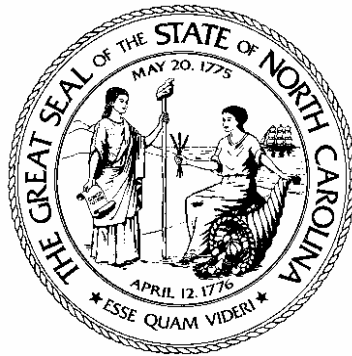


**THE AGRICULTURE AND  
FORESTRY AWARENESS STUDY COMMISSION**



REPORT TO THE  
2008 SESSION  
OF THE GENERAL ASSEMBLY  
OF NORTH CAROLINA

May 13, 2008

TO THE MEMBERS OF THE 2008 SESSION OF THE GENERAL ASSEMBLY:

The Agriculture and Forestry Awareness Study Commission herewith submits to you for your consideration its report.

Respectively Submitted,

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Senator Charles W. Albertson

Representative Dewey Hill

Cochairs  
Agriculture and Forestry Awareness  
Study Commission

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Legislative Proposal I: A Bill to be entitled **AN ACT TO APPROPRIATE FUNDS TO PURCHASE AND INSTALL AN EMERGENCY GENERATOR FOR CONSTABLE LABORATORY.**

Legislative Proposal II. A bill to be entitled **AN ACT TO EXTEND THE SUNSET ON THE STATE PORTS TAX CREDIT.**

## COMMITTEE PROCEEDINGS

The Agriculture and Forestry Awareness Study Commission met on Wednesday, March 19, 2008. Produce safety was the focus of the meeting. An overview of the program was given by Ms. Debbie Hamrick, Director of Specialty Crops, North Carolina Farm Bureau. This was followed by a presentation by Dr. Trevor Phister, Food Processing & Nutrition Sciences, North Carolina State University. An estimated 76 million cases of food borne illness occur each year resulting in approximately 325,000 hospitalizations, and 5,200 deaths, and economic losses of \$10 to \$83 billion dollars. Produce associated outbreaks have almost tripled during the past three decades, increasing from an average 3.7 outbreaks per year in the 1970's to 10.5 per year in the 1990's. The cause of the increase remains unknown at this point and there appear to be new pathogens emerging. Viruses are the largest cause of illness food borne illnesses, but bacteria and parasites can also be causes of disease outbreaks.

The produce items primarily affected are leafy greens, tomatoes, sprouts, berries and melons. In addition to the human costs, the economic impact of a disease outbreak can be enormous. For example, in the mid 1990's, the strawberry industry lost an estimated \$50 million dollars when it was mistakenly implicated as the source of an outbreak. Odwalla, a fruit juice company, experienced a 41% decline in shareholder value in the 6 months after an outbreak was attributed to its juices (which at the time were not pasteurized). More recently, there have been nationwide recalls on spinach and lettuce. The spinach recall involved 22 states, 205 confirmed cases, 105 hospitalizations, and 3 deaths. As a result, shipments decreased and prices dropped. The sources of contamination are still being traced. Potential causes include livestock pollution upstream from the water source used for irrigation, intrusion of wildlife, such as wild pigs into produce fields, and contaminated well water. Solutions to the problem, however, are not as simple as washing produce. Some of the pathogens are taken up into the plants through the root system and cannot be washed out. Programs are being developed and implemented, such as Good Agricultural Practices (GAP's), which focus on preventing contamination. GAP's addresses water, fertilizer, animal feces, worker health and hygiene, field sanitation, packing, transportation and traceback. North Carolina has a GAP's certification program available.

Mr. Joe Reardon, Division Director, Food & Drug Protection Division, North Carolina Department of Agriculture and Consumer Services (NCDA & CS) spoke about the importance of protecting our economy by protecting our foods and about the role played by the Food & Drug Protection Division in the promotion of food safety. NC leads the nation in fresh produce crops which generate about \$2.9 billion dollars annually. Processors in North Carolina include Dole Foods, Del Monte, Smile Factory, and National Fruit Products. Produce growers at this time are not subject to the good manufacturing practices rules for food processors. 21 CFR Sec. 110.19. However, the United States Department of Agriculture (USDA) is working with NCDA&CS to develop a GAPs audit program for the State. 22 farms in North Carolina have been certified to date. The State has been able to provide some grant funds to assist farmers with the cost of a first time audit. These grants are funded by a USDA Specialty Crop Block Grant. The certification program was originally developed at the request of New Jersey farmers and the NJDA in response to buyers requiring evidence of adherence to GAPs in production.

