

1 **TOBACCO REGION REVITALIZATION COMMISSION**

2 701 East Franklin Street, Suite 501

3 Richmond, Virginia 23219

4

5

6

7 **Agribusiness Committee Meeting**

8 Wednesday, December 14, 2016

9 1:00 o'clock p.m.

10

11

12

13 Hotel Roanoke & Conference Center

14 Roanoke, Virginia

15

16

17

18

19

20

21

22

23

24

25

CRANE-SNEAD & ASSOCIATES, INC.

4914 Fitzhugh Avenue, Suite 203

Richmond, Virginia 23230

Tel. No. (804) 355-4335

Fax No. (804) 355-7922

1 APPEARANCES:

2 Mr. Robert Spiers, Chairman

3 Ms. Gayle F. Barts

4 The Honorable James Edmunds

5 Mr. Frank Harris

6 Ms. Cassidy Rasnick, for Secretary Haymore

7 Mr. John Holland

8 Mr. Donald W. Merricks

9 Mr. Richard L. Sutherland

10 The Honorable Thomas C. Wright, Jr.

11

12 COMMISSION STAFF:

13 Mr. Evan Feinman, Executive Director

14 Mr. Timothy S. Pfohl, Grants Program Administration Director

15 Ms. Sara G. Williams, Grants Program Administrator

16 Southwest Virginia

17 Ms. Sarah K. Capps, Grants Program Administrator

18 Southside Virginia

19 Ms. Jessica Stamper, Assistant Grants Program Administrator

20 Southwest Virginia

21 Ms. Michele Faircloth, Assistant Grants Program Administrator

22 Southside Virginia

23 Ms. Stacey Richardson, Executive Assistant

24

25

1 COUNSEL FOR THE COMMISSION:
2 Ms. Elizabeth B. Myers, Assistant Attorney General
3 Richmond, Virginia 23219

4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

1 December 14, 2016

2

3 MR. SPIERS: Good afternoon, it's 1:00 p.m., and I'm
4 going to call the Agribusiness Committee Meeting to order.

5 At this time, I'll ask Evan to call roll.

6 MR. FEINMAN: Ms. Barts.

7 MR. BARTS: Here.

8 MR. FEINMAN: Delegate Edmunds.

9 DELEGATE EDMUNDS: Here.

10 MR. FEINMAN: Ms. Rasnick

11 MS. RASNICK: Here.

12 MR. FEINMAN: Mr. Harris.

13 MR. HARRIS: Here.

14 MR. FEINMAN: Mr. Holland.

15 MR. HOLLAND: Here.

16 MR. FEINMAN: Mr. Merricks.

17 MR. MERRICKS: Here.

18 MR. FEINMAN: Mr. Montgomery.

19 MR. MONTGOMERY: (No response).

20 MR. FEINMAN: Mr. Shell.

21 MR. SHELL: (No response).

22 MR. FEINMAN: Mr. Spiers.

23 MR. SPIERS: Here.

24 MR. FEINMAN: Senator Stanley.

25 SENATOR STANLEY: (No response).

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. Chairman.

6 MR. SPIERS: I want to welcome everyone at this time
7 and to thank you for taking your time to come here today, and
8 we have a number of proposals to review and decide what we
9 recommend to the Full Commission. I do want to thank Staff,
10 and particularly Sarah, for conducting some Agribusiness
11 workshops in preparation for this meeting.

12 Also, I want to thank Virginia Farm Bureau for
13 assisting us. My understanding is we had very good attendance
14 in many of the entities that we worked with. All of that is very
15 good and very helpful.

16 One of the things I do see is now we have a lot of
17 proposals and not that much money, so it's kind of a double-
18 edged sword. We do love to see the proposals. I do want to
19 remind the Committee that we do have difficult decisions to
20 make. We've got some guidelines.

21 One of the major things is that we want to improve
22 the income potential of our producers in our footprint. We know
23 that we have limited funds and we like our producers to
24 participate as much as possible, the multijurisdictional grants, it
25 looks like it's spread a little bit further, and we're always looking

1 for a good sponsor or an entity that will administer it and take
2 care of the eligibility of the participants, and, also, the accounting
3 is very important because we are, expect you to fully analyze the
4 use of Commonwealth funds, so we want to make sure it's all
5 accounted for very well.

6 Of course, the Committee only meets not that often,
7 and we do have to rely upon Staff recommendations, and we
8 think that they try to do a very good job in working with the
9 applicants.

10 So, without further ado, we'll do the approval of the
11 minutes at this time. A motion has been made and a second.
12 Any other comments. All in favor, say aye. (Ayes). Any
13 negative nos? (No response). The minutes are approved as
14 published.

15 At this time, we'll go ahead and ask Tim and the Staff
16 to present the proposals. What I'd like to do is go through the
17 proposals and any time a member of the Committee wants more
18 information or ask questions, that'll be fine, and then we'll go
19 back through them, because we have a very, quite a long list, so
20 we'll use that procedure if that's okay.

21 MR. PFOHL: Thank you, Mr. Chairman. Just a little
22 bit of background. We received 18 proposals by the early
23 October due date. Again, as you mentioned, Staff has conducted
24 a workshop in Rocky Mount back in September in partnership
25 with the Farm Bureau, VDACS, USDA Rural Development and

1 several other partners, Agribusiness in general in the
2 Commonwealth, that was very productive and a very well
3 attended workshop. And there were about 80 people that signed
4 up for that. There were a number of presentations and so forth,
5 so that to some extent explains the volume of requests that you
6 have in front of you.

7 One recent update is Franklin County has asked that
8 their project, for the Foothills Produce Auction be withdrawn, so
9 we're down to 17. Then I'll try to move through efficiently
10 understanding the nice heavy lunch we all just had, and it's been
11 said that I can be a little verbose in some of these presentations.
12 Thank you, Stacy. We'll start out.

13 For the applicants, just to let you know, the
14 Committee receives a link to the proposals so they can review
15 those shortly after they come to us and they've had the Staff
16 report in their hands for about a week now. The Staff report
17 includes an executive summary provided by each of the
18 applicants. I'm not going to focus on that, I'm going to try to
19 just hit the highlights of the Staff comments and
20 recommendations as we move through these.

21 So, starting with Abingdon Feeder Cattle Association,
22 requesting a 33 percent cost share project up to \$3,000 per
23 producer to serve 245 beef cattle producers in 12 Southwest
24 Tobacco Region counties. The producers purchase technology
25 which will aid in pasture weed control, harvesting higher quality

1 hay, and purchase of genetically improved bulls. The request is
2 submitted for \$725,000, which is a third of the funds that are
3 available to you and indicates future requests are anticipated.

