

Summit Executive Committee
May 29, 2001 ♦ 10:00a.m.-2:00p.m.

MINUTES

Members Present:

John Abernathy	Jim Butler	L.G. Raun, Jr.	Graddy Tunnell
John Anderson	Dan Gattis	J.B. Cooper	James Stewart
Donnis Baggett	Ed Hiler	W.E. "Bill" West, Jr.	John Dudley
D.V. Guerra	Donald Patman	Roddy Peeples	Mike Petter

Others in Attendance:

Ryan O'Neal	Cady Auckerman	Courtney Trolinger	Abner Womack
David Ernstes			

Introductions - Chair Graddy Tunnell welcomed SEC members at 10:06 a.m. and asked everyone to please state their name and affiliation. Tunnell proceeded in thanking those present for taking a day out of their busy schedules to participate in the meeting.

Acceptance of Minutes - Secretary Jim Stewart asked for any corrections to the minutes from the last meeting. There being none the minutes from March 30, 2001 were accepted.

Budget Report - Jim Butler indicated the current Summit Initiative balance to be \$31,379.27 as of May 1, 2001. Butler reported that the International Ag. Trade Summit was in the red, but the Texas Beef Industry Summit Workshop did not exceed any great expenses and for the most part broke even. Butler indicated that the goal is to break even on a summit event; however, many expenses including paying guest speakers travel, meals, and hotel fees lead to expenses that exceed the income generated by registration.

Butler stated that due to fund raising efforts the Summit Initiative has been able to remain funded. This is primarily due to those that serve on the SEC and Butler thanked them for their generosity.

Legislative Update - Courtney Trolinger, External Relations Coordinator for the TAMU Ag. Program provided a briefing on the 77th State Legislative Session. Trolinger discussed the appropriations allocated to the Agriculture Program. This included agriculture related special items, and tuition revenue bonds for Texas Tech and Sul Ross Universities. As indicated in CSSB 1 it provides riders for increase in funds called Program Enhancements. Program Enhancements provide more lead way to the Ag Program agencies in regards to how the money is spent. Trolinger reported that state employees will receive a 4% salary increase of which the state will only fund 2%. The Texas Veterinary Medical Diagnostic Laboratory faired better than any other Ag agency. Ed Hiler

indicated that the infrastructure formula funding was attached as a rider and that a study to assess infrastructure needs was allocated in a rider as well.

Trolinger reported on several items including:

- A number of rural initiatives introduced and passed
- SB 2, a water bill passed
- redistricting did not get completed locally nor at the congressional level
- a lot of the state funding went to medicaid
- HB 7, establishing an Office of Rural Affairs
- HB 453, establishing the Agricultural Policy Board
- TNRCC came under sunset review and was approved again
- the Texas Economic Development Board came under sunset review and was not approved
- June 17 is the last day the Governor can sign any bills.

L.G. Raun added that although it was not extraordinary, SB 2 was a good step in the right direction for Texas both rurally and agriculturally. It did not establish any funding.

Jim Butler briefly discussed some legislative issues. Butler described the session as an unusual situation. With Governor Bush's departure a lot of changes happened. New leadership not used to working together was established. Butler believed that there was more partisanship this session than he had ever witnessed. The new leadership, healthcare issues, redistricting, rural vs. urban issues, and the Austin area development all played a role in the partisanship. Butler indicated that the state tax situation was going to be a big debate in the future. All in all, Butler believed that Agriculture and Higher Education were treated fairly given the circumstances.

Donnis Baggett agreed with Butler and said that it was a very partisan session and that redistricting had a lot to do with it. More than 8,000 pieces of work were introduced by legislators. Baggett concurred with Butler in that tax options were going to be debated in the future. Baggett predicted that in the next two sessions something big will happen pertaining to state taxes and that even a state income tax has been mentioned.

John Dudley voiced that it was a good session for agriculture and that there was more bills affecting agriculture this session than ever before. Donald Patman agreed and stated that Texas Farm Bureau was involved a lot with rural representative decline. Patman expressed that it was a good session for Texas agriculture and that will be the best for a while. As the rural areas lose representation it will be very difficult to compete with the urban areas.

Ed Hiler commented that the urban vs. rural debate showed up in Higher Education proposals as well. Special funding went to smaller universities in urban areas. The majority of which were in the University of Texas System.