The NCDA&CS Food and Drug Division also has responsibility for inspections of processors and retailers, food sampling and testing and investigation of food borne illness outbreaks. North Carolina has a Food Safety and Defense Task Force which has developed a Food Emergency Response Plan, Crop Emergency Response Plan, Livestock Emergency Response plan and others. The Division was also responsible for the very successful recall of tainted food products produced by Castleberry last year. That recall utilized 1,000 people from 3 State agencies and 86 local agencies to visit 16,000 sites and remove 16,000 cans of suspect food product. The cornerstone of the State's food protection program is its laboratory testing program. Samples of bagged salads, imported seafood and numerous other products are tested for microbial, pesticide, and other contamination. Mr. Reardon noted that Constable Lab, however, has been experiencing power outages and that the Department is in need of a generator for the lab.

Mr. Chris Gunter, Dept. of Horticultural Sciences, NC State University made the final presentation. Industry awareness is critical to food safety. The Subcommittee of the Governors Food Safety and Defense Task Force was formed in 2007 of partnerships between multiple organizations including North Carolina State University, Cooperative Extension, Farm organizations and commodity groups. More food safety education is needed for buyers, wholesalers, packers, retailers, employees and consumers. It shouldn't be hard for small

farmers to be competitive with larger farmers. The purpose of the task force is to minimize food safety risks and enhance the economic competitiveness of NC's fresh produce industry. Training modules have been put in place. These modules provide basic product knowledge and practices that farmers and packers can implement. Producers who use good agricultural practices can minimize microbial food safety hazards in fresh fruits and vegetables. Water quality, fecal contamination, organic fertilizer handling (manure), clean hands, following laws and regulations, and accountability are ways to reduce risks and insure food safety. Finally, the Marketing Division of NCDA&CS has a program that works with 3<sup>rd</sup> party auditors.

After the presentations the Commission discussed NCDA&CS's need for a generator. Joe Reardon indicated that estimates have been obtained for \$400,000 for a generator large enough to provide backup power for Constable Laboratory. Further discussion was had on the GAPs program and the audit process. Mr. Gunter said that documentation is the most common problem. Creating a food safety template or model plan for food safety for farmers to use at their operations is under consideration. Mr. Phister added that some of the resources will be done bilingually to help farmers that hire migrant workers. Water quality issues, such as grey water and the use of manures, were discussed. The best practice currently is to use drinkable water as not all recycled water is acceptable..

Sen. Albertson asked members if they would like to include proposed legislation providing funding for a generator for Constable Laboratory in the Commission report. Mrs. Stroud moved that this be included in the report. Rep. Williams seconded. The motion was approved. Sen. Albertson also asked if the Commission would like to send a letter to Congress requesting stronger food safety regulations for imported foods. Rep. Hill moved and Rep. Williams seconded that the letter be drafted and sent. Mr. Bob Slocum stated the tax credits for use of the State ports, originally enacted in 2000, will sunset in January 2009. He moved that the Commission include proposed legislation extending the tax credit in the report to the Short Session. Mr. Burns seconded the motion. The motion was approved and the proposed legislation extending the existing tax credits for use of the State ports until 2014 will be included in the report.

## **RECOMMENDATIONS**

Based upon the information presented to the Commission in its March 19, 2008 meeting, the Commission recommends that the General Assembly enact the following two legislative proposals. The text of the bills may be found in Appendix D of this report.

- 1. A BILL TO BE ENTITLED AN ACT TO EXTEND THE SUNSET ON THE STATE PORTS TAX CREDIT.**
- 2. A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE NORTH CAROLINA DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES TO PURCHASE AND EMERGENCY GENERATOR FOR CONSTABLE LABORATORY**

In addition to the legislation recommended above, the Commission believes and recommends that Congress should be encouraged to support safety standards for imported foods. North Carolina, along with the federal government and other States are actively working to help our farmers produce safe and health food. Standards for production, such as Good Agricultural Practices, are being developed and adopted. However, much of our food, including fresh produce items, are imported from other countries that do not have standards for safe production and handling. In such cases, the people consuming imported foods are dependent upon federal and State inspection programs to detect the presence of pathogens and other harmful substances in these foods. The Commission recommends that the food imported into the United States be subject to the same production standards as the food grown in this country. To further this recommendation, the Commission has written the North Carolina Congressional delegation requesting for their support in establishing safety standards for imported food. A copy of that letter may be found in Appendix C.