4 Abingdon Feeder Cattle has generously and effectively
5 managed several Agribusiness grants over more than a dozen
6 years, including 2.3 million since 2005, primarily for beef cattle
7 that included genetically improved bull purchases.

8 The Staff suggests that this eligible practice for
9 purchase of bulls should now come to an end and be removed
10 from this request. Staff also suggests that this project be
11 implemented at a somewhat smaller scale to gauge demand for
12 pasture incentives and acceptance of those cost-share incentives
13 by producers in the 12 counties.

14 Staff's recommendation is an award of \$500,000 for
15 the proposed 33 percent cost share up to \$3,000 for producer for
16 equipment and services, excluding bull purchases.

17 Next up is a very sizeable loan request --

18 MR. SPIERS: If any Committee members have any
19 questions as we go through this first time, then, like I say, we'll
20 have further comments later on.

21 MR. PFOHL: Okay, if there are no questions about the
22 Abingdon Feeder Cattle, we'll move on to Blue Ridge Center for
23 Chinese Medicine. This is a project that your Committee has
24 funded two previous phases that have been very successful in
25 recruiting more than 50 Chinese additional herb growers in

1 several Southwest Counties. This request is for a loan of up to
2 \$2 million to help them expand the processing and packaging
3 and sales and shipping of their product.

4 Staff has discussed a potential loan request with
5 BRCCM as the Center is called, prior to submitting this request.
6 Proceeds would be used to provide operating capital and
7 equipment, et cetera, for further expansion of the grower
8 network and to increase staffing during a three-year period when
9 recent plantings are maturing and newer plantings are not yet
10 ready for harvest.

11 Previous grant funding for BRCCM has totaled
12 \$348,000. They've been successful in securing Appalachian
13 Regional Commission Funds for the Phase II project, which was
14 funded a year ago. As I mentioned, there are 54 participating
15 growers in seven Tobacco counties, with 30,000 plants in the
16 ground and a list of 28 additional interested growers. This is the,
17 well, until the project came in to Southside today, this was the
18 largest loan request received by the Commission to date.

19 But the tremendous national market opportunity
20 appears to make it a very solid candidate for credit analysis by
21 the Virginia Resources Authority under the new partnership to
22 offer Tobacco Commission loans.

23 Funding could come from the \$5 million set aside by
24 the Commission in 2015, for the initial VRA loan. None of those
25 loans have been approved to date for any of the half dozen or so

1 candidates that are in that process of working with VRA. So,
2 those funds remain available without having to fund this request
3 from the current Agribusiness budget. That may be something
4 that we need to come back and revisit that if other loans are
5 successful.

6 Staff recommends referring this loan request to VRA
7 for credit analysis of a loan up to \$2 million.

8 MR. FEINMAN: There's a slight variation on that.
9 Because VRA is taking a while on some of these loan requests,
10 and they're concerned that they might have to get capital in time
11 And there's a slight amendment to their request, which is more,
12 \$100,000 characterizing it as a loan conveyance. So, this would
13 be \$100,000 grant that after they become credit-worthy, would
14 then be applied to their repayment plan of the loan. But if for
15 some reason, the loan falls through, it would then be a grant that
16 they could use.

17 As Tim described, the ceiling on this operation is
18 incredibly high. They are effectively the sole producer for
19 hundreds of miles into a multi-million dollar budget, but there's a
20 good upside here, I think that it's a very reasonable request. A
21 bridge grant, so after they get their loan, would be rolled into
22 their loan requirements. So, the grant that they get from us
23 now, in addition to our position for a loan, if that's clear.

24 MR. SPIERS: Yes, Ms. Rasnick?

25 MS. RASNICK: How long has the VRA -- taken out?

1 MR. FEINMAN: It takes a while. The issue that we're
2 having with VRA is they were used to doing a very narrow range
3 of offering similar projects, and with all the projects going,
4 they've had to up their skills in terms of credit analysis and
5 business analysis. We've had some projects that have been
6 sitting with them for nearly a year, and so that's a frustration
7 that we have. We don't anticipate this taking that long, and
8 they're getting better at this and more quickly. But I think the
9 \$100,000 loan conveyance, I think that's a reasonable request
10 from this organization.

11 MR. PFOHL: Okay, if there are no questions about
12 BRCCM, we'll move onto Blue Ridge Plateau Initiative. This is a
13 relatively recently formed nonprofit in Grayson County requesting
14 funds for the construction of a breeding and delivery facility,
15 pasture fencing, and a climate-controlled truck for the production
16 of specific pathogen-free sheep for medical research purposes.

17 The permanent facility for birthing that is part of this
18 proposal would be 100 percent funded by the Commission to be
19 constructed on privately-owned farm property, and the exact
20 location or producer was not identified in the application. The
21 majority of the matching funds are normal business expenses
22 related to the private partner in this project, New England Ovis,
23 which is a company that provides the sheep for research
24 purposes.

25 The matching funds, as I said, would be New England

1 Ovis' operating costs over a three years for lamb birthings, which
2 would be their staff, time, travel, supplies, et cetera, as well as
3 an in-kind match from the local producers in the form of foregone
4 income during the establishment of pathogen-free pastures,
5 which they take pastures used for a two-year period, I believe it
6 is, so all pathogens there would die off, and then they could put
7 the sheep onto those pastures that would be fenced off using
8 some of our funds.

9 No operating plan or budget was provided for the
10 facility, and the application failed to outline the profit potential
11 and private investments for and by the producers. The outcomes
12 project 12 producers by year three, but did not provide
13 information on how or where these producers would be recruited.
14 It remains unclear how the original participating producers, which
15 I believe are four, were selected.

16 The privately-owned facility built on private property
17 and affiliated with a privately-owned company, and I would point
18 out that the application says the initial agreement between NEO,
19 New England Ovis, and the Blue Ridge Plateau Initiative will be
20 transferred to a for-profit entity. This does not appear to be an
21 appropriate use of public grant funds, and an appropriate case
22 for public benefits is not presented to justify a grant of these
23 public funds.

24 A Tobacco Commission loan might be feasible and
25 defensible assuming creditworthiness and support of the local

1 government and other agricultural incentives, such as the AFID
2 grant program, would be a more appropriate avenue for
3 supporting this project.

4 Staff recommends no award.

5 Moving on to the next one. The Town of Boones Mill,
6 and that's a request for a Year-Round Farmers Market. The
7 proposed site for the new farmers market in Boones Mill is a
8 former modular home manufacturing facility. That is a complex
9 of 73 acres with multiple buildings acquired by the town in 2011.
10 The proposed retail farmers market would be a new operation
11 competing with existing markets operating 11 miles south in
12 downtown Rocky Mount and 14 miles north in downtown
13 Roanoke.

