

APPROVED OCTOBER 18, 2018

EXHIBIT B

MINUTES

**HOUSE AND SENATE INTERIM COMMITTEES ON AGRICULTURE, FORESTRY, AND
ECONOMIC DEVELOPMENT**

MEETING JOINTLY

Tuesday, August 14, 2018

The House and Senate Interim Committees on Agriculture, Forestry, and Economic Development held a joint meeting on Tuesday, August 14, 2018, at 10:00 a.m., State Capitol, Room 138, Little Rock, Arkansas.

House Agriculture, Forestry, and Economic Development Committee members present: Representatives Dan Douglas, Chair; Scott Baltz, Rick Beck, Mary Bentley, Ken Bragg, Karilyn Brown, Bruce Cozart, Jack Fortner, Lane Jean, Steve Magie, Mark McElroy, Ron McNair, Stephen Meeks, Donald Ragland, and Dan Sullivan.

Senate Agriculture Forestry, and Economic Development Committee members present: Senators John Cooper, Vice-Chair; Eddie Cheatham, Blake Johnson, and David Wallace.

Other legislators present: Senators Trent Garner, and Gary Stubblefield. Representatives Ken Henderson, Steve Hollowell, Milton Nicks, Jr., Laurie Rushing, Johnny Rye, Danny Watson, and Carlton Wing.

Representative Dan Douglas called the meeting to order.

CONSIDERATION TO APPROVE MEETING MINUTES [Exhibit B]

Representative Beck made a motion to approve the meeting minutes of May 24, 2018. The motion was seconded by Representative Ragland and without objection, the motion carried.

DISCUSSION OF PROPOSED REGULATION ON LIVESTOCK EMBRYO TRANSFER OR TRANSPLANT AND LIVESTOCK PREGNANCY DETERMINATION

Ms. Cara Tharp, Executive Director, Arkansas Veterinary Medical Examining Board and Mr. Doug Parker DVM, Chairman, were recognized without expressing any comments regarding the proposed rules. The Committees accepted the proposed regulation, therefore, there was no discussion. [Exhibit C].

DISCUSSION OF RECENT DICAMBA CONCERNS

Mr. Butch Calhoun, Director, Arkansas State Plant Board (ASPB) and Ms. Susie Nichols, Director, Pesticide Division, ASPB, were recognized and gave a brief update of dicamba issues and concerns [Handout 1]. Regarding the 2017 state case files of all pesticides totals, there were 1,312 total complaints, and 1,039 of these complaints have been closed. There were approximately 1,014 total alleged dicamba complaints; 902 of these complaints were received by field inspectors and 791 of the case files have been closed and pending the final pesticide committee/full board approval or have been approved by the aforementioned board. As of August 2018, there have been 193 alleged dicamba associated case files. Mr. Calhoun stated it is too early to determine if any dicamba cases meet the standard for a \$25,000 fine, but his office will have a better assessment of the 2018 case files in the coming months.

Ms. Rachel Hurley, Director, Government Affairs, Monsanto, was recognized for brief comments. She stated over the last year, Monsanto has seen significant progress in every state. Notably, Monsanto is working with the Environmental Protection Agency on re-registration. Ms. Hurley asked that Arkansas give the technology

(re-registration) a chance, as the farmers can and will use it responsibly. She concluded by stating 33 other states are using the aforementioned technology.

UPDATE ON THE FERAL HOG ERADICATION TASK FORCE

Mr. Wes Ward, Chairman, Feral Hog Eradication Task Force, and Mr. Chris Colclasure, Vice Chairman, Feral Hog Eradication Task Force, were recognized. Mr. Ward gave a brief overview of the Task Force. He stated legislation to create the Task Force was sponsored by Representative Kim Hammer, noting the task force expired June 30, 2018, but the work is continuing with stakeholders.

Mr. Ward gave a brief update on feral hog eradication issues. He stated the feral hog population is unknown. The United States Department of Agriculture estimated the impact of feral hog damage at \$1.5 billion across the United States and is increasing every year. In Arkansas, the feral hog damage has an estimated cost of \$30 million annually. Notably, 70% of the feral hog population must be terminated every year to maintain the current population. Moreover, feral hogs are negatively impacting Arkansas as they are present in all 75 counties. The task force has prepared information to present to the committee\legislature for appropriate action. Since the Task Force has ended, committees were created and have accomplished the following tasks:

- Received approval for a grant from the USDA National Resource Conservation Service (NRCS) to create a feral hog control handbook;
- University of Arkansas Division of Agriculture is working on a survey to collect feral hog data via the forestry office in Monticello. This information will be presented to the Committees later this year; and
- Feral hog online complaint formats were released on July 2nd. As of today, private stakeholders reported 2,251 feral hogs had been killed.