Outlook for Agriculture - Abner Womack, Director and Professor at TAMU gave a brief outlook at the current projections for agriculture in the U.S. It was his observation that the farm program would not be viable unless major changes were enacted. Womack reported that USDA studies and studies done by AFPC and FAPRI do not measure up. This is due to the fact that USDA takes into account all farm program payments when determining the status of the farm program. AFPC and

FAPRI do not take payments into account. Thus, USDA reports that the status of agriculture is a lot better than what it really is. Abner Womack uttered that the U.S. is losing the battle in the international market on most commodities. The U.S. is still doing good with corn and feed grains. The only sector that the U.S. is winning in the international market is livestock.

Texas Agricultural Policy Summit (TAPS) Update - Abner Womack provided an update regarding the planning of the TAPS. Womack went through the drafted program agenda indicating the intent and purpose of each selection. J.B. Cooper stated that the TAPS has the potential to be a big event. He is excited about it and believes a lot of people will attend. Jim Butler thanked J.B. Cooper for the Texas Agricultural Forum's involvement in the TAPS. Womack stressed that the agenda was not final and was still being developed. The drafted agenda reported entails the following:

Monday, August 13, 2001

- 4:00 p.m. Registration

- 6:30 p.m. Dinner

- 7:00 p.m. "Opening Remarks and Introduction of Guest Speakers"
Edward A. Hiler, Vice Chancellor and Dean for Agriculture and Life Sciences, Texas A&M University

- 7:30 p.m. "A Discussion of the Issues Underlying the Farm Bill Debate and the Role of Policy in Agriculture"
Ronald D. Knutson, Regents Professor, Department of Agricultural Economics, Texas A&M University
Luther G. Tweeten, Professor, Department of Agricultural, Environmental and Development Economics, The Ohio State University

Tuesday, August 14, 2001

- 6:00 a.m. Registration

- 7:00 a.m. Continental Breakfast

- 8:00 a.m. "Introduction/Welcome"
Graddy Tunnell, Summit Executive Committee Chairman

- 8:15 a.m. Outlook and Alternatives for the Current Farm Program
Abner W. Womack, Director and Professor, Agricultural and Food Policy Center, Department of Agricultural Economics, Texas A&M University
Edward G. Smith, Professor, Department of Agricultural Economics, Texas A&M University

- 9:00 a.m. "Agricultural Trade Implications"
Mike Dwyer, Chief Economist, Foreign Ag Service

- 9:30 a.m. Break

- 9:45 a.m. “An Overview of Counter-cyclical Proposals Before the House Agriculture Committee, Spring 2001”
Tom Sell, Deputy Staff Director, U.S. House Committee on Agriculture
- 10:30 a.m. Break
- 10:45 a.m. Work Group Discussions
- 12:00 p.m. Lunch, “Noon Remarks and Introduction of Chairman Larry Combest”
John Abernathy, Dean, College of Agriculture Sciences and Natural Resources, Texas Tech University
- 12:20 p.m. “Introduction of Sec. Ann Veneman”
Rep. Larry Combest, House Committee on Agriculture Chairman **(Invited)**
- 12:30 p.m. “The Role of USDA in Understanding and Defining Priority Issues”
Ann Veneman, USDA Secretary **(Invited)**
- 1:00 p.m. Federal Panel - Moderated by Steve Verett
Rep. Larry Combest, Chairman, House Committee on Agriculture **(Invited)**
Rep. Charles Stenholm, Ranking Member, House Committee on Agriculture **(Invited)**
Sec. Ann Veneman, USDA **(Invited)**
- 2:00 p.m. State Panel - Moderated by Ross Wilson
Susan Combs, Commissioner, Texas Department of Agriculture **(Invited)**
Rep. David Swinford, Chairman, House Committee on Agriculture and Livestock **(Invited)**
Sen. Robert Duncan, Vice-Chairman, Senate Committee on Natural Resources **(Invited)**
Rep. Gary Walker, House Committee on Land and Resource Management **(Invited)**
- 3:00 p.m. Break
- 3:15 p.m. “Closing Remarks”
To be announced
- 3:45 p.m. Adjourn

Donnis Baggett stated that the TAPS is an opportunity for all agricultural stakeholders to speak up and address what they would like to see in the farm bill. He suggested a list of concerns and questions be published that officials can reference. Baggett stated that an end product should come out of this that is established by the participants. John Abernathy suggested that after 3:00 p.m. the participants break into workgroups for constructive feedback based on what they heard communicated by the federal and state panelists. L.G. Raun said that the planning committee had

debated that concept and the problem proposed was that participants will want to leave after the panels. They will use that as a chance to go catch their plane back home. John Anderson suggested that Speaker Pete Laney be invited/involved in some way. Jim Butler stated that the agenda is not set in stone and the debate between the SEC would be used in finalizing the agenda. Butler asserted that the TAPS will be held in Lubbock at the Holiday Inn Park Plaza on August 13-14, 2001. John Abernathy contended that as far as he knows there is nothing else going on that time.