14 There's no track record of operating retail farmers
15 markets to validate interest from growers and customers.
16 However, the wholesale produce option that took place there this
17 past year and was conducted very successfully, does
18 demonstrate the suitability and accessibility to producers from
19 the surrounding area.

20 The proposal as submitted requests funds for design
21 of the retail farmers market is \$20,000, renovation of a small
22 existing building, that would accommodate ten in-door, year-
23 round spaces, as well as a handful of outdoor spaces for summer
24 months. And that would be \$40,000 for the renovations. And an
25 additional \$67,000 to construct rest rooms in another building on

1 the complex. Which Staff does not feel that's an appropriate use
2 of Agribusiness funds. The Staff has spoken with the town about
3 potentially funding just the market design, and that would be the
4 \$20,000 expense, while the town continues to make a case for
5 producer and consumer interest in the retail market.

6 The Staff recommends an award of \$20,000 for
7 farmers market design costs, contingent on commitment of
8 required matching funds.

9 Next up is Campbell County for the Central Virginia
10 Pasture, Crops, and Livestock project. Dating back to 2007,
11 Campbell County has sponsored regional Agribusiness cost-share
12 projects benefiting producers in a majority of the Southside
13 Counties, with seven previous grants totaling \$2.5 million.

14 The current funding request would benefit producers
15 in 15 Southside counties, with a variety of best management
16 practices, including the pasture program components, crop
17 program components, irrigation, livestock programs and so forth.
18 Staff has been discussing the eligible practices with Campbell
19 County, the project sponsor. There were concerns that the
20 pasture program components, including wells and watering
21 systems, could duplicate practices funded through the Virginia
22 Agriculture BMP Cost-Share Program from the Department of
23 Conservation and Recreation.

24 The applicant has agreed to develop guidelines for this
25 practice, and that program at VCR is intended to keep livestock

1 out of streams by providing a watering source and fenced-off
2 pastures. So, the applicant has agreed to further develop the
3 guidelines to exclude pasture within proximity to streams and
4 waterways, that would make them eligible for the DCR Program.
5 So, any concerns about duplicating the DCR funds would be
6 alleviated.

7 The proposal did not provide a particularly strong
8 economic benefits argument for the irrigation practices, although
9 we certainly understand irrigation could benefit a wide array of
10 crops. Applicant has agreed to pull this component in order to
11 further develop that for possible consideration at a later date, the
12 irrigation piece.

13 Lastly, in order to reduce the scope of eligible
14 practices, it was agreed that hay wrappers and shade structures
15 would be removed, and they are eligible under the current cost-
16 share grant more than a year ago. And so, Campbell County has
17 indicated that by removing those practices, a reduced award of
18 \$400,000 would be sufficient to serve the 15 counties with the
19 practices that were agreed to be included, this would allow the
20 grant to serve at least 120-plus producers in those counties.

21 Staff is recommending an award of \$400,000,
22 contingent on final guidelines for the Cost-Share Program, and
23 specifically the changes agreed to for the pasture program
24 component, to be approved by Commission Staff prior to
25 initiating the grant.

1 MR. SPIERS: Tim, a question about this particular
2 grant. It's my understanding that you've talked about getting
3 information on the participation and other grants. At some point,
4 will we begin to see some data on, in other words, you
5 mentioned a couple of these over the last eight or ten years, they
6 had problems. I think the Committee would love to see
7 information on success or how did that, those programs have
8 been carried out.

9 MR. PFOHL: Sure, absolutely, we can talk about
10 having our data scientist, Michael Gilbert, start to look into that.
11 I think what we can give you in terms of immediate feedback is
12 that, as you've seen over the years, Staff has been encouraging
13 applicants to come in and ask for typically no more than 33
14 percent cost shares, so we're immediately getting a two-to-one
15 match from the private producers.

16 What we're seeing is that the private matches actually
17 far exceeded in a lot of cases the two to one. Those are dollars
18 that are primarily spent in the local economy. When someone is
19 building a hay barn, it's a local contractor that is doing that.
20 When people are purchasing grain bins and so forth, they're
21 typically buying them from the local Southern States, they're
22 manufactured elsewhere, but at least they're being provided by a
23 local business.

24 And so we have seen a very good multiplier effect on
25 these, but we will work towards aggregating some data for you

1 and see what that looks like the next time the Committee meets.

2 DELEGATE EDMUNDS: What are the 15 counties?

3 MR. PFOHL: Oh, gosh, let me see, okay. Amelia,
4 Appomattox, Bedford, Brunswick, Buckingham, Campbell,
5 Charlotte, Cumberland, Franklin, Halifax, Lunenburg,
6 Mecklenburg, Nottoway, Pittsylvania, and Prince Edward.

7 DELEGATE EDMUNDS: If the farmer, himself, is doing
8 the work, is that considered a value, the cost share, or is his own
9 money that's spent?

10 MR. PFOHL: No, in those cases, we will pay for
11 materials purchased, but not for the farm labor.

12 If no other questions, on to Charlotte County and Bees
13 for the Future. This is a small request of \$8,300 to support 50
14 percent of the direct costs for construction and supplies to
15 establish 20 new bee keepers in at least five Southside Tobacco
16 Region counties.

17 The request targets new bee keepers only. It includes
18 a very robust improvement training program, and it involves 14
19 hours of classroom training. Crops seen, sales volume in
20 increases at the Southside Produce Auction, in Charlotte County,
21 they are largely dependent on honey bees for pollination, include
22 a broad array, as you can see from peaches to cucumbers and
23 green beans. The return on investment from this project will
24 accrue to the farmers through stable and increased crop yields as
25 a result of an expanded number of bee keepers. So, this is a

1 relatively modest request.

2 Staff is recommending a grant award of \$8,300.

3 As I mentioned, Franklin County, a request for
4 Foothills Produce Auction Facility, has been withdrawn.

5 And we can jump over that one to Grayson County,
6 the GATE Center, which is an acronym for the Grayson
7 Agriculture and Technical Education Center. The request for, just
8 shy of \$250,000.

9 It's for Phase II renovations for this multi-use facility,
10 that is a former sheriff's office in downtown Independence. That
11 will allow Grayson County to relocate and consolidate existing
12 agricultural and community development agency offices, while
13 offering additional programs, such as financial literacy, housing
14 training, conference space for events, and a commercial kitchen.

15 The majority of matching funds were spent in Phase I
16 renovations, which are now complete. They did an open house
17 and ribbon-cutting a few weeks ago.

