

Minutes

July 26, 2016

N. C. Board of Agriculture

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Maurice K. Berry, Jr.

Mark Peters

Doug Boyd

Ben Shelton

Tommy Burlison

Bob Sutter

John William Carter, III

Jeffrey Turner

Anne Faircloth

Faylene Whitaker

Jim Lambeth

Steve Troxler, Chairman

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Legislative Update

## Minutes

July 26, 2016

### N.C. Board of Agriculture

The July 26, 2016 Board of Agriculture meeting was held in Raleigh, NC at the Graham Building Sales Arena on the N.C. State Fairgrounds. Commissioner of Agriculture, Steve Troxler, called the meeting to order at 1:42 p.m. and read the Ethics Reminder. Dr. Ben Shelton recused himself from voting on Rules in 02 NCAC 09K. Zane Hedgecock then opened the meeting with prayer. All roll call by Chrissy Waggett established there was a quorum. All Board members were present. Commissioner introduced two special guests attending part of the meeting – Governor Pat McCrory and Justice Paul Newby.

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Commissioner Troxler called on Justice Paul Newby and the four new Board members to come forward. Justice Newby, after explaining why we administer the oath of office in North Carolina, officially administered the oath to new members Anne Faircloth, Jim Lambeth, Ben Shelton, and Faylene Whitaker.

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Having special guests, as well as new Board members, Commissioner Troxler asked each Board member to go around the room and introduce themselves. Each member introduced themselves, their connection to agriculture, and gave a report of the conditions in their area of the state. The Governor thanked everyone for their service to agriculture.

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The Governor then addressed the Board. Governor McCrory mentioned his partnership with the Commissioner and thanked him for the support and teamwork on the bond package that will help community colleges, communities with labor shortages, help build two new buildings at the land grant universities, and build a new co-located lab for the Department of Agriculture.

He mentioned that he would be seeking the Board's input and strategy on federal intervention issues like the EPA's Waters of the United States Rule, and the State's infrastructure needs. The Board was invited to the NC Ports and there was discussion on new refrigeration storage in Wilmington, dredging and issues that will help increase exports.

Other special guests in attendance were introduced – Representative Jimmy Dixon and Senator Brent Jackson.

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The Commissioner called for a MOTION to recess the meeting of the Board of Agriculture, who would join Governor McCrory and other special guests for a signing of the North Carolina Farm Act.

Faylene Whitaker made the MOTION to recess the Board of Agriculture, which was seconded by Jeff Turner. The MOTION passed unanimously and the Board went into recess at 2:07 p.m.

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Upon arriving back from the bill signing, Bob Sutter mad the MOTION to call the meeting of the Board of Agriculture back to order. The MOTION, seconded by Maurice Berry, passed unanimously. The Board of Agriculture meeting was called back into order at 2:37 p.m.

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Commissioner Troxler instructed Chrissy Waggett to work on having one of the upcoming meetings at the North Carolina Port.

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The first official item of business was approval of the minutes from the April 14, 2016 meeting. Mark Peters made the MOTION to accept the minutes as received. Maurice Berry seconded the MOTION and it passed by unanimous vote.

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The second item of business was the approval of the Forest Management Fees. Sean Brogan, with the North Carolina Forest Service, presented the fee structure to the Board. The Board members started the rulemaking process for these rules earlier in the year. However, thanks to the NC Farm Act, the Board no longer has to go through rulemaking for the fees.

Mr. Brogan explained that they instituted the fee schedule in 2014 and were able to learn what worked and what did not. They are now proposing a simpler plan without the base fees. The fee schedule will be placed on the website and their interested parties will be informed.

Tommy Burleson made the MOTION to approve the fees as presented. The MOTION was seconded by Maurice Berry.

There was some discussion by Tommy Burleson and Sean Brogan on doing away with the base fee and participation in the program. With no further questions or discussion, the MOTION was passed by a unanimous vote.

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Commissioner Troxler then called on Tina Hlabse to present the next item on the agenda – approval to start the rulemaking process for the Animal Shelter Fund. Ms. Hlabse explained that this fund came to the Department from the legislature in 2015. After some issues on rulemaking authority were handled legislatively, the Farm Act instructed the Board of Agriculture to develop temporary rules to define eligible costs and how counties can apply for funding. Dr. Norris and the Animal Welfare Section came up with the proposed rules and criteria, which the Board had in front of them.

A MOTION was made by Jeff Turner and seconded by Bob Sutter, to start the temporary rulemaking process with the rules as presented. There being no further questions, the MOTION carried by unanimous vote.

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Chrissy Waggett, the Department's rulemaking coordinator, was called upon to give a brief overview of where we are in the legislatively-mandated periodic review and expiration of existing rules process. Ms. Waggett explained that we have gone through the entire process now with several reports. Those reports are now final and we are in the process of re-adopting the rules that had the final agency determination of "necessary with substantive public interest." For today's meeting, we are starting the process over again for 10 new reports. This is the first step in the process where the Board is making an initial determination of rules that are either "necessary with substantive public interest," "necessary without substantive public interest," or "unnecessary." After approval today, they will be posted for a 60-day comment period.