Mr. Ward concluded by discussing the Kaput feral hog bait. He reported Semeterics, Kaput's manufacturer, presented information to the Task Force on August 1st. He noted the hog bait product was introduced in Texas, but a lawsuit was filed. Because of concerns, Louisiana did not approve the use of this product. However, Arkansas has applied to register the product. The Task Force agreed to use this product for restricted use if it is approved. Mr. Ward concluded by stating this issue will be addressed at the task force meeting on October 2nd.

Mr. Colclasure discussed the feral hog population and issues that impacted the State and wildlife. The Arkansas Game and Fish Commission (AGFC) trapped approximately 6,000 feral hogs last year, and within the last five years, approximately sixteen thousand feral hogs have been trapped. Typically, between 60% -70% of feral hogs are trapped on public land and 30% on private land. There is no way to estimate the feral hog population density in the State other than the use of online complaint forms and by increasing the resources in the State. Recommendations for eradicating feral hogs include:

- Legislative changes to allow aerial gunning for private landowner's or contractors
- Increasing the fines for releasing feral hogs
- Identification of feral hogs to enforce the current regulations

Mr. Colclasure also discussed management control efforts. He stated on average, the AGFC invests 2.9 man hours per hog. Pilot programs are in place to put traps in some of the conservation districts to help with trapping efforts. Private funding ideas have been discussed for trapping feral hogs and additional manpower across the State. Mr. Colclasure concluded by stating educating landowners about feral hog damage will help a lot with control efforts.

Representative Hammer was recognized for brief remarks. He commended the Task Force for their work. He informed the Committees the United States Department of Agriculture shut down a couple of processing plants that were receiving feral hogs for the purpose of feeding the hungry program. He concluded by stating the feral hog population is a growing problem.

IMPACT OF TARIFFS ON ARKANSAS

Mr. Dan Hendrix, President and CEO, Arkansas World Trade Center, (AWTC), was recognized and presented a PowerPoint presentation titled, “Impact of Tariffs on Arkansas Industry and Agriculture” [**Exhibit F1**]. Mr. Hendrix’s presentation focused on trade agreements and the impact of current U.S. trade tariffs with other countries and the potential impact of tariffs in Arkansas. He noted the North American Free Trade Agreement (NAFTA) is an ongoing process. The U.S. discussion with Mexico on NAFTA revisions are continuing, as there could be a potential deal signed before December 1st. Companies affected by the new tariffs include Tyson and Cooper Tires. Mr. Hendrix concluded by stating trade matters in Arkansas, as \$339,000,000 exports are threatened by the new tariffs.

Mr. Matt King, Director of Public Affairs and Government Relations, Arkansas Farm Bureau Federation, was recognized and presented a PowerPoint presentation titled, “Tariffs are fine, for the Other Guy” [**Exhibit F2**] and [**Exhibit F3**] “How Tariff Calculations Work.” Mr. King’s presentation focused on tariffs imposed on U.S. and their impact on Arkansas agriculture. He stated trade is extremely important to agriculture, noting that 20% of U.S. farming is dependent upon trade. There has been an overwhelming support by Arkansas farmers for tariffs. According to the U.S. trade data, 36.6% of Arkansas’s commodities are exported. Mr. King reported 16% of U.S. agriculture production is going to China and 15% to Canada. In 2016, the U.S. goods and services exports to China were nearly \$187 billion, while exports from China were \$524 billion. Mr. King noted U.S. agricultural exports and non-agricultural exports are affected by retaliation. He also noted that the tariffs being placed on steel have positively impacted Arkansas’s steel industry.

Mr. Scott Stiles, Professor of Economics, U of A System, Division of Agriculture, was recognized and presented a PowerPoint presentation titled, “Impact of Tariffs on Arkansas” [**Handout 2**]. Mr. Stiles presentation focused on tariffs and their impact on Arkansas. Arkansas farmers rely heavily upon producing major row crops annually, such as soybeans, rice, corn and cotton. The aforementioned crops account for \$6 million acres of row crop production in Arkansas. In 2016, soybeans ranked #1 as Arkansas’s commodity export producer generating \$863.8 million. The U.S. is not attacking the agriculture industry, as agriculture has become an unattended consequence. Mr. Stiles stated if a 25% tariff is imposed there would be a 14% decrease in the value of production for Arkansas soybeans, rice, corn, and cotton or \$450 million. Moreover, there would be a loss of approximately 3,000 jobs.

REPORTS RECEIVED

1. Arkansas Institutional Fund Report – January 1, 2017 through December 31, 2017 [**Exhibit G1**]
2. 2017 Arkansas Venture Capital Investment Trust Report [**Exhibit G2**]

There being no further business, the meeting adjourned at 12:06 p.m.