18 It appears that this project may not meet the
19 Commission's matching fund requirements due to the large
20 amount of in-kind and the timing of the contributions in Phase I.
21 The majority of the intended uses of this facility do not
22 particularly align with the priorities and outcomes of the
23 Agribusiness program. For instance, it was unclear what percent
24 of the conference and kitchen use may align with Ag program
25 objectives, by housing programs, such as cooperative extension

1 USDA. There is no question that the facility could have an
2 impact in terms of training opportunities for the local agricultural
3 community. However, the outcomes appear to be somewhat
4 inflated, which we've had some conversation with the extension
5 agent, and he gave us or may have, that he misunderstood what
6 we were looking for.

7 This is a new facility that, but many of the programs
8 that would be located are already existing programs that would
9 be relocated in here, ultimately tracking measurable business
10 outcomes, such as private capital investment and net new farm
11 income, that will directly result from this office facility and
12 training space is difficult, if not impossible, to measure.

13 Staff is recommending no award.

14 MR. SUTHERLAND: Mr. Chairman, we have some
15 comments, and Kevin Spurlin is here to speak for Grayson
16 County.

17 MR. SPIERS: Thank you, we'll do that later.

18 MR. PFOHL: Moving on to the Town of Hillsville for
19 their Farmers Market and Community Facility. This is another
20 request to establish a new farmers market for the Town of
21 Hillsville, considerably larger than previous Agribusiness awards,
22 for construction of market facilities in other parts of the region.
23 Past awards have traditionally been less than \$150,000 to serve
24 established markets and constructing permanent facilities.

25 A feasibility study provided by Virginia Tech this year

1 recommended using an alternative site on existing public space
2 in downtown Hillsville, for initial establishment of the market and
3 delaying the construction of a permanent structure. The facility's
4 proposed use would also serve as a community cultural heritage
5 center, it is better aligned with the Appalachian regional
6 priorities, which would be the source of the matching funds.

7 Outcomes are projected as ten vendors, although
8 there are, I believe only two letters of support on this one, I'm
9 sorry, maybe no letters of support. Several markets exist within
10 a reasonable distance from Hillsville, including Galax. Particularly
11 in Hillsville, the Southwest Virginia original farmers market offers
12 a year-round retail produce sales facility seven days a week, less
13 than four miles away. Absent letters of support from growers,
14 and here is where I can correct myself, none were provided, and
15 a track record, so it's difficult to determine an adequate demand
16 for both vendors and customers exist to support a new facility in
17 Hillsville.

18 Staff is, therefore, recommending no award.

19 Moving on to the Institute for Advanced Learning and
20 Research, IALR, in Danville, requesting \$101,000 for a new
21 project, which would use AgBot, a vehicle and drone technology,
22 to assist farmers in improving agricultural production and
23 reducing costs. Funds are requested to support startup costs
24 over two years for a new full-time technician position, which IALR
25 indicates that they plan to sustain in their annual budget if the

1 benefits of this program prove valuable.

2 IALR intends to work with 20 farms in six Tobacco
3 Region counties representing a variety of crops, including
4 tobacco, vegetables, grains, and so forth. The scope of the
5 project includes mission trips to collect data, using the AgBot
6 vehicle and drones, data analysis, and develop such specific
7 action plans for each of the farms, and education outreach to
8 other producers to make them aware of this technology.

9 The return on investment to producers is the benefit
10 of improved agronomic management practices using aerial data
11 for maximizing yields and quality, and reducing input costs
12 related to irrigation, fertilizer, and chemicals, and so forth.

13 Staff is recommending an award of \$101,000.

14 MR. SPIERS: Remind me again what counties are we
15 covering here?

16 MR. PFOHL: The six counties include: Franklin,
17 Halifax, Henry, Mecklenburg, Patrick, and Pittsylvania. And this
18 will be a demonstration phase.

19 Next up is the LENOWISCO Planning District
20 Commission, \$20,000 request, to explore additional supply chain
21 development, if you will, focused on serving the Lincoln Memorial
22 University's College of Veterinary Medicine, that's now operating
23 in Lee County with substantial support from the Commission and
24 the Agribusiness Program. It will be matched by a pending
25 request with the Appalachian Regional Commission.

1 The supply chain business could provide additional
2 economic opportunities for Lee County to serve the Lincoln
3 Memorial School. However, this request does not appear to
4 directly benefit farmers or result in Agribusiness program
5 outcomes. The project appears to be better suited for the
6 Commission's Southwest Economic Development Program.

7 The Staff also suggests that the LMU School of
8 Business may be a resource to accomplish this work.

9 I see I did skip one.

10 Backtrack to Lee County Livestock Association. A
11 \$300,000 request for cost-sharing funding to support installation
12 of infrastructure to create and improve rotational grazing
13 systems. This is a very well-developed project proposal.
14 However, it would serve just 30 producers with a \$10,000
15 reimbursement limit in only one Tobacco Region county.

16 The proposed 50 percent cost share exceeds recent
17 Tobacco Commission cost share awards, including a similar
18 project your Committee approved last year for the Halifax Soil
19 and Water Conservation District, which is providing a 25 percent
20 reimbursement rate.

21 The Staff suggests that a request of this size should
22 be redeveloped as a pilot project, including surrounding counties,
23 to better determine regional demand for these improvements.

24 Staff is recommending no award.

25 Jumping over LENOWISCO, which we've already

1 covered, and down to Lincoln Memorial University. A
2 \$392,202.27 request, very specific. The request is from the
3 recently formed Center for Animal Health in Appalachia, which is
4 a research center established within the LMU Vet School, and it's
5 seeking 50 percent funding to support student research scholars,
6 an internship program, and an ambulatory veterinary vehicle to
7 address the significant large animal veterinarian shortage in the
8 Tobacco Region.

9 The requested positions would conduct a supply
10 versus demand gap analysis for veterinarian services resulting in
11 a report document in financial sustainability of vet. practices in
12 areas with unmet needs. The application demonstrates a
13 significant need for services across the region; however, it is
14 unclear the project would result in direct benefits to Tobacco
15 Region producers. It can be assumed that increases and access
16 to vet. services would lead to greater returns on livestock.
17 However, it's unclear as to what extent this specific project will
18 directly accomplish to increase livestock sales revenue.

19 The small travel budget does not seem adequate to
20 serve the 34-county Tobacco Region from a location in far
21 Southwestern Virginia. While this project does have merit for the
22 veterinarian students for their experience and providing a report
23 on areas with gaps in need for vet. services, in order to better
24 compete for Commission Agribusiness funds, it should do a better
25 job of defining a reasonable geographic scope, measureable,

1 reportable, definitive benefits to Tobacco Region farmers and so
2 forth.

