

1                   **TOBACCO REGION REVITALIZATION COMMISSION**

2                   701 East Franklin Street, Suite 501

3                   Richmond, Virginia 23219

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9                   **Agribusiness Committee Meeting**

10                  Thursday, May 18, 2017

11                  8:30 A.M.

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14                  Appomattox County Community Center

15                  Appomattox, Virginia

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1 **APPEARANCES:**

2 Mr. Robert Spiers – Chairman

3 Mr. H. Ronnie Montgomery – Vice Chairman

4 Ms. Cassidy Rasnick, Deputy Secretary Agriculture & Forestry

5 Ms. Gayle F. Barts

6 The Honorable Franklin D. Harris

7 Mr. John Holland

8 The Honorable Donald W. Merricks

9 Mr. Robert Mills

10 Mr. Cecil E. Shell

11 The Honorable William M. Stanley, Jr.

12 Mr. Richard Sutherland

13 The Honorable Thomas C. Wright, Jr.

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1 **APPEARANCES: (cont'd)**

2 COMMISSION STAFF:

3 Mr. Evan Feinman – Executive Director

4 Mr. Christopher E. Piper – Deputy Director

5 Mr. Timothy S. Pfohl – Grants Director

6 Ms. Stephanie S. Kim – Director of Finance

7 Ms. Sarah K. Capps – Grants Program Administrator,  
8 Southside Virginia

9 Ms. Michele Faircloth – Grants Assistant, Southside Virginia

10 Ms. Sara G. Williams – Grants Program Administrator,  
11 Southwest Virginia

12 Ms. Jessica Stamper – Grants Assistant,  
13 Southwest Virginia

14 Mr. Jordan L. Butler – Public Relations Coordinator

15 Ms. Stacey Richardson – Administration Supervisor

16 COUNSEL FOR THE COMMISSION:

17 Ms. Elizabeth Myers, Assistant Attorney General  
18 Richmond, Virginia.

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1 MR. SPIERS: Good morning everyone,  
2 it's time to call the meeting to order for the Agribusiness  
3 Committee. Our P.A. system is out so I'll ask everybody to  
4 speak up. I'll ask Mr. Feinman to call the roll.

5 MR. FEINMAN: Ms. Barts?

6 MS. BARTS: Here.

7 MR. FEINMAN: Delegate Edmunds? (No  
8 response.) Ms. Rasnick?

9 MS. RASNICK: Here.

10 MR. FEINMAN: Mr. Harris?

11 MR. HARRIS: Here.

12 MR. FEINMAN: Mr. Holland?

13 MR. HOLLAND: Here.

14 MR. FEINMAN: Mr. Merricks?

15 DELEGATE MERRICKS: Here.

16 MR. FEINMAN: Mr. Mills?

17 MR. MILLS: Here.

18 MR. FEINMAN: Mr. Montgomery?

19 MR. MONTGOMERY: Here.

20 MR. FEINMAN: Mr. Shell?

21 MR. SHELL: Here.

22 MR. FEINMAN: Mr. Spiers?

23 MR. SPIERS: Here.

24 MR. FEINMAN: Senator Stanley?

25 SENATOR STANLEY: Here.

1 MR. FEINMAN: Mr. Sutherland?

2 MR. SUTHERLAND: Here.

3 MR. FEINMAN: Delegate Wright?

4 DELEGATE WRIGHT: Here.

5 MR. FEINMAN: You have a quorum, Mr.  
6 Chairman.

7 MR. SPIERS: At this time we'll ask for  
8 approval of the minutes from 12/14/16, that they be  
9 approved.

10 MR. HARRIS: So moved.

11 MR. SHELL: Second.

12 MR. SPIERS: We have a motion and a  
13 second, any discussion? All those in favor say aye. (Ayes.)  
14 Opposed? (No response.) The minutes are approved.

15 Our agenda is reconsider a tabled grant  
16 proposal 3231 Grayson County. At this time I'll call on Tim to  
17 give us an update.

18 MR. PFOHL: Thank you, Mr. Chairman.  
19 This request was tabled by your Committee in December of  
20 2016 when you considered the Fiscal Year 2017 Agribusiness  
21 requests. Since that time, Grayson has reduced their request  
22 to \$125,000. I direct you to page six in your book for an  
23 update on this project the staff has provided in your  
24 Commission book.

25 The request is now seeking \$125,000 out

1 of the available Committee balance of \$681,010. The Grayson  
2 Board of Supervisors voted in April to come up with the dollar  
3 for dollar match on the project, which would do Phase II  
4 renovations for the GATE Center on this existing building in  
5 Independence. The requested funds would be for roof work  
6 and HVAC, demolition and reconstruction of the conference  
7 kitchen and bathroom spaces. \$24,000 for commercial  
8 kitchen equipment.

