

Minutes

May 31, 2018

N. C. Board of Agriculture

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Ray Allen

Ben Shelton

Doug Boyd

Bob Sutter

Jose Calderon

Jeffrey Turner

John William Carter, III

Scott Tyson

Anne Faircloth

Faylene Whitaker

Jim Lambeth

Steve Troxler, Chairman

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- 1) Legislative Update
- 2) Got to be NC Festival Recap

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The May 31, 2018 Board of Agriculture meeting was held at the Martin Building in Raleigh, North Carolina. Commissioner Troxler called the meeting to order at 1:30 pm and Zane Hedgecock gave the invocation. A roll call of members established that there was a quorum. The following Board members were in attendance: Ray Allen, Doug Boyd, Jose Calderon, Billy Carter, Anne Faircloth, Jim Lambeth, Bob Sutter, Jeff Turner, Scott Tyson, and Faylene Whitaker.

To begin the meeting, Commissioner Troxler read the ethics reminder and introduced Dr. Sandy Stewart, the new Assistant Commissioner who replaced Dr. Richard Reich, who retired. Commissioner Troxler then asked each member to introduce themselves and give a report on conditions in their area. Each member gave a report on weather and crop conditions.

The first order of business was the approval of the minutes from the March 1, 2018 and March 20, 2018 meetings.

Jeff Turner made the MOTION to approve the minutes as presented. The motion was seconded by Doug Boyd and carried by unanimous vote.

Phil Wilson, Plant Industry Division Director, presented a request to appoint Allen McLaurin to the Boll Weevil Eradication Foundation of North Carolina. Mr. Wilson explained the make-up of the Board and the request to appoint Mr. McLaurin to replace a member who asked to step down from Board. Mr. McLaurin is a farm manger and cotton grower in southeastern North Carolina and has served as the alternate for the Board for several years and understands the responsibilities expected of a member of the Boll Weevil Eradication Foundation.

The MOTION was made by Bob Sutter to appoint Mr. Allen McLaurin to the Boll Weevil Eradication Foundation of North Carolina. The MOTION was seconded by Billy Carter. After no further questions or discussion, the motion passed unanimously.

Commissioner Troxler then called on Terrie Butts, NCDA&CS External Auditor, to present the Board with four applications for exempt permits. The companies requesting exemption were Butterball, LLC; N.G. Purvis Farms, Inc.; Talley Farms Feed Mill, Inc.; and Pilgrim's Pride – Staley Feed Mill. Ms. Butts explained that statute allows companies to apply

for exemption of the inspection fee. As external auditor, she examined all contracts, production schedules, and delivery schedules and determined that these companies met the requirements to request the exemption. She also noted that the exemption is only for the inspection fee and does not exempt the companies from the Ag Foundation fees.

After a question from Bob Sutter about the frequency of the audits, it was explained that Ms. Butts continually checks until it is determined that a relationship does not exist. She has spent the last eight months auditing the fees. Jeff Turner, who noted that he is a contract grower through Butterball, Inc. asked if NCDA&CS was actually inspecting the feed. Commissioner Troxler responded that the Food and Drug Protection Division has the responsibility of testing feed.

After a question from Billy Carter, it was explained that these companies are being brought into compliance with this request. Ms. Butts has put procedures in place in her office where contracts will be reviewed every six months. There was discussion about the need to look at and clean up the law.

After no further discussion, Jeff Turner made the MOTION, which was seconded by Doug Boyd, to accept the presented exemption requests for the four companies. The MOTION passed unanimously.



Tien Cheng, an attorney for NCDA&CS, then came forward to present a request for joint rulemaking for two rules within the veterinary division dealing with captive cervids. The two rules, 02 NCAC 52B .0213 and 02 NCAC 52C .0701, deal with the movement of cervids within North Carolina and the importation of cervids into North Carolina. The Department, not the Board of Agriculture, was given authority by the legislature to write regulations regarding cervids. The rules have been written and approved, but the two rules here are under the Board of Agriculture so joint rulemaking must be approved. One rule is being amended with an updated definition of cervids and one rule is being repealed since it is now redundant.

It was explained that the rules are being written in order to prevent the spread of Chronic Wasting Disease (CWD) into North Carolina. The disease affects deer and has no cure. In response to questions from a couple of Board members, it was noted that CWD is not yet in North Carolina, but is present in West Virginia and Virginia. Dr. Mike Neault, a veterinarian with NCDA&CS, was also present to answer questions, and he explained that the disease does not affect humans. He also explained that there have not been studies regarding the transfer of the disease through swine. The rules regulating cervids go into effect on June 1.

The MOTION was made by Jeff Turner and seconded by Anne Faircloth to amend rule 02 NCAC 52B .0213 and repeal 02 NCAC 52C .0701. There was no further discussion and the MOTION passed by an unanimous vote.