3 Staff is recommending no award.

4 Moving on to the Olde Dominion Ag. Foundation, a
5 \$600,000 request for Barn and Arena Phase II expansion. ODAF
6 has previously received nearly \$2.4 million in Agribusiness
7 funding for the complex located north of Chatham in Pittsylvania
8 County, in addition to Southside Economic Development funds for
9 water, sewer site.

10 Funding under this request and a required match is for
11 an expansion of the ODAF facilities to include 100 horse barn
12 stalls and a barn, RV hookups, an outdoor riding ring,
13 engineering and grant administration, and other related costs to
14 include sound, gates, electrical upgrades, lighting, and storage
15 facilities.

16 The request appears to be largely driven by interest in
17 hosting equestrian events, and these types of related events
18 aren't consistent with the outcome measures for the Agribusiness
19 program. These are focused, as you've heard already, on
20 increasing net farm income and encouraging private farm
21 investment. The request appears to be a better fit for the
22 Commission's Southside Economic Development program, where
23 there's more than \$7 million available for projects in Pittsylvania.

24 There is currently a massive planning process
25 underway for the facility that Staff feels should be completed

1 before this project is considered in either Ag. Business or
2 Southside Economic Development. We feel that once that
3 massive planning process has been completed and matching
4 funds from the Dan River Foundation are committed, that at
5 some point in a later round that Southside Economic
6 Development, this could be considered there.

7 For the time being, Staff is recommending no award
8 on that project.

9 Next up is the Rotary International from the Stuart
10 Rotary Field Animal Barn Expansion to construct two 40-by-76-
11 foot additions, to the existing animal barn located on Rotary Field
12 in Stuart, in Patrick County.

13 The applicant has provided substantial additional
14 information in response to Staff questions, including the site is
15 owned by the Stuart Rotary and leased to Patrick County. The
16 current buildings are entirely built out with stalls, and the focus
17 of this request would be for a show ring that currently is not
18 located on the site. Additional quotes from contractors indicated
19 a construction cost of \$125,000. Our request would be half of
20 that.

21 Beef cattle auctions would be conducted by the Patrick
22 County Cattlemen's Association in conjunction with the Virginia
23 Cattlemen's Association, Tel-O-Auction, in the Pulaski Livestock
24 Market. Other auctions, including comingling of small ruminants,
25 will be conducted by local breed associations. The majority of

1 Patrick County livestock currently are sold outside the county at
2 sites in Wythe, Floyd, Bedford, and North Carolina.

3 The resulting information indicates that multiple
4 auctions and shows could be held annually at this accessible site
5 located off U.S. Route 58 and could help producers gain
6 additional revenue by avoiding weight loss and animals stressed
7 during transportation to those auction sites I mentioned that are
8 outside the county.

9 Operation of the sales appears to be well coordinated
10 with VCA's Tel-O-Auction system and would provide at very low
11 cost a facility like no other in the adjacent counties.

12 Staff is recommending an award of \$62,500 for no
13 more than 50 percent of the construction and related costs, with
14 construction work to be bid in accordance with the Virginia Public
15 Procurement Act.

16 MR. SPIERS: You mean the show ring and the
17 auction?

18 MR. PFOHL: Yes, their existing buildings are entirely
19 built out with stalls.

20 South Hill Community Development Association is
21 requesting funds for the Southern Virginia Food Hub. The Hub
22 continues to receive technical assistance and support from a wide
23 array of state and local organizations, including Cooperative
24 Extension, the Longwood Small Business Development Center,
25 Virginia Tourism, Southside Planning District Commission, and

1 Mecklenburg County IDA.

2 Funding has been committed by the Virginia
3 Department of Housing and Community Development, that's a
4 \$179,000, Revitalization Fund Grant, for which this request would
5 serve as a required match. You may recall that a year ago, your
6 Committee recommended \$79,000 for equipment purchasing.
7 The outcome measures anticipate growing the current 18
8 participating producers in the Food Hub to a total of 75, which
9 could potentially extend benefits across a significant swath of
10 Southern Virginia.

11 Additional information from the business plan and
12 detailed operating pro forma indicate annual purchasing of more
13 than \$100,000 of goods from producers in the Tobacco Region
14 for sale in the Food Hub. The application states the Food Hub
15 will be formed as a 501 (c)(3) nonprofit, which is not yet, the
16 project leaders are waiting on the outcome of this and other
17 grant requests. And it states that any profits of the Food Hub
18 will be redirected charitably into the local agriculture community.
19 Any consideration for grant funding should be contingent on the
20 Food Hub getting 501 (c)(3) or cooperative approval and
21 operating under the governing board and in compliance with the
22 State Corporation Commission and IRS governance and reporting
23 requirements.

24 The request does present some risks if the business
25 model is not successful. In the latter event, Commission funds in

1 this request would primarily remain in the building that would be
2 renovated for the site at the Food Hub, which is owned by the
3 Community Development Authority in downtown South Hill
4 adjacent to the Colonial Theatre, if you remember our reception
5 there a couple of years ago. Given the substantial funding and
6 business assistance committed by so many entities, the
7 Commission's risk is somewhat mitigated by other investors in
8 this project.

9 Staff is recommending an award of \$179,036,
10 contingent on Southern Virginia Food Hub obtaining IRS nonprofit
11 or cooperative status, and that all necessary start-up operating
12 funds are committed to the project prior to the release of our
13 funds for renovation of the building.

14 Next up is Virginia Tech's request for SOVA
15 Agribusiness Information Technology Program. This is an
16 interesting new idea for increasing producers' productivity
17 through the use of record-keeping systems, and for developing
18 website enhancements for producers that increase direct sales.
19 It's a pilot cost-share targeted to producers in seven Southern
20 Virginia counties.

21 Staff has been in discussion with the applicant project
22 team on suggested modifications, as well as limiting in the cost-
23 share components to one-third or 33 percent and a maximum of
24 \$1,200 per participant. The latter change will allow at least 83
25 producers to be supported by this project.

1 And you see the description is basically the request is
2 cost-sharing and purchase of Quick Books, farm logic, record-
3 keeping software, cattle program record-keeping software, and
4 professional website development services.

5 Staff recommends a grant award of \$104,000 for 33.3
6 percent cost-share on eligible practices, with a maximum
7 payment of \$1,200 per producer.

8 Last up is Virginia State University, a small request,
9 \$31,127, for On-Farm Research to Establish Chickpea in Virginia.
10 The opportunity for growing chickpeas, which I know Mr.
11 Chairman has dabbled with, as an alternative crop in the Tobacco
12 Region, is driven by the location of Sabra, an international
13 company, located in, just outside of the Tobacco Region in
14 Colonial Heights, that is producing a tremendous amount of
15 hummus for retail chains, grocery chains in the U.S. Sabra has
16 identified an annual market for about 50,000 acres of chickpea
17 production for their plant operation.

