last year and the homegrown fair was sold out. He finished with a reminder that there were 142 days left until the State Fair. The Commissioner followed up Mr. Romer’s presentation with a quick report that the State Fair is working on a new building down by the tobacco pavilion in time for the Fair, and that hopefully the new 66-acre parking lot off of Reedy Creek Road will be ready in time for the Fair. The Commissioner and Mr. Romer mentioned that the State Fair is working on future projects at the Fair including a tunnel under Trinity Road and a new roof for Dorton Arena.

The Commissioner next called on Jon Lanier, Assistant General Counsel, to give an update on the Industrial Hemp Pilot program. Mr. Lanier explained that the Industrial Hemp Commission has adopted temporary rules. He also gave an update on the number of licensed growers currently participating in the pilot, program, which was 28. Mr. Lanier said that the seeds are slowly coming in, and as of today the program has close to 5,000 acres under its authority. In addition, the first batch of foreign seed has arrived from Italy and is currently being distributed. Mr. Lanier further explained some interactions between the N.C. Attorney General's office, the Industrial Hemp Commission and the DEA.

There being no further discussion, the Commissioner asked Ms. Hlabse to provide an update on the NC Child petition. Ms. Hlabse noted that after the last Board meeting the Sleep Products Section of NCDA&CS, along with her and Anne Brown held a meeting with Mr. Vitaglione to follow up on his petition regarding flame retardants. The Sleep Products Section agreed to post some information on its website educating the public about flame retardants. There were no further questions or comments about this topic.

Having discussed all matters on the Agenda, the Commissioner then proceeded to discuss his meeting with the President of the United States in April. He said the number one issue that was discussed at the round-table with the President was immigration. Commissioner Troxler stated that the President was very well briefed and seemed to understand the problems of agriculture. Commissioner Troxler and Secretary Purdue also discussed the H2A program and the expenses that encumbers that program. The Commissioner also discussed with the President the need for major regulatory reform, specifically, the Food Safety Modernization Act (FSMA). The roundtable with the President also addressed Waters of the US, FDA issues, EPA standards and international trade.

Ben Shelton asked the Commissioner his thoughts on Secretary Purdue as the new USDA Secretary and the Commissioner said he was "very pleased with that pick" and that Secretary Purdue has a state perspective.

After there were no more comments or discussion about the Commissioner's trip to DC. Commissioner Troxler updated the Board about the NC Agricultural Sciences Center. He told the Board that the Center is now under contract with the Designer for the construction stage.

Chris Saunders, NCDA&CS Legislative Liaison, who was on the agenda to discuss legislative affairs arrived at 3 pm after being at the Legislature. Commissioner Troxler introduced Mr. Saunders as NCDA&CS' new Legislative Liaison. Mr. Saunders gave an update on the budget and legislative issues and talked in general about the budget process. He noted

that the most controversial issue in the “Ag bill” is the “nuisance bill” which limits the amount of compensatory damage that may be recovered. Faylene Whitaker asked about current standards and Mr. Saunders talked about the recourse citizens now have and how that effects growers and integrators. Mr. Saunders also discussed that there is some discussion on changing the present use value language and state conservation agreements. He also discussed a bill regarding administrative procedure changes when it comes to rules and corrections. At that time the Commissioner prompted Mr. Saunders to discuss the current state of the Budget. Mr. Saunders noted that at this time there was \$2 million carved out for the Forest Service and \$500,000 for Marketing and Research Stations. Mr. Saunders said that it is likely that 1 million for Ag Development is in the works for new easements and possibly \$25,000 for “Ag Wrap”. The Commissioner chimed in and noted that there was a possibility that there would be funds for him to monitor the Waters of the US cases. Chris said that was correct and that it was his understanding that the General Assembly wants to be adjourned by July 1st. David Smith, Chief Deputy, then asked when the committees will start taking votes. Chris thought within three or four weeks.

After Chris Saunders, Commissioner Troxler asked DeWitt Hardee, Director of ADFP, to give an overview of the REPI challenge. Mr. Hardee explained that NC got \$9.2 million for REPI and that these funds will be used for sentinel landscapes. He discussed the process of matching funds. He clarified that now that we had DOD funds, we have to get State matching funds. Commissioner Troxler stressed the importance of securing land for conservation purposes around military bases. He explained that it helps preserve farmland and helps our military.

Dr. Richard Reich, Assistant Commissioner, talked about the lagoon buyout program through the Clean Water Trust Fund and said over 100 lagoons were taken out of service and properly closed.

David Smith, Chief Deputy, then asked Scott Bisette, Assistant Commissioner for Forestry, to discuss current wildfires. Mr. Bisette proceed with an update and explained that crews were currently dispatched to Georgia and Florida.

At this time the Commissioner addressed each Board member for any closing comments.

Doug Boyd reported that he was close to finishing with cotton and that the plant looks really good and strong.

Bob Sutter stated that the peanut crop is mostly planted and they are looking at a 15% increase which is great since they were coming off of two underperforming years.

Jim Lambeth stated that his peach crop has been devastated. Three years in a row peaches have been down for everyone and the 81 degrees in the dead of winter really hurt the crop this year. However, he did state that poultry in the piedmont is doing well.

Faylene Whitaker added that they are seeing too much rain on strawberries. However, she explained that all of her crops are planted and are mostly looking good.

Maurice Berry commented that cotton was average but potatoes looked great. He was hoping to be able to harvest around June.

Billy Carter stated that they were able to get tobacco in before the rain and that the fields looked great.

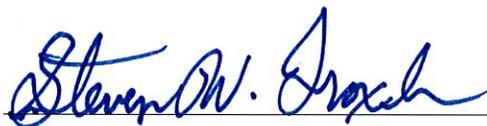
Ben Shelton commented that they are a month behind due to rain but dairy is doing ok price wise.

There being no further business to discuss, Jeff Turner made a MOTION to adjourn the meeting. The MOTION, seconded by Ben Shelton, passed unanimously. The meeting of the N.C. Board of Agriculture adjourned at 3:25 p.m.

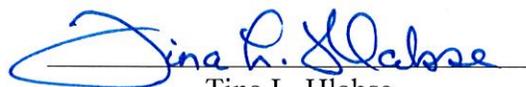
Recorded and Prepared by:

Derek Wagner

Adopted by the Board this 23rd day
of August, 2017.



Steven W. Troxler
Commissioner of Agriculture
Chairman



Tina L. Hlabse
Secretary