Commissioner Troxler then called on Dewitt Hardee, Manager of the Agricultural Development and Farmland Preservation Trust Fund to present four rules that will be amended. Mr. Hardee explained that the four rules being amended are being readopted after being classified under the Periodic Review and Expiration of Rules process. The four rules are being amended to meet the current activities of the Trust Fund. The program was started in 2005 and the rules need to be adjusted to come into line with current practices.

Doug Boyd made the MOTION to initiate the rulemaking process on 02 NCAC 58 .0105, .0106, .0107, and .0108. The MOTION was seconded by Ray Allen and passed unanimously.

Tien Cheng returned to ask the Board to initiate rulemaking on two Food and Drug Protection Division Rules – 02 NCAC 09B .0116, and 02 NCAC .0135. These two rules adopt by reference two federal standards created by the Food Safety Modernization Act (FSMA). The two rules adopted by reference are the Preventive Controls for Animal Feed and Preventive Controls for Human Food. The two rules focus on prevention.

After a question from Bob Sutter about county health departments, it was noted that Joe Reardon and Anita MacMullan would be available at the next meeting to answer any specific questions about the rules or practices relating to the new rules. It was also noted that industry would have input since the rules would be put through a 60-day comment period.

After no further questions, Faylene Whitaker made the MOTION to initiate the rulemaking process on the two rules as presented. The MOTION, seconded by Ray Allen, passed unanimously.

Commissioner Troxler then asked Sean Brogan from the N.C. Forest Service to present the request to initiate rulemaking to amend rule 02 NCAC 60B .0701. Mr. Brogan explained that the Forest Development Program has been in place since 1977, but it lost appropriation in 2009. The N.C. Forest Service is requesting to amend the rule to provide more management flexibility managing applications and allocating funding. Since changing to a first-come first-served, the program experienced an unprecedented pace of applications and moved through the money very quickly resulting in only a few eligible districts receiving funds. The amended rule would give management more flexibility to make the process fairer.

Ray Allen noted that this has been a good program historically. After a question from Scott Tyson, it was explained that the funds for the program have been solely from processor assessment since 2009. Since then, it is a \$4 million program that they have had to run with only approximately \$1.8 million in funds. Bob Sutter asked about the federal forestry assistance programs, to which Mr. Brogan replied that there is really only one program that can be utilized. Faylene Whitaker asked about statutory authority. Scott Bissette, Assistant Commissioner for the NC Forest Service, explained that this rule was going back to what they have done historically.

Ray Allen made the MOTION to initiate rulemaking on 02 NCAC 60B .0701 as presented. The MOTION was seconded by Jose Calderon and passed unanimously after no further discussion.

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Laura Kilian, NCDA&CS Legislative Liaison, then gave the Board a legislative update. Ms. Kilian explained that the NC House was currently debating the budget and explained what NCDA&CS received in the Conference Report. The House is currently on their second reading of the bill. After the third reading, it will go to the Governor who has ten days to sign or veto. They are hoping to have a budget by July 11 or 12. Ms. Kilian also explained that the Department currently has 165 employees who make less than \$31,200. This legislation would move those employees up to that minimum salary.

There was also discussion about the new lab – the Agricultural Sciences Center – that needs additional funding. NCDA&CS is hoping to get additional appropriation due to increased construction costs, and we hope to start building the lab mid-summer.

Ms. Kilian also noted that the 2018 Farm Act is expected to come out the following week and will include changes to the Handlers Act and additional language to the confidentiality statute. There was also discussion about the Agricultural Development and Farmland Preservation Program that received a one-time increase in funding. It was noted how well the program is working.

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James Romer, Assistant Fair Manager, then gave a recap of the 2018 Got to be NC Festival. Mr. Romer noted that there was more participation from commodity groups this year than in years past and that ABC 11 was an official sponsor. There was discussion about the programs going on year-round on the fairgrounds, the new building in Heritage Circle, and improvements to the Flower and Garden Show.

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Faylene Whitaker asked about the upcoming FSMA rules and start of water sampling. Commissioner Troxler noted that it would be expensive for NCDA&CS to set up, but that it was doable. He also mentioned that NCAD&CS and other states are working with FDA to get the water rules and necessary sampling based on common sense.

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There being no further business to discuss, Jeff Turner made a MOTION to adjourn the meeting. The MOTION, seconded by Doug Boyd, passed unanimously. The meeting of the N.C. Board of Agriculture adjourned at 3:10 p.m.

Recorded and Prepared by:

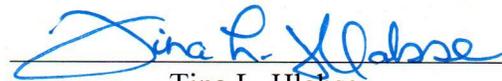
Christina L. Waggett

Adopted by the Board this 27th day  
of November 2018.



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Steven W. Troxler  
Commissioner of Agriculture  
Chairman



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Tina L. Hlabse  
Secretary