18 The opportunities are enormous with Sabra, despite
19 some recent unfortunate news about a recall on their hummus.
20 And they're humming along still apparently, to get the product
21 back on the shelves. I know we threw out a few at our house.

22 The potential market opportunity is well known, and it
23 is enormous. The principal investigator with this project at VSU
24 has been involved with the evaluation of chickpeas as a new crop
25 for well over a decade, and he's specifically working with Sabra

1 on this opportunity. This modest request is to support five farm
2 trials in Dinwiddie County, with a chickpea seed variety that has
3 been identified by VSU as particularly well adapted to Virginia.

4 Staff is recommending a grant award of \$31,127
5 contingent on commitment of required matching funds per
6 Commission policy.

7 That wraps up our 17.

8 DELEGATE WRIGHT: I'd like to make a suggestion
9 because the Committee has heard these proposals and had a
10 chance to ask questions. Would it be appropriate to vote in a
11 block of those with no objection, and if anyone needs to withdraw
12 a project from the block, then vote separate on those?

13 MR. SPIERS: As long as we can facilitate any
14 comments. I know Mr. Sutherland has alerted me that there is
15 someone that wants to speak to that, and I know that the Blue
16 Ridge Center for Chinese Medicine would like to speak to us even
17 though the recommendation is for granting, though it's been
18 modified, so I know those two would be interested in speaking.

19 DELEGATE WRIGHT: Can those be taken out of the
20 block then?

21 DELEGATE EDMUNDS: I'd like to pull 3218 from the
22 block.

23 MR. SPIERS: 3218 from the block. 3224, we'll pull
24 out of the block.

25 MR. MERRICKS: Pull 3227, 3231.

1 MR. SPIERS: Any others? At this time, we would be
2 pulling from the block 3224, 3218, 3231, 3227, and 3226. Any
3 other grants that need to be pulled from the block? If not, we'll
4 entertain Delegate Wright's motion.

5 DELEGATE WRIGHT: Mr. Chairman, I would move
6 that the Committee accept the Staff's recommendations from the
7 remaining proposals in the block.

8 MR. SPIERS: A motion has been made to accept the
9 recommendation on the remaining projects and grants. We've
10 got a second to the motion. Any other discussion? We've
11 already noted the ones that are withdrawn. All in favor of the
12 motion, please say aye. (Ayes). Any opposed, like sign? (No
13 response). All right, thank you. That motion is passed.

14 Now, we'll go in the order that they're on the sheet.
15 At this time, we'll hear comments on 3224, which is the Blue
16 Ridge Center for Chinese Medicine. Do we have someone that
17 would like to make a comment? Would you state your name for
18 the record.

19 MR. GLENN: My name is Rob Glenn. I serve as
20 President of the Blue Ridge Center for Chinese Medicine. It goes
21 locally by the acronym BRCCM, I never quite understood that,
22 and that's the way it's always been.

23 Something you may not know about, one entity has
24 laid off 500 workers, happy holidays. It reminds me how
25 important the work that we're doing together is, especially for

1 that entire region. Everything is so serious here, and you have
2 to listen to so much.

3 What I'm going to do is briefly abbreviate what I was
4 going to say to you, and I'll give you a copy of what I was going
5 to say after I finish.

6 First, I want to give you an opportunity to chuckle.
7 This is a real story, and I couldn't possibly make it up. Friday
8 afternoon, I get an email that I need to update a number that is
9 called a SAMS, S-A-M-S, number, that will allow us to receive our
10 funding, federal funding from the Appalachian Regional
11 Commission. The request was that I go into the system and
12 verify all of our information. And I thought that shouldn't be too
13 big a deal. Well, I got in there, found out our address was
14 wrong, there's nothing particularly funny about that.

15 So, what really made me laugh is they had us
16 classified as a Chinese restaurant, and that gave me a perfect
17 opportunity to call the person in D.C. who was overseeing our
18 program and we'd have a laugh together and hopefully establish
19 some relationship there that will help us move forward.

20 Let me get to the reason that I'm at the podium here.
21 And I am very hopeful that what I'm going to share with you will
22 be interesting to you. When we were talking about this project,
23 it's important for you to know that I very willingly accepted this
24 opportunity to work with the Commission and Staff, although
25 alone with VRA. The information that I've been given is not

1 workable for an organization like mine, so I want to get in there
2 and work with their staff and see what we can do to establish a
3 process that will be beneficial to all as we move forward.

4 Chinese medicine is what we're all about. We're not
5 herb sales people. We're about Chinese medicine. And let me
6 tell you a little bit about that. It is no longer being considered an
7 alternative medicine. What is happening is it has become a
8 complementary medicine, meaning that Eastern medicine and
9 Western medicine are coming together and using the best
10 practices of each to treat patients. This is exciting. Duke
11 University has a clinic. Cleveland has a clinic. Mayo, Johns
12 Hopkins, I could go on. This is where you, as a patient, go to
13 that clinic and you are treated not only by a medical doctor, but
14 you're treated by a Chinese medical practitioner in joint fashion.

15 After we take this herb project to the heights that
16 Evan described, what I want to do next is I would like for our
17 organization to be the first rural complementary medicine clinic
18 in the country. We have been growing 47 Chinese herbs for the
19 last ten years, so this is not a proven concept project. We know
20 how to do what we're doing, and we have two key goals. We're
21 introducing a new crop of Chinese medicinal herbs. It's got a
22 very high demand, it has got a very high value.

23 So, our first goal is to work with farmers to create
24 jobs and to increase their income. The value of these crops that
25 we are introducing is tremendously higher than anything that

1 they can grow now.

2 MR. SPIERS: Mr. Glenn?

3 MR. GLENN: Yes.

4 MR. SPIERS: As chairman, I will need to ask you how
5 much longer will your presentation take?

6 MR. GLENN: I can wrap it up as --

7 MR. SPIERS: I think we're very supportive of you,
8 and I think Staff is supportive of your project, and I think we're
9 really excited about the income potential that you're presenting.
10 I have a number of members that have already asked me about
11 when we're going to adjourn, so as Chairman, I need to ask you
12 how much longer will your presentation be?

13 MR. GLENN: Probably less than two minutes.

14 MR. SPIERS: Wonderful, thank you.

15 MR. GLENN: I would invite you to come visit us, and
16 as Evan has already mentioned, we need a bridge loan of
17 \$100,000, and there is one important concept that I need to
18 mention to you that is the creator of our biggest challenge. That
19 is the fact that about 75 percent of these herbs are perennial
20 plants, they require two to three years to mature. They are not
21 like annual plants, although about 25 percent of our plants are
22 annuals. So, this is going to be a challenge and an opportunity
23 for the bars. We have herbs that have been growing for ten
24 years that we have not harvested. So, it's an interesting crop,
25 perennial plants, something new. And that time delay from

1 planting to harvesting is our biggest challenge.