9                   The project leader who is here today has  
10 updated the outcomes for this project and hope to train up to  
11 350 Grayson County farmers annually. The staff notes that  
12 the training space would serve one county. The facility does  
13 not have the multiple benefits of the multipurpose agriculture  
14 centers that your Committee has funded in the past including  
15 the Buckingham Farm Project in Dickenson County facility,  
16 the Old Dominion Ag Center and so forth.

17                   As such, the benefits would largely be  
18 indirect and difficult to attribute directly to training  
19 opportunities as opposed to projects that induce producers to  
20 direct directly and measurably in farm operations like cost  
21 share incentive programs that you'll hear a summary about in  
22 a few minutes. It also remains unclear what percent of the  
23 kitchen and conference space would align with agriculture  
24 training versus some of the other operations like housing and  
25 literacy and so forth that are in the Phase I facility. It's



1 and allowing me to make a presentation before you.

2 I left the December 14<sup>th</sup> meeting hopeful  
3 yet I know we had to address this and we have a revised  
4 project budget. The first adjustment we made was to reduce  
5 the grant request amount by nearly half down to the current  
6 request of \$125,000. The Board of Supervisors approved the  
7 letter of obligation for \$125,000 with no more than 25% of  
8 that in kind. The final draft of the budget includes about 18%  
9 from in kind funds and I can show you those numbers if you'd  
10 like. Grayson County also has \$8,000 in private contributions  
11 that are allocated for the Phase II renovations.

12 I'm very proud of the commitment from  
13 the county and private citizens for their help. I have with me  
14 copies of the revised budget and I'm not sure if you all have  
15 had a chance to see these yet. I have an equipment list as  
16 well as the renovations and I have enough copies for the  
17 Commission to review them if you'd like to see them.

18 I can highlight a few points on the  
19 budget. I shared these with the staff back in April. I would  
20 like to point out that we were able to allocate Tobacco  
21 Commission funds for the most critical needs. Examples of  
22 these approved is the \$24,000 for the commercial kitchen  
23 equipment and \$12,000 for installation of the fire suppression  
24 system for the kitchen and \$18,900 for the handicapped  
25 accessible restrooms, which we are required to have. \$8,000



1 for upgrades for the kitchen and \$29,200 for roof repairs and  
2 heating and lighting upgrades. As you know, these are  
3 components we really haven't talked about them yet. We've  
4 allocated about 74% of the ask. Demolition and disposal and  
5 necessary structural upgrades and a proposed \$49,000 HVAC  
6 system and the electrical components and that's all in this  
7 budget and that's going to be by county funds. We tried to get  
8 the county to cover those expenses.

9 I asked one of the charter members in  
10 the farmer's market, which is located less than a block away  
11 from this location to come and share the potential impact of  
12 the commercial kitchen. He's traveling home from Maryland  
13 today and couldn't be here. He did send me an email talking  
14 about the potential impact of having the kitchen available.  
15 His wife is a former restaurateur and they've shared some of  
16 their work with the independent farmer's market, which has  
17 fifty vendors this year, which is pretty robust for a one  
18 stoplight town. We're very proud of the effort that they do with  
19 theirs and it's an open market with no physical structures  
20 there and they do have a very strong participation. They're  
21 talking about a thirty percent increase from different products  
22 and that's demonstrated and on-site cooking demonstrations  
23 at the market and the kitchen is directly adjacent to this  
24 market and that will greatly contribute to this. Those food  
25 demonstrations are limited to those products. The kitchen

1 will help us expand our capabilities preparing food and this  
2 new kitchen will really offer very safe conditions and  
3 significantly reduce the risk to customers and to the  
4 preparers.

5                   We also have a new market that will serve  
6 our citizens throughout the year, even in the off season which  
7 is three doors down at its current location. The local food  
8 initiative and with the farmer's market, they aggregate or  
9 distribute over 100,000 produce and meats across the region  
10 and this includes the winter market. Currently, the expansion  
11 is limited because we don't have a structure that we could  
12 consider full capacity. The commercial kitchen at the GATE  
13 center that offers the above to aggregate and inspecting and  
14 packaging prepared foods for wholesale distribution and help  
15 process food distribution.