.

## **APPENDIX A**



## **Article 19.**

### **Commission on Agriculture, Forestry, and Seafood Awareness.**

#### **§ 120-150. Creation; appointment of members.**

There is created an Agriculture and Forestry Awareness Study Commission. Members of the Commission shall be citizens of North Carolina who are interested in the vitality of the agriculture and forestry sectors of the State's economy. Members shall be as follows:

- (1) Three appointed by the Governor;
- (2) Three appointed by the President Pro Tempore of the Senate;
- (3) Three appointed by the Speaker of the House;
- (4) The chairman of the House Agriculture Committee;
- (5) The chairman of the Senate Agriculture Committee;
- (6) The Commissioner of Agriculture or his designee;
- (7) A member of the Board of Agriculture designated by the chairman of the Board of Agriculture;
- (8) The President of the North Carolina Farm Bureau Federation, Inc., or his designee;
- (9) The Master of the North Carolina State Grange or his designee;
- (10) The Secretary of the Department of Environment and Natural Resources or his designee; and
- (11) The President of the North Carolina Forestry Association, Inc., or his designee.

Members shall be appointed for two-year terms beginning October 1 of each odd-numbered year. The cochairmen of the Commission shall be the chairmen of the Senate and House Agriculture Committees respectively

#### **§ 120-151. Advisory Committee.**

Upon proper motion and by a vote of a majority of the members present, the Commission may appoint an Advisory Committee. Members of the Advisory Committee should be from the various organizations, commodity groups, associations, and councils representing agriculture and forestry. The purpose of the Advisory Committee shall be to render technical advice and assistance to the Commission. The Advisory Committee shall consist of no more than 20 members plus a chairman who shall be appointed by the cochairmen of the Commission.

#### **§ 120-152. Subsistence and travel expenses.**

The members of the Commission who are members of the General Assembly shall receive subsistence and travel allowances at the rate set forth in G.S. 120-3.1. Members who are officials or employees of the State of North Carolina shall receive subsistence and travel allowances at the rate set forth in G.S. 138-6. All other members plus the Chairman of the Advisory Committee shall be paid the per diem allowances at the rates

set forth in G.S. 138-5. Other members of the Advisory Committee shall serve on a voluntary basis and not receive subsistence and travel expenses.

**§ 120-153. Facilities and staff.**

The Commission may hold its meetings in the State Legislative Building with the approval of the Legislative Services Commission. The Legislative Services Commission shall provide necessary professional and clerical assistance to the Commission.

**§ 120-154. Duties.**

The Commission shall bring to the attention of the General Assembly the influence of agriculture and forestry on the economy of the State, develop alternatives for increasing the public awareness of agriculture and forestry, study the present status of agriculture and forestry, identify problems limiting future growth and development of the industry, develop an awareness of the importance of science and technological development to the future of agriculture and forestry industries, and formulate plans for new State initiatives and support for agriculture and forestry and for the expansion of opportunities in these sectors.

In conducting its study the Commission may hold public hearings and meetings across the State.

The Commission shall report to the General Assembly at least one month prior to the first regular session of each General Assembly

## **APPENDIX B**

NC AG & FORESTRY AWARENESS  
STUDY COMMISSION  
2007-2008

**Pro Temp's Appointments**

Sen. Charlie W. Albertson, Co-chair  
136 Henry Dunn Pickett Rd.  
Beulaville, NC 285189  
910-298-4923

Kendall Hill  
2574 Hugo Rd.  
Grifton, NC 28530  
252-523-9233

JoAnn Stroud  
640 E. NC Hwy 24  
Kenansville, NC 28349  
910-296-1947  
910-290-1947=cell

Gerald Warren  
80 Creekside Dr.  
Newton Grove, NC 28366

**Governor's Appointments**  
**Made 9-13-07---Expires 9-30-2009**

David L. Burns  
1204 Shepherd Ave.  
Laurinburg, NC 28352  
910-276-6287  
910-462-2122=office

Phillip Lee Hudson  
553 Rosin Hill Rd.  
Newton Grove, NC 28366

David "Warren" Hepler  
310 W. Main St.  
Wallace, NC 28466  
910-296-2193 Ext. 2

