

APPROVED DECEMBER 15, 2016

EXHIBIT B3

MINUTES

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

**Batesville Livestock and Forestry Research Station, 70 Experiment Station Drive
Batesville, Arkansas**

Thursday, September 22, 2016

The Senate and House Interim Committees on Agriculture, Forestry, and Economic Development met Thursday, September 22, 2016, at 8:30 a.m., at the Batesville Livestock and Forestry Research Station, 70 Experiment Station Drive, Batesville, Arkansas.

Committee members present: Representatives Dan Douglas, Co-Chair, Charles Armstrong and David Hillman.

Representative Douglas called the meeting to order.

Peco Foods – Nutrient Management Planning

Mr. Duane Weems, Live Operations Manager, PECO Foods, [PowerPoint Presentation #1-“Peco Food, Incorporated – Project Pocahontas Update”]. Mr. Weems was recognized and gave an overview of the company and said that an expansion is currently underway in Batesville and a new complex is under construction in Pocahontas, Arkansas. The current hatchery in Pocahontas is approximately 73,000 square foot with 51 single station machines. The hatchery processes 80,000 chicks per hour and produces 3.1 million eggs per week. When the hatchery reaches full capacity it will employ 32 full-time employees.

Mr. Edward Swaim, Manager, Water Resources Division, Arkansas Natural Resources Commission (ANRC) - [Handout #1 – Arkansas Natural Resources Commission – The Arkansas Water Plan – Title 24 (Effective February 1, 2016)]. Mr. Swaim was recognized and stated the planning process for the state’s water plan began in 2011-2012, with the main part of the planning process completed in 2014-2015, when rules were put into place. He stated the major water quantity problem in Arkansas is the management of groundwater. Although there is an abundance of groundwater and surface water, the problem occurs when the ground water is over drafted in certain areas of the state. Recommendations have been made to provide tax incentives and tax credits for reservoirs to be converted from ground to surface water. A cost share program agreement was recently signed between ANRC and Natural Resources Conservation Service (NRCS) to provide farmers with meters to gauge water usage on wells. Mr. Swaim stated he recommends developing a statewide drought plan.

Mr. Walter Delp, State Conservation Engineer (NRCS) – [PowerPoint Presentation #2 – “NRCS Activities Fostering Water Conservation”]. Mr. Delp was recognized and gave an overview of conservation efforts and practices by NRCS and highlights with regard to the state’s water resources and provided the following information:

- Data reflects 15 inches of rain per year in the state
- Data indicates 80.7 million acres of excess surface water exist in the state
- Approximately 80% of water in the state is used by agriculture

Mr. Delp stated although there is an excess of surface water in a majority of the state, three watershed studies indicate there will not be enough water by the year 2050.

Mr. Mike Hamilton, University of Arkansas Division of Agriculture [PowerPoint Presentation #3 – “Water Conservation Tools]. Mr. Hamilton was recognized and provided the perspective of farmers regarding the state’s water resources. He stated the following:

- One inch of rain provides 27,000 gallons of water on one acre of land
- One inch of rain provides over one million gallons of water on forty acres of land
- Sensors are being used in irrigated fields to record soil moisture levels and determine trends in soil profile
- Cost of the sensors are approximately \$200 with cost incentives from NRCS

Dr. Brandon Doss, State Veterinarian, Arkansas Livestock and Poultry Commission, was recognized and the discussed the issue of imported raw beef and potential safety concerns. Dr. Doss stated the United States Department of Agriculture (USDA) modified their regulations to allow for the importation of fresh (chilled or frozen) beef from specific locations, under specific conditions that mitigate the risk of Foot-and-Mouth Disease (FMD). Countries importing meat into the U.S. must be recognized as free of FMD by the USDA Animal and Plant Health Inspection Service (APHIS). He stated a risk assessment performed by APHIS indicates Brazilian beef can be safely imported.

Conservation District Panel Discussion

Eddie Wagoner, Independence County Conservation District, Elvis Vaughn, White County Conservation District, and Cathy Seidenstricker, Prairie County Conservation District held a panel discussion. **[Handout #2 – Conservation Districts: An Overview]** The panelists were asked to discuss the challenges to the conservation districts. Mr. Vaughn said the easiest answer is money; however, the district’s operational funding is supported by NRCS, which enables them to obtain federal funding for conservation practices.

Ms. Seidenstricker stated groundwater is critical to Prairie County where the majority of crops are rice, wheat, soybeans, and corn. She believes the challenge to the Conservation District is in educating and encouraging farmers. To address this need, the district has created a newsletter which will include information on tax incentives, well registration deadlines, and conservation practices. The District will also use social media to provide information to farmers.

Mr. Wagoner stated Independence County has better water resources than many other counties. He stated the majority of row crop farmers have 40-foot deep wells that provide sufficient water resources. He stated the district has applied for a grant to build a watershed lake with assistance from the Arkansas Game and Fish Commission and NRCS.

There being no further business, the meeting adjourned at 12:00 noon.