

FINAL MINUTES

Virginia Tobacco Board
Heartland Business Conference Center
Keysville, Virginia
February 27, 2017

CALL TO ORDER

Virginia Tobacco Board Secretary William P. Scruggs called the meeting of the Virginia Tobacco Board to order on February 27, 2017 at 9:45 AM at the Heartland Business Conference Center, Keysville, Virginia.

Members Present:

Donnie L. Anderson
Richard T. Hite, Jr.
Glen Price Hudson
Donald L. Moore
Hugh T. Rogers
Cecil E. Shell
Robert H. Spiers, Jr.

Members Absent

C. David Mitchell
John C. Bledsoe

OTHERS PRESENT:

Dr. Carol Wilkinson, Director, Virginia Tech Southern Piedmont Agricultural Research and Extension Center (SPAREC), Blackstone, Virginia

Dr. David Reed, Extension Tobacco Agronomist, Virginia Tech SPAREC, Blackstone, Virginia

Hank Mazingo, Vice President, Tobacco Associates, Inc., Raleigh, North Carolina

Tony Banks, Assistant Director Commodity Marketing, Virginia Farm Bureau Federation, Richmond, VA.

Melissa Ball, Division of Marketing and Development, Virginia Department of Agriculture And Consumer Services, Richmond, Virginia

William P. Scruggs, Secretary and Program Manager, Virginia Tobacco Board, Chatham, Virginia

Jay Jennings, President, Virginia Tobacco Growers Association

Garland Comer, Vice President, Virginia Tobacco Growers Association

Stephen Barts, Treasurer, Virginia Tobacco Growers Association

The Virginia Tobacco Board Secretary, William P. Scruggs called the meeting to order and welcomed the Board members.

Mr. Scruggs called for nominations for the election of the Board chairman. Upon a properly made motion by Mr. Spiers and second by Mr. Anderson, Mr. Donald L. Moore was elected as chairman of the Board.

Chairman Moore opened the floor for nominations for vice-chairman. Upon a properly

made motion by Mr. Anderson and a second by Mr. Rogers, Mr. Robert H. Spiers, Jr was elected vice-chairman of the Board.

The Chairman requested a review of the minutes of the Virginia Tobacco Board meeting of February 19, 2016. Upon review the board approved the minutes.

The Chairman requested that the Secretary review the financial statement, which had been prepared for the meeting for the period July 1, 2016 through January 31, 2017. A copy of the statement had been included in each member's folder and a copy is attached to these minutes (additional copies are available). The Secretary brought to the Board's attention the various items included in the statement, an explanation of the various revenues and expenditures, and an estimate of further expenditures to be made prior to the end of the fiscal year. After questions and discussion, the Board accepted the financial statement.

The Chairman requested that the Secretary review the 2016 flue-cured and dark-fired tobacco excise tax statements of excise tax receipts received into the two Board funds. A copy of these statements was provided to each Board member for review. The total amount of excise taxes collected for 2016 in the Flue-Cured Tobacco Promotion Fund was \$95,178.29 and \$192.06 in the Dark-Fired Promotion Fund. It was noted that an additional \$700 is expected to come in to the Dark-Fired Tobacco Promotion Fund for the 2016 crop.

The Chairman called for the Secretary to provide an update on Senate bill 948 and House bill 2254. These bills affected the Virginia Tobacco Board by increasing the assessment (excise tax) from \$.20 per one hundred pounds to \$.40, changing Board member nomination process and gave discretion to the Board on assessment of penalties. It was noted that both bills were supported by the Virginia Tobacco Board (as cited in the 2016 Virginia Tobacco Board meeting minutes), the Virginia Farm Bureau Federation and the Virginia Tobacco Growers Association. The Secretary indicated the bills passed the Senate on January 18, 2017, the House on February 10, 2017 and was approved by the Governor on February 20, 2017. The bills will become effective on July 1, 2017.

The Chairman recognized Mr. Hank Mozingo, Vice President of Tobacco Associates, Inc., and invited him to report on Tobacco Associates activities. Mr. Mozingo expressed appreciation to the Board for its continued support of its programs. Mr. Mozingo reviewed the activities of the past year and plans for the upcoming year. Mr. Mozingo

entertained questions from Board members and in closing, invited the Board to attend Tobacco Associates annual meeting in Wilson, North Carolina on March 1, 2017.