2 MR. SPIERS: That's one thing I was interested in. All
3 these plants you're able to grow outdoors and do not have to be
4 greenhoused? In other words, the cold weather does not affect
5 them?

6 MR. GLENN: Mr. Chairman, it is really fascinating.
7 These plants are basically weeds, they sustained the zero degree
8 weather we had last year. They sustained the 100 degree
9 weather we had this year. They sustain drought. They are very
10 hardy. Thank you very much for your support, I really
11 appreciate it. I've also enjoyed very much working with the
12 Staff.

13 MR. SPIERS: Any other questions for Mr. Glenn? All
14 right, thank you.

15 The next is 3218. Well, we'll take action on 3224.
16 What's the pleasure of the Committee?

17 MR. EDMUNDS: I move we accept Staff's
18 recommendation.

19 MR. SPIERS: Recommended for a loan, and include
20 \$100,000 bridge grant according to the contingency that you
21 mentioned. Do I have a second?

22 MR. HARRIS: Second.

23 MR. SPIERS: Any other comments? All in favor, say
24 aye. (Ayes). Any opposed, nay? (No response). Motion carries.
25 Thank you.

1 3218, someone to speak from Campbell County?

2 MR. DAVIDSON: Mr. Chairman, Mike Davidson,
3 Director of Economic Development from Campbell County, grant
4 administrator, I have with me Jennifer Ligon, and James Roberts
5 (sp.) the extension agent. I'll be happy to answer any questions.
6 I'm not sure I know what to present, but I'll answer any
7 questions.

8 MR. SPIERS: Do we have any questions on 3218?
9 We know that Staff recommended some changes to the
10 practices. It does cover a couple of large areas. Do you have
11 any questions?

12 DELEGATE WRIGHT: I move we accept Staff's
13 recommendation.

14 MR. SPIERS: A motion has been made and seconded
15 we do accept the recommendation of the \$400,000 grant with
16 the understanding that Staff will work with the applicants to
17 adjust their practices. All in favor, please say aye. (Ayes.) Any
18 opposed, like sign? (No response). Motion passes.

19 MR. MERRICKS: I'll abstain.

20 MR. SPIERS: One abstention duly noted.

21 The next one is 3231, the GATE Center. Would you
22 state your name for the record.

23 MR. SPURLIN: My name is Kevin Spurlin, I represent
24 Grayson County Extension Office, and I'm speaking on behalf of
25 Grayson County, who is the applicant of this grant. I want to

1 thank Staff for your constructive feedback, to you all for listening
2 to me.

3 Really, the crux of our grant application is Grayson
4 County recognizes the need to hire local producers and if they
5 want to attend a session on risk management or market
6 strategy, they would go to Abingdon to hear that, or our dairy
7 producers doing the workshop on various forms of management,
8 they would have to go to Marion to do that. Workshops and
9 business opportunities go to Wythe County to do that. They are
10 leaving our county to receive the kind of support our producers
11 need because, frankly, in Grayson County, we don't have a
12 community college location and we don't have a community
13 center. We'd like to provide this kind of support for our local
14 producers.

15 One of the, which may be a misleading aspect for our
16 grant application, was a zero based line. When I originally was
17 building this grant application, I looked at 150 documentable
18 producers in our county, roughly 20 percent of our producers
19 who, what we felt an extension or are extended learners, they
20 participate in regular and continuous programs as far as
21 agricultural development. They're engaged with us regularly and
22 they do so, like our cattlemen's group, that's 60 percent Grayson
23 producers, and we meet 90 percent of the time in Carroll County
24 because we don't have a facility to support them. The county
25 recognizes we have a need to support our number one ag.

1 industry by providing a facility, that we could do this training in
2 our own county, would not have to look elsewhere to do this.

3 And so they went ahead and made the effort through
4 their capital improvement funds project in the county to invest in
5 this, to provide this, so our producers don't have to go out
6 outside the county for this kind of support. And that has started
7 with Phase I, we did cut the ribbon on that. It says here that
8 that's complete. We're probably 80 percent complete, and we
9 were hanging doors yesterday and we're still shopping for
10 furnishings for Phase I, so it's not completely finished.

11 But these producers that we're hoping to reach are
12 folks maybe that we're engaged with periodically and not
13 necessarily as regularly as we would like. That's the 350
14 potential producers. Their economic impact is 14 million, and if
15 you divide that out, you would see that based on the census of
16 agriculture data, the average producer in our county is roughly
17 around 41,000 in revenue, and we want to support these folks.

18 When I first looked at this application, 150 folks we
19 can document, that we work with regularly and continuously, and
20 we do that out in various ways. We would think we could add to
21 that 200 people who we can't reach because they will not drive
22 one hour from the western end of our county to the edge of
23 Carroll County for the other programs we're offering. If we can
24 reach an additional 200 and better serve the 150 that we already
25 have, that's \$14 million in some revenue that because we now

1 can do all of that inside the borders of our county, just using a
2 modest figure of a five percent increase on those operations, now
3 you're talking about \$750,000 or \$700,000 generated through
4 the investment that this county has made.

5 That's the impact to our ag. producers of the
6 conference center space. There's technology that we'll be able to
7 have there. Do we have a few places where there's seating
8 available to conduct workshops, sure. But if you think about our
9 cattlemen's groups where we work with these producers, and
10 we've always been involved in Grayson County, is one of the
11 producing or one of the associated counties with their grant. We
12 do that through these programs. We'd like to be able to have a
13 space where we don't have to shop all of this out.

14 And I want to think about the Virginia Tech one with
15 the farm records. You know, if that pilot project works and we
16 say we'd like to expand that to other counties in the Tobacco
17 Commission Region, Grayson County, I hope to be one of those.
18 Where would we be able to set up that initial meeting to roll
19 thing out, probably somewhere else outside the county except
20 we're getting ready to build and renovate this facility so that we
21 can do it right there.

22 We can have 40 producers sitting around tables with
23 their own laptops all connected wirelessly to the internet and we
24 can work through these kinds of things in a series of classes and
25 people participating, questions can be answered right there and

1 go to the computer and put it up on the screen and everybody
2 can see it and answer questions. When they leave the center,
3 they have that kind of business plan, those kind of documents
4 and assistance in hand.

5 That's what we're shooting for, that's what we're
6 working very hard towards, and we would love along with our
7 other partners and the fact that we could generate beyond just
8 the ag. interest, you'd have to weigh in USDA, we would love to
9 see the Tobacco Commission emblem posted right on our facility
10 as a partner with our producers in this effort.