The committee recessed for an hour lunch.

Future Summit Opportunities - Ed Hiler opened discussion regarding the possibility of conducting a summit pertaining to water. Hiler said that water is a broad topic and that the Summit Initiative would have to concentrate on water's role in agriculture. L.G. Raun suggested tying in the rural community's use of water in agriculture with the urban community's water needs. Raun voiced that it would be hard to just concentrate on an irrigation directed scope. Mike Petter expressed that this could help bridge the gap between urban and rural communities and Jim Stewart added it could build support among urbanites for rural areas needs. John Schneider stated that it would be important to touch on the water funding effort as well. Bill West added that the program should cover the policy implications also. Basic water policy is not understood by citizens. John Dudley agreed and stated that the general public lacks knowledge on water issues. West went on to say that the public needs to understand statewide policy regarding water and that the Summit Initiative could help focus on water policy issues. West contended that this must occur before funding is discussed. D.V. Guerra suggested incorporating alternatives to finding more water through research, etc. Roddy Peebles stated that although the topics are different he sees a parallel between the water crisis and the energy crisis in California. Peebles suggests that we use this as model for planning an event.

John Abernathy initiated discussion on rural communities. Abernathy stated that the Summit Initiative could help urban areas understand the importance of rural areas and could facilitate the needed protection for rural communities. Abernathy went on to state that we need to change the way we look at rural communities and we have to protect them. John Dudley consented and believed that this is an urgent and critical issue that needs to be addressed.

John Schneider alleged that agriculture is losing its influence among youth. This is mainly seen in school programs. Schneider would like to see a summit on youth agricultural leadership. It should stress the importance of agriculture and its role in society. Mike Petter agreed and stated that there must be strong leadership built around agriculture to do this.

Membership Update - Graddy Tunnell welcome John Dudley to the SEC and asked him to provide some background. Dudley expressed his honor and privilege in being invited to join the SEC and looked forward to a good relationship. Dudley went on to say that he is from Comanche County where he runs a cattle ranch. He is also the newly elected president of the Texas and Southwestern Cattle Raisers Association.

Graddy mentioned the SEC has a few members with expired terms as of January 1, 2001. Those are:

John Anderson	Daniel Brackeen	J.B. Cooper
Dan Gattis	Cullen Looney	Wayne Martin
Pierce Miller	L.G. Raun, Jr.	John Schneider

Tunnell stated that Wayne Martin can no longer serve and asked to be replaced. Tunnell then asked those that term had expired to speak up if they could not serve another term. There being no objections Tunnell moved that the above mentioned members (except for Wayne Martin) be approved for another three year term. The motion was seconded and approved.

Graddy Tunnell indicated that the SEC is always seeking additional members in order to keep it representative of the various sectors of Texas agriculture. He also stressed that it is important to keep the SEC diversified both in terms of ethnicity and gender. Tunnell asked members to please think on this issue. He asked Ryan O'Neal to poll the SEC on their suggestions after they have had time to think about potential members. O'Neal agreed and will poll the SEC. Jim Butler cautioned the group to not just think about people involved in production agriculture. Food Industry representatives, consumers, etc. can play a role on the SEC s well.

Open Forum - Graddy Tunel asked members to please state any topic or issue that they would like to discuss at this time. L.G. Raun mentioned that the U.S. is not competing very well internationally on many commodities. It seems that the U.S. is getting away from raw commodities and moving more and more to value-added products. Raun believes that this may be an issue that the Summit Initiative can explore in the future.

Graddy Tunnell entertained a motion to adjourn an hour early. No one objected and the general consensus was to adjourn. Tunnell asked members to please check there calendars for the August 13-14, 2001 Texas Agricultural Policy Summit. Tunnell thanked everyone for taking the time out of their busy schedules and for their committed efforts on behalf of the Summit Initiative. The meeting adjourned at 2:00 p.m.

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