The Chairman then recognized Dr. Carol Wilkinson, Director of the Virginia Tech Southern Piedmont AREC, who gave a report on activities at the station. Dr. Wilkinson reported on developments at Southern Piedmont AREC., highlighting the tobacco research in 2016-2017 and the livestock program updates.

Dr. Wilkinson then introduced Dr. David Reed, Virginia Tech Extension Tobacco Agronomist and indicated that Dr. Reed would be giving the Board a program progress report on tobacco research and extension activities. Dr. Reed gave progress reports and reviewed the status and results of research and education projects that the Board had funded for the 2016-2017 fiscal year (*A written summary flue-cured tobacco research and education progress reports are attached to the minutes, and additional copies are available*). He then presented the 2017-2018 tobacco research and education project proposals to the Board, copies of which had been mailed to each member prior to the meeting. They reviewed the proposals and addressed questions from the Board concerning their projects.

The Chairman called on Mr. Tony Banks, Virginia Farm Bureau Federation, for a report on the Virginia Agriculture in the Classroom (AITC) educational program. Mr. Banks provided an overview on Virginia Agriculture in the Classroom.

The Chairman called on Mr. William Scruggs, Virginia Tobacco Board Secretary and Program Manager, for a report on the International Tobacco Workers Conference Tobacco and the request for funding for Board staff participation in the 2018 Tobacco Workers Conference. Mr. Scruggs provided a report on the tobacco economic and market development activities at the Tobacco Workers Conference.

The Chairman recognized a proposal before the Board for funding of the educational exhibit at the State Fair of Virginia. Mr. Scruggs provided an overview of the 2016 State Fair of Virginia Board exhibit indicating that more than 35,000 state fair attendees had visited the exhibit.

The Chairman then recognized the officers of the Virginia Tobacco Growers Association. Mr. Jennings, President of the Virginia Tobacco Growers Association provided an update on the Association, highlighting the 2017 membership drive, upcoming annual meeting and general priorities for 2017.

After review of the financial status of the Board and discussion of the funding requests before them, the following motions were adopted:

Motion: *Made by Mr. Hite, seconded by Mr. Rogers, and approved to:*

- *Contribute \$500 from the Flue-Cured Tobacco Promotion Fund and \$250 from the Dark Fired Promotion Fund to the Virginia Foundation for Agriculture in the Classroom.*
- *Provide \$700 in funding from the Flue-Cured Tobacco Promotion Fund for the Virginia Tobacco Board participation in the State Fair of Virginia.*
- *Provide \$1,500 in funding from the Flue-Cured Tobacco Promotion Fund for Board staff participation in the 48th Tobacco Workers Conference.*
- *Allocate \$45,000 in funding from the Flue-Cured Tobacco Promotion Fund to Tobacco Associates, Inc for flue-cured tobacco promotion and marketing.*
- *Allocate \$84,705 from the Flue Cured Tobacco Promotion Fund and \$1,000 from the Dark Fired Promotion Fund to VA Tech Southern Piedmont AREC for education and research project proposals during the period July 1, 2016 through June 30, 2016. The specific tobacco research and education project funding is as follows:*

<u>Project Name</u>	<u>#651</u>	<u>#660</u>
2018 Flue-Cured Tobacco Production Guide	\$ 2,500	
Evaluation of Management Strategies for De-Lugging Flue-Cured Tobacco	\$20,000	
Tobacco Disease Management Research	\$21,000	\$1,000
Sucker Control with Reduced Reliance on MH	\$19,000	
Evaluation of Foliar Fertilizer Products for Use on Flue-Cured Tobacco	\$10,000	
Organic Tobacco Production in Virginia	<u>\$12,205</u>	
Total	\$84,705	\$1,000

The Chairman called for any additional business or issues.

The Chairman then called for comments from the public. There were no comments.

With all of the Board business completed, the Chairman adjourned the meeting at 12:30 p.m.

Respectfully submitted,

William P. Scruggs, Secretary

Approved: _____
Donald L. Moore, Chairman