11 Any questions?

12 MR. SPIERS: Kevin, you are an eloquent speaker and
13 you've painted a wonderful picture. One of the things I did hear
14 was early on was that the building would be used as in kind and
15 did not meet our criteria. Is that one of the main hurdles, Tim?

16 MR. PFOHL: Yes, I think a lot of the contributions
17 were in kind, and if we recall the new state code that took effect
18 a year ago limits the matching dollar to be no more than 25
19 percent in kind.

20 MR. SPIERS: Kevin, you've made your case very
21 eloquently, as I've stated. I think the grant will need to be
22 worked on within the guidelines and the new statute is limiting
23 our group and the way that this grant application was made and
24 has to be evaluated, was that not over 25 percent can be in kind.
25 So, I think you've got a whole lot to work with, I think you just

1 need to continue to work with Staff, would be my --

2 Do we have any other questions for Kevin or
3 comments?

4 MR. SUTHERLAND: Can this be reconsidered at a later
5 time?

6 MR. FEINMAN: You can make a motion to table it and
7 then come back at our next meeting.

8 MR. SPURLIN: I would be delighted to work with Staff
9 to shore up this application.

10 MR. SUTHERLAND: Then I'd make a motion to table it
11 and reconsider it the next time.

12 MR. SPIERS: You'll have to help me on the
13 parliamentary procedures. Do I need a second? So, we have a
14 motion and a second to table. Any other discussion? All in favor,
15 say aye. (Ayes). Any opposed, like sign? (No response). If not,
16 this Grant 3231 will be tabled and brought up at the next
17 meeting.

18 MR. SUTHERLAND: Is that in January?

19 MR. FEINMAN: I think the next one would be probably
20 at the May meeting. There's a lot of moving parts in that short
21 amount of time for January. We could have a special meeting
22 ahead of the May meeting to consider it.

23 MR. SPIERS: The next one would be 3227, Institute
24 for Advanced Learning and Research.

25 MR. GIGNAC: Good afternoon. I'm Mark Gignac, I'm

1 the Director of Research at the Institute. Accompanying me is
2 Dr. Scott Lowman, and one of his responsibilities is our
3 agriculture ventures.

4 MR. SPIERS: Do we have questions for them?
5 Personally, I'm delving into precision agriculture and getting
6 ready to do some grid sampling. Outfitting the fertilizer truck, to
7 read the new information you've got, and outfitting your planners
8 to adjust that. This is definitely a pilot project to introduce
9 growers to save money. Unfortunately, we have to spend money
10 to save money, and with the local market, and everybody is
11 trying to figure out how to save money.

12 Does anyone have any questions for them? If not, I
13 think we've got Staff's recommendation to fund it. Looking
14 forward to hearing some good results.

15 MR. GIGNAC: Thank you for your consideration.

16 DELEGATE WRIGHT: I move that we follow the Staff's
17 recommendation.

18 MR. SPIERS: We have a motion and a second by
19 Gayle Barts. A motion has been made and seconded to fund
20 3227. All in favor, say aye. (Ayes). Any opposed, like sign?
21 (No response). All right, that motion carries.

22 All right, Tim.

23 MR. PFOHL: Virginia Tech Agribusiness Information
24 Technology was pulled out of the block.

25 MR. SPIERS: This had to do with the lease of

1 equipment.

2 MR. PFOHL: 3226.

3 MR. SPIERS: All right, 3226.

4 MR. MERRICKS: I move we accept the Staff
5 recommendation on 3226.

6 DELEGATE EDMUNDS: Second.

7 MR. SPIERS: We have 3226, we have a motion and a
8 second. All in favor of funding 3226, please say aye. (Ayes).
9 Any opposed? (No response). That motion carries.

10 We have Sarah to handle this one.

11 MS. CAPPs: The other business item is Grant Number
12 2617, Virginia State University. They are requesting a six-month
13 extension until July 8th, 2017. You may recall, last January, you
14 approved a funding request to support this, and Staff worked
15 with Virginia State on that request, and the Commission
16 approved a reallocation of this funding. 2617, for an equipment
17 purchase, specifically to purchase a harvester. One harvester is
18 being purchased from an older grant, and this equipment is
19 coming from Denmark, and there's been delays with completing
20 that purchase. They've just asked for a six-month extension in
21 order to complete that acquisition. That's very much in progress,
22 and the equipment is supposed to be delivered in January.

23 The Staff is supportive, and is recommending a six-
24 month extension, until July 8th of 2017.

25 MR. SPIERS: Any other questions concerning the

1 recommendation for this extension? If not, do we have a
2 motion?

3 DELEGATE WRIGHT: I'll make the motion.

4 MR. SPIERS: We have a motion and a second to grant
5 the extension. Motion to extend, all in favor, say aye. (Ayes).
6 Any opposed, nay? (No response). Hearing none, the motion is
7 carried.

8 Any other business?

9 MR. FEINMAN: We have some long-term goals to
10 better target our resources and this Committee lends itself to be
11 the best test bed for that idea. We've had some other meetings
12 with the Agriculture Department at Virginia Tech, and we're
13 going to have some future meetings, but we're first going to
14 have a little more staff engagement and we're going to draw
15 committee members in. What we're hoping to do is be able to
16 identify specific types of requests and that'll be the most
17 impactful in raising farm income.

18 What we want to be able to do once we got that up
19 and running is put out requests for proposals that are much more
20 tailored towards specific projects in the areas of agriculture to
21 raise farm income, and that should be helpful to everyone in
22 future funding rounds and one of the reasons that we made a
23 priority to multi-fund the strongest applications, we want to have
24 strong carryovers and work on that kind of program.

25 MR. SPIERS: Any other questions for Staff? If not,

1 we'll go to public comments. Is there anyone who would like to
2 make a comment for the Commission? Hearing none, I declare
3 the meeting adjourned.

4

5

PROCEEDINGS CONCLUDED.

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CERTIFICATE OF THE COURT REPORTER

I, Medford W. Howard, Registered Professional Reporter and Notary Public for the State of Virginia at Large, do hereby certify that I was the Court Reporter who took down and transcribed the proceedings of the **Virginia Region Revitalization Commission, Agribusiness Committee Meeting**, when held on Wednesday, December 14, 2016, at 1:00 o'clock p.m., at Hotel Roanoke & Conference Center, Roanoke, Virginia.

I further certify this is a true and accurate transcript, to the best of my ability to hear and understand the proceedings. Given under my hand this ____ day of December, 2016.

Medford W. Howard
Registered Professional Reporter
Notary Public for the State of Virginia at Large

MY COMMISSION EXPIRES: October 31, 2018.