Ms. Waggett asked Vernon Cox to present two rule reports that are under Plant Industry jurisdiction. Mr. Cox presented the classifications for 02 NCAC 48C: Seeds and 02 NCAC 48D: Liming Materials and Landplaster.

Maurice Berry made the MOTION to accept the two reports and the classifications as presented. The MOTION, seconded by Jeff Turner, passed by unanimous vote with no questions or discussion.

Alan Wade, director of Meat and Poultry Inspection, then presented the report on 02 NCAC 52D: Meat and Poultry Inspection and the classifications of the rules in the report.

Jeff Turner made the MOTION, which was seconded by Billy Carter, to accept the report and classifications as presented. There were no questions and no discussion and the MOTION passed unanimously.

Dr. Sarah Mason and Dr. Mike Neault then came forward to present 7 rule reports and their classifications for rules that are under the veterinary division's jurisdiction. The rule reports included: 02 NCAC 52B: Animal Disease; 02 NCAC 52C: Control of Livestock Diseases: Miscellaneous Provisions; 02 NCAC 52E: Marketing of Livestock; 02 NCAC 52F: Pen-Raised Quail; 02 NCAC 52G: Biologics; 02 NCAC 52H: Garbage Fed Swine; and 02 NCAC 52I: Rendering Plants.

The MOTION to accept the reports and their classifications as made by Jeff Turner and seconded by Doug Boyd. After no questions or discussion, the MOTION passed unanimously.

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Commissioner Troxler then called on Chrissy Waggett to talk about the re-adoption of rules. Ms. Waggett explained that the rules coming before the Board were being re-adopted as they were classified in an earlier report as being "necessary with substantive public interest." The first set of rules are under the Food and Drug Protection Division's authority. Chrissy Waggett called on Audrey Pilkington, and her team, to come forward and present the rules in 02

NCAC 09C, E, G, H, J, K, and O. Some of the rules are being readopted without any changes while some are being updated to correct and add up to date references. Some rule language is being changed just to make it easier to read.

Anita MacMullan, George Ferguson, and Jim Melvin presented the 61 rules under the Food and Drug Protection Division's jurisdiction. The rules dealt with Good Manufacturing Practices, Milk and Milk Products, Animal Feed, and Eggs.

After some discussion on regulations for backyard egg producers and cornmeal testing, Doug Boyd made the MOTION to start the rulemaking process on the rules as presented. The MOTION as seconded by Mark Peters and passed unanimously after no further questions or discussion.

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Commissioner Troxler instructed Anne Brown and the Attorney General's office to get a ruling from the Ethics Commission about Board members having to recuse themselves from rules dealing with their area of expertise.

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Richard Fredenburg with the Standards Division then presented the second set of rules under the Standards Division's jurisdiction. The 8 rules being re-adopted deal with Adoption by Reference, Weighing and Measuring, Retail Motor Fuel Dispensers/Half-Pricing, and Price-Posting/Cash Discounts for Retail Motor Fuel Sales. Some rules are not being changed while some are being updated to reflect correct references.

After some discussion on digital pricing on pumps in the future, Bob Sutter made the MOTION to begin the rulemaking process on the rules as presented. The MOTION, seconded by Maurice Berry carried unanimously after no further questions or discussions.

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Commissioner Troxler then gave a legislative update. He mentioned that the Department got \$3 million for fire-fighting equipment and an airplane for the North Carolina Forest Service. He also mentioned the Department got 1 position in the Animal Welfare Section to do pre-assessments with county animal shelters.

An update on the fairgrounds was also given. Commissioner Troxler mentioned that construction for the new sky lift that will be in use during the NC State Fair is now underway and will be operational by the time the fair starts. They are also working on a new blacksmith shop in Heritage Circle and are taking down diseased and damaged trees around the lake. Over the next couple of years, 66 acres of parking will be opened.

There as some discussion on international markets after a question from Ben Shelton. Commissioner Troxler mentioned that we want to have more inbound trade missions and work with Commerce to have another office in another country – possibly Germany.

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There being no further business to discuss, Bob Sutter made a MOTION to adjourn the meeting. The MOTION, seconded by Doug Boyd, passed unanimously. The meeting of the Board of Agriculture adjourned at 4:15 p.m.

Recorded and Prepared by:

Chrissy Waggett

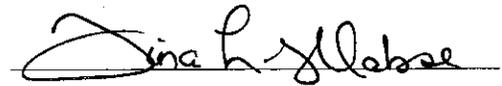
Adopted by the Board this 16th day  
of November, 2016.



Steven W. Troxler

Commissioner of Agriculture

Chairman



Tina Hlabse

Secretary