**Speaker's Appointments**

Rep. Dewey Hill, Co-chair  
P. O. Box 130  
Lake Waccamaw, NC 28450  
910-642-6044

Martha Warner, Director  
Brunswick Co. Coop. Ext.  
Government Center, Box 109  
Bolivia, NC 28322

Rep. Roger West  
P. O. Box 160  
Marble, NC 28905  
828-837-5246

Rep. Arthur Williams  
74 Canal Lane  
Washington, NC 27889  
252-946-2576

**Dept. of Ag Appointee**

Maurice K. Berry, Jr.  
1157 Double Bridge Rd.  
Elizabeth City, NC 27909  
252-330-4333  
252-331-9086=office

### **Ex-Officio Members**

Mr. David McLeod (Comm. Troxler's Designee)  
Department of Agriculture  
1001 Mail Service Center  
Raleigh, NC 27699  
919-733-7125

Mr. Robert Slocum, Jr.  
Executive Vice President  
NC Forestry Association  
1600 Glenwood Ave., Suite 1  
Raleigh, NC 27608  
919-834-3943

Mr. Steve Woodson (Designee)  
NC Farm Bureau Federation  
P. O. Box 27766  
Raleigh, NC 27611  
919-782-1705

Mr. Jimmy Gentry  
NC State Grange  
1734 Wilkesboro Hwy.  
Statesville, NC 28625  
1-800-432-4857

Mr. Jerry Doresett (Sec. Ross' Designee)  
DEHNR  
512 N. Salisbury St.  
Raleigh, NC 27604  
919-715-4102

### **Staff**

Barbara Riley, Staff Attorney  
Research Division – 919-733-2578

Cindy Brooks Davis  
Commission Clerk – 919-733-5705

Updated January 2008

## **APPENDIX C**

**General Assembly of North Carolina**  
**Joint Legislative Commission on**  
**NC AG & FORESTRY AWARENESS**  
**State Legislative Building**  
**Raleigh, North Carolina**

SENATOR CHARLES W. ALBERTSON  
CO-CHAIR  
136 HENRY DUNN PICKET ROAD  
BEULAVILLE, NORTH CAROLINA 28518

BARBARA RILEY  
COMMISSION COUNSEL  
545 LEGISLATIVE OFFICE BUILDING  
300 NORTH SALISBURY STREET  
RALEIGH, NORTH CAROLINA 27603  
(919) 733-2578  
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REPRESENTATIVE DEWEY HILL  
CO-CHAIR  
PO BOX 130  
LAKE WACCAMAW NORTH CAROLINA 2

CINDY J. DAVIS  
COMMISSION CLERK  
525 LEGISLATIVE OFFICE BUILDING  
300 NORTH SALISBURY STREET  
RALEIGH, NORTH CAROLINA 27603  
(919) 733-5705  
FAX: (919) 715-8329

May 6, 2008

The Honorable  
1722 Longworth House Office Bldg.  
Washington, D.C. 20510

RE: Safety Standards for Imported Foods

Dear Congressman:

The Agriculture and Forestry Awareness Study Commission was established by the North Carolina General Assembly in 1983 and charged with studying the influence of the agriculture and forestry industries on North Carolina's economy, identifying barriers to growth, and developing plans to expand opportunities and support for agriculture and forestry. Recent meetings of the Commission have focused on food safety issues, and, in particular produce safety, and efforts underway to further ensure the integrity of fresh produce grown in the State.

Agribusiness leads North Carolina's economy contributing over \$66 billion to the economy and employing almost one in five people. We are the 3<sup>rd</sup> most agriculturally diverse state in the nation leading in the production of pork, poultry, eggs, sweet potatoes, cucumbers, and so forth. The nation depends on North Carolina for a variety of safe meats and produce.

Americans are fortunate to enjoy one of the safest and most affordable food supplies in the world. A safe food supply is the foundation of public health and a strong economy. Since the enactment of the Food, Drug, and Cosmetic Act of 1906, the United States has led the world in food safety. However, food safety practices are not universally equivalent across the globe. Currently the United States is importing more food than we are exporting, an alarming trend

first seen in 2004. Approximately 15% of our food supply is now imported, including ingredients used in countless other food items and ready-to-eat foods. As noted by the U.S. Food and Drug Administration (FDA) “Today, foods that are inherently more likely to pose risks, such as ready-to-eat food products, fresh produce, and seafood, account for an increasing proportion of imported foods.” (FDA Food Protection Plan, p. 8).