16                   This proposal and a conference call last  
17 Friday, the kitchen and the commercial cannery was asked if  
18 the kitchen included a commercial cannery and it does not.  
19 We do have a certified cannery in the southwest Virginia  
20 farmer's market adjacent to I-77. The equipment and fee  
21 structure are affordable. The farmers go from an evaluated  
22 concept in the home kitchen to a scalable production. The  
23 GATE center kitchen would allow product development on a  
24 more manageable scale with the ability to sell products.  
25 Extension resources have assisted when available in

1 preparation of food safety and this development will be located  
2 just down the hall. Agricultural food processing, we do have  
3 some strategic objective but the commercial kitchen just by  
4 itself meets both of our objectives. There's concern about  
5 meeting space and the county's plan is that the bulk of the  
6 Tobacco Commission funds be directed toward the commercial  
7 kitchen and meeting space is a byproduct of that, albeit a  
8 critical one and it only makes sense to tackle all these  
9 renovations at one time.

10                   Grayson County has demonstrated a  
11 willingness to include agriculture and develop activities and  
12 doing so through very good investments such as the GATE  
13 center. While I can understand the hesitation of the meeting  
14 spaces and conference spaces or training centers but this  
15 facility is going to serve the agricultural needs of the  
16 community. It will give priority to the farmer's needs and  
17 activities will be directed by the agricultural interests. When  
18 the southwest agriculture program, the participating group  
19 back in December, when it pulled out in April, I attended the  
20 meeting for potential participants and tried to figure out what  
21 potential participants might attend and I was left with two  
22 options. I was left to host the producer meeting at the local  
23 high school cafeteria. Incidentally, the high school has now  
24 made a commitment to use their internet connection if a  
25 meeting were to require that, we will have that at the GATE

1 center. Most of the local locations are too small and no  
2 internet activity.

3                   The staff comment suggests that our  
4 farmers have adequate meeting space at the Crossroads  
5 Institute 25 minutes away in Independence. That's not  
6 adequate for Grayson County and that's a 45 minute drive. If  
7 you consider White Top, which is the hub of our Christmas  
8 Tree industry, that's an hour and twenty minutes if you don't  
9 get caught behind a log truck or funeral procession, two lane  
10 road on 58. Grayson County is determined to do better for  
11 agribusiness and that means a two to three hour round trip  
12 drive for a meeting. All this is not in our view adequate  
13 support for its leading industry sector. Grayson County  
14 farmers are at a disadvantage due to our topography and  
15 access to major highways. The agriculture center is not one of  
16 those but we're asking if you are a farmer or represent farmer  
17 interests and the hub of your agricultural development, I just  
18 ask that you do a couple of things. One is to be thankful and  
19 at least give the Grayson County farmers a chance to have  
20 some of our access. And we're asking you to help fund a  
21 facility that is focusing on agribusiness, controlled by  
22 agricultural interests for farmers. We're hoping maybe we can  
23 set a precedent and have an Ag focused center and maybe  
24 other communities don't have it but it's a model for our  
25 reputation. Thank you.

1 MR. SPIERS: Any questions or  
2 comments from the Committee members? Some of the other  
3 centers have quite a bit more money.

4 MR. SUTHERLAND: You're talking about  
5 serving Grayson County only but I think you could be serving  
6 three or four different towns and counties with this especially  
7 for helping with these meetings. Some of these meetings are  
8 attended by people from Carolina, other counties there and  
9 Smyth County and Wythe County also with this facility would  
10 be serving a lot of folks in that area. I also know from going to  
11 some of these meetings and it's a pretty good task where  
12 somebody has to pack up all their stuff and move it in another  
13 facility when the meeting is over, it might be even late at night  
14 or take stuff back to the office. I really think this would be an  
15 asset and I appreciate you serving as an extension agent for  
16 Grayson County and serving the people there, especially the  
17 farmers and the 4-H people. I certainly think with this  
18 kitchen, the 4-H people would be involved in training young 4-  
19 H people, am I correct?

20 MR. SPURLIN: That's correct.

21 MR. MERRICKS: I know the staff  
22 recommendations are spot on and no reflection on that at all.  
23 I know in the rural areas it's difficult to, I feel this would  
24 benefit the farmers in that area, so I would recommend that  
25 we fund this \$125,000 grant and that would be my motion.

1 MR. SPIERS: We have a motion 3231 in  
2 the amount of \$125,000.

3 MS. BARTS: Second.

4 DELEGATE WRIGHT: In reading over the  
5 staff recommendation, it seems to me pretty clear and this  
6 recommendation is based on the facts as they see it and we  
7 might be making a poor decision if we don't follow it and if we  
8 approve the grant. Also, we have a balance of \$681,000 and  
9 this grant is \$125. I don't always go against staff  
10 recommendation but I think there has to be some pretty  
11 overriding reasons to go against what information they  
12 provided to us.

