

EXHIBIT B

APPROVED MAY 14, 2019

MINUTES

HOUSE INTERIM COMMITTEE ON AGRICULTURE, FORESTRY, AND ECONOMIC DEVELOPMENT

MEETING

Thursday, November 29, 2018

The House Interim Committee on Agriculture, Forestry, and Economic Development meet on Thursday, November 29, 2018, at 10:00 a.m., Hot Springs Convention Center, 134 Convention Blvd., Room 201, Hot Springs, Arkansas.

Committee members present: Representatives Dan Douglas, Chair; David Hillman, Vice-Chair; Rick Beck, Jack Fortner, Lane Jean, Mary Bentley, Mark McElroy, Ron McNair, Donald Ragland, Matthew Shepherd, and Dan Sullivan.

Other legislators present: Representatives Trevor Drown, and Jon Eubanks.

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 October 18, 2018. The motion was seconded by Representative Ragland and without objection, the motion carried.

WELCOME TO ARKANSAS FARM BUREAU'S ANNUAL CONVENTION

Mr. Randy Veach, President, Arkansas Farm Bureau (AFB), was recognized and welcomed committee members and guests to AFB's 84th Annual Convention. He stated AFB is always concerned with tax exemptions and hopes that the Committee will not eliminate the agriculture tax exemptions. Notably, agriculture is the largest industry in Arkansas, providing \$20 billion and 20% of jobs, affordable supply of food, fiber and shelter for Arkansans and everyone around the world. Some issues include overreaching regulations such as the "right to farm". Mr. Veach stated from 2013 to today, agriculture's net income has decreased 52%, noting we are going to lose some of the multi-generation farmers.

UNIVERSITY OF ARKANSAS DIVISION OF AGRICULTURE FUNDING ISSUES

Dr. Mark Cochran, Vice President of Agriculture, University of Arkansas System, Division of Agriculture, was recognized and reiterated agriculture is the largest industry within Arkansas. He gave an overview of the Division of Agriculture. Mr. Cochran reported 1 out of 6 jobs are associated with the food and agriculture sector. Approximately 55% of Arkansas's land areas are in the forest. The Division of Agriculture is part of the Land Grant University System and is responsible for the research and extension component. Dr. Cochran stated approximately, 55% of funding comes from the state, however, federal and local funding is also received, and no tuition funds are received. There are approximately 13 research locations throughout Arkansas.

Notably, the Division of Agriculture has partnerships with several degree granting institutions. According to Dr. Cochran, the Division of Agriculture works in 5 broad areas where the biggest area is efficiency, production and processing of agriculture in Arkansas. There are a lot of responsibilities in environmental management. Dr. Cochran

expressed he is proud of the role the Division of Agriculture has played with programs involving families and youth. He reported diagnostic labs are located across the state with the soil test being the largest, as it is the key component of environmental standards. Regarding the poultry industry, there is a big push in the meat protein industries to reduce the use of proclitic antibiotics. He noted that some services and programs have been eliminated such as the Graduate Research Assistantships and the Livestock Market Reporting Service. Dr. Cochran stated, locating efficiency costs and trimming costs are necessary. He reported \$1.1 million is in the Governor's budget for the Division of Agriculture and there is an additional request for an increase of \$3 million. This is approximately 2/3 of what the inflationary cost is going to be. Dr. Cochran stated Arkansas agriculture has a lot of potential and the Division of Agriculture is part of the solution to having Arkansas agriculture be a key engine for economic growth.

Mr. Rick Hillman, Vice-President, AFB, was recognized and thanked the Committee for supporting and fighting for Arkansas agriculture. He spoke in support of full, permanent funding for the Division of Agriculture. Mr. Hillman noted the feral hog matter is a critical issue for agriculture.

URBANIZATION CHALLENGES TO AGRICULTURE AND LAND USE [Exhibit E]

Mr. Johnny Gunsaulis, Benton County Extension Agent, Arkansas Cooperative Extension Service, was recognized and presented a PowerPoint presentation titled, "Urbanization Challenges to Agriculture and Land Use in Northwest Arkansas (NWA)" [see **Exhibit E** for full report]. Mr. Gunsaulis discussed areas of diversity, social changes, NWA historical agriculture, and the problems with these coming together in the area. According to Mr. Gunsaulis, NWA has the largest beef cattle in the state and poultry is the main driver of agriculture in the area. Mr. Gunsaulis reported NWA has approximately, 1.7 million hens, and broilers have been a big driver for the economy.

Some of the Benton County Agriculture facts include:

- Over 2,000 farms
- 400 poultry farms
- 122 million broilers produced annually
- Approximately 50,000 head of beef cows
- Annual turkey production of 1.6-2 million
- 1.7 million laying hens

Mr. Bob Shofner, Farmer, was recognized and discussed some of the problems and concerns of agriculture in Northwest, Arkansas. The Right to Farm Law and property rights are issues that farmers are facing. Mr. Shofner noted he is a 5th generation farmer. In the past, his farming operations have been diverse. Some issues he has encountered with sub-division developments include a lot of water runoff and the coating from shingle wrappings for housing, as the cattle come in contact with it, this leads to digestion problems. Mr. Shofner stated the 4-H program is a good educational tool, noting we need more help with education efforts.

There being no further business, the meeting adjourned at 11:40 a.m.