Exacerbating the safety issues raised by the lack of equivalent standards is the fact that the FDA often has very limited information regarding the conditions under which food is produced in foreign countries. By not requiring exporting countries to meet standards equivalent to those set in the United States, we jeopardize the safety of our food supply and place our domestic producers at a competitive disadvantage. Further, major recalls, food borne illness outbreaks, and import alerts all serve to undermine consumer confidence and create economic instability in the marketplace. In April 2008, an outbreak of Salmonella linked to cantaloupe grown in Honduras sickened over 50 people in the United States and Canada. Such outbreaks erode consumer confidence in the safety of all fresh produce, including that domestically produced. They also hamper domestic food safety initiatives such as the Good Agricultural Practices (GAPs) certification for farmers.

Similar concerns can be expressed about the safety of imported seafood, which represents almost 85% of seafood consumed in the US, and its effect on domestic producers. Congressman Walter Jones introduced the Foreign Seafood Safety Act of 2007 that would require nations exporting to the US have equivalent safety and inspection programs. “As the aquaculture industry continues to grow and compete with wild-caught seafood products, concerns regarding the use of unapproved animal drugs and unsafe chemicals and the misuse of animal drugs in aquaculture operations have increased substantially.” (Import Alert IA16131, p. 2). In 2005, the US shrimp industry won an anti-dumping case against six countries for exporting shrimp to the United States rejected by other countries below market value.

The Agriculture and Forestry Awareness Study Commission requests your support in enacting legislation that would require countries exporting to the United States, at minimum, to have food safety and inspection programs equivalent to the United States. Food safety requires continuous investment, training, and resources. The lack of uniform global food safety standards clearly places our producers at an economic disadvantage and jeopardizes public health. By requiring exporters to the United States to meet our food safety standards at a minimum, we can help ensure Americans continue to enjoy the safest food supply in the world and promote economic stability.

Thank you for your attention to this matter.

Sincerely,

Senator Charles. W. Albertson

Representative Dewey L. Hill

Co-Chairs, Agriculture and Forestry Awareness Study Commission



## **APPENDIX D**

## LEGISLATIVE PROPOSAL 1

### A BILL TO BE ENTITLED

AN ACT to extend the sunset on the state ports tax credit.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 105-130.41(d) reads as rewritten:

"(d) Sunset. – This section is repealed effective for taxable years beginning on or after January 1, ~~2009~~, 2014."

**SECTION 2.** G.S. 105-151.22(d) reads as rewritten:

"(d) Sunset. – This section is repealed effective for taxable years beginning on or after January 1, ~~2009~~, 2014."

**SECTION 3.** This act is effective when it becomes law.

## LEGISLATIVE PROPOSAL 2

### A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR THE PURCHASE OF A GENERATOR FOR CONSTABLE LABORATORY.

Whereas, the North Carolina Department of Agriculture is charged with the responsibility of protecting the State's food supply; and

Whereas, the laboratory testing of food products to detect the presence of pathogens and contaminants is the cornerstone of the State's food safety program; and

Whereas, Constable Laboratory is the State's only food laboratory, housing over \$5 million dollars of equipment and performing tests on over 44,000 samples a year; and

Whereas, the lack of a backup electrical supply for the laboratory endangers laboratory testing, valuable cultures and in-process samples, and equipment in the event of a power loss; and

Whereas, Constable Laboratory has experienced at least 10 power outages since March 2007 incurring losses of equipment, samples, and supplies, and requiring rework by laboratory staff and the inspection staff; and

Whereas, the purchase and installation of an 800 kilowatt generator will allow the operation of necessary equipment to maintain sample integrity, protect valuable instrumentation and supplies, and allow essential testing to continue; Now therefore, The General Assembly of North Carolina enacts:

**SECTION 1.** There is appropriated from the General Fund to the North Carolina Department of Agriculture and Consumer Safety the sum of five hundred thirty six thousand, two hundred twenty one dollars (\$536,221) for fiscal year 2008 - 2009, to be used to purchase a generator and install an 800 kilowatt generator for Constable Laboratory.

**SECTION 2.** This act becomes effective July 1, 2008.