13 MR. SPIERS: Did we get a second to  
14 that?

15 DELEGATE WRIGHT: I make a  
16 substitution motion that we accept the staff recommendation.

17 MR. SPIERS: We have a substitute  
18 motion that we would not fund it, so we have to vote on that  
19 first.

20 MR. FEINMAN: You need a second on  
21 the substitute motion.

22 MR. SPIERS: Do we have a second on  
23 the substitute motion? I don't hear a second on the substitute  
24 motion and that motion dies, so now we're going to vote on the  
25 motion to fund at \$125,000. Any further discussion? Since

1 there's no discussion, all those in favor say aye. (Ayes.) Any  
2 opposed? All right, one in opposition. Therefore, the motion  
3 does pass.

4 Then we'll go to the next item, summary  
5 of impacts of cost share grants. I understand they're working  
6 on that and have a presentation.

7 MS. CAPP: This is just to give you  
8 information on the project that we're working on. There's a  
9 handout that looks like this, you should have it. The project  
10 that we are referencing is the aggregation of the BMP Cost  
11 Share Data Analysis Project. Mr. Spiers had asked or looking  
12 at where this cost share funding has been spent and the  
13 practices so that is the basis for this analysis.

14 The field offices have been in the process  
15 of collecting data for this project. We do need to recognize our  
16 grant assistants sitting in the front row, Ms. Faircloth and Ms.  
17 Stamper. They've been the lead in the collection of this data.  
18 They have collected literally thousands of records. It's been  
19 quite a project and they've done a great job collecting this  
20 information and without it, we could not read the analysis.  
21 I've been involved on the front end as far as the design of the  
22 project. We have categorized the BMPs, 80, 90, 100 different  
23 types of costs that have been eligible under the cost share  
24 programs. We identified those based on the best management  
25 practices and then we organized the best management

1 practices with the BMP categories. My information is detailed  
2 at the top of this page.

3                   The second box on the handout shows  
4 the grants that we're looking at and the Southwest office is  
5 looking at eleven grants, starting with grants from 2004  
6 through the present time. The Southwest analysis will include  
7 value added beef initiative. The Southwest office, we're  
8 looking at a more current time, seven grants starting from  
9 2010 to the present time. The grants we're looking at are the  
10 ones that are benefitting the traditional farmers and these are  
11 the larger cost share grants. We have had some other  
12 agribusiness cost share grants including aquaculture and the  
13 bees and pilot demonstrations and those are not part of this  
14 project.

15                   You can see at the bottom of the page,  
16 the current estimates for the totals that we're analyzing. At  
17 present it's over \$5.6 million in cost share payments that  
18 relate to 2,313 producers. I have those total asterisks  
19 because we have three current active grants that are part of  
20 this analysis so the numbers are expected to go up when we  
21 present a more detailed analysis. We should have that  
22 information available and ready at the next meeting.

23                   MR. SPIERS: Thank you, Sarah. You  
24 can see the preliminary runs and it's quite detailed and gives  
25 information by county and producers and it's quite impressive



1 the amount of money that farmers have put up, sixty to  
2 seventy percent. I want to congratulate you Sarah and all  
3 those that have worked on this project and look forward to  
4 receiving some more information. Very good.

5 Now, at this time, is there any other  
6 business to come before the Committee?

7 MR. FEINMAN: No, Mr. Chairman, we  
8 have no other business today.

9 MR. SPIERS: Is there any public  
10 comment that anyone would like to add to the Agribusiness  
11 meeting? If not, then we're adjourned.

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PROCEEDINGS CONCLUDED.

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## 1 CERTIFICATE OF THE COURT REPORTER

2  
3 I, Medford W. Howard, Registered Professional  
4 Reporter and Notary Public for the State of Virginia at large,  
5 do hereby certify that I was the court reporter who took down  
6 and transcribed the proceedings of the **Tobacco Region**  
7 **Revitalization Commission Agribusiness Committee**  
8 **meeting when held on Thursday, May 18, 2017 at 8:30**  
9 **a.m. at the Appomattox County Community Center in**  
10 **Appomattox, Virginia.**

11 I further certify this is a true and accurate  
12 transcript, to the best of my ability to hear and understand  
13 the proceedings.

14 Given under my hand this 24<sup>th</sup> day of May,  
15 2017.

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17 \_\_\_\_\_  
18 Medford W. Howard  
19 CCR #0313137  
20