



Virginia Agricultural Council

ANNUAL REPORT

*Fiscal Year Ending
June 30, 2008*

Tscharner D. Watkins, III
Chair
Cecil E. Myerhoeffer, Jr.
Vice Chair



Jason O. Bush
Secretary
Donald B. Ayers
Executive Director

The Honorable Timothy M. Kaine
Governor
Commonwealth of Virginia
Richmond, Virginia 23219

Dear Governor Kaine:

The Virginia Agricultural Council is pleased to present its annual report for the fiscal year ending June 30, 2008.

The members of the Council appreciate the opportunity to serve the industry of agriculture in the Commonwealth of Virginia.

We trust you will find the report informative and rewarding, when recognizing the diversity of agricultural interest in the State that contributes greatly to the Commonwealth's economic growth.

Sincerely,

VIRGINIA AGRICULTURAL COUNCIL

A handwritten signature in black ink that reads "Tscharner D. Watkins, III".

Tscharner D. Watkins, III
Chairman

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Virginia Agricultural Council Members 2008

Joseph H. Barlow
8204 Longvue Circle
Suffolk, VA 23436
Commodity: peanuts, cotton

Jean Brown
Box 154
Lincoln, VA 20160
Commodity: beef cattle

Jason O. Bush
Route 3, Box 281
Castlewood, VA 24224
Commodity: cattle, tobacco

Kathy Coffee
2255 Fletcher Chapel Road
Kenbridge, VA 23944
Commodity: tobacco, soybeans

Philip B. Glaize, Jr.
P. O. Box 2077
Winchester, VA 22604
Commodity: apples

Sara C. Gorman
1445 Oxford Road
Charlottesville, VA 22903
Commodity: grape, winery

Dr. John R. Hall III
301 Hemlock Drive, SE
Blacksburg, VA 24060
Commodity: turf

C. Frank Jordan
3607 Labrador Lane
Suffolk, VA 23435
Commodity: peanuts, cotton,
soybeans, pork

Cecil "Sonny" Meyerhoeffer
1386 River Bluff Road
Mount Crawford, VA 22841
Commodity: corn, soybeans, dairy,
turkey

Mark H. Newbill
105 Darlington Drive
Rocky Mount, VA 24151
Commodity: dairy

Paul W. Rogers, Jr.
1233 Southampton Road
Wakefield, VA 23888
Commodity: peanuts, cotton, grain

John Sponaugle
8888 Leroy Road
Grottoes, VA 24441
Commodity: sheep, turkey

Lynn Rush St. Clair
4176 Swover Creek Road
Edinburg, VA 22824
Commodity: vegetables, berries –
direct marketing

Steve W. Sturgis
2403 Savage Neck Drive
Eastville, VA 23347
Commodity: Vegetables

Tscharner Watkins, III
2260 Chalkwell Drive
Midlothian, VA 23113
Commodity: nursery stock

**VIRGINIA AGRICULTURAL COUNCIL
EX-OFFICIO MEMBERS**

Todd P. Haymore
Commissioner
VA Dept. of Agriculture & Consumer
Services
102 Governor St.
Richmond, VA 23219

Dr. Alma Hobbs
Dean, College of Agriculture
Virginia State University
100 Owens Hall
Box 9081
Petersburg, VA 23806

Dr. Sharron Quisenberry
Dean, College of Agriculture & Life
Sciences
VPI & SU
104 Hutcheson Hall
Blacksburg, VA 24061

PURPOSE OF THE COUNCIL

The General Assembly of Virginia recognizes that the industry of agriculture is important to the prosperity of the State and is a major source of income to a large segment of the State's population. A healthy industry of agriculture is essential to the welfare of the citizens of the State.

As a result, the Pennies for Progress Act was passed in 1966 by the General Assembly, establishing the Virginia Agricultural Council to administer the objectives of the Act. Provisions of the Act permit financial assistance and support for agricultural research, education, and services. Activities sponsored are to complement rather than substitute for existing programs. See Code of Virginia, Chapter 4.1, Virginia Agricultural Council, Section 3.1 22.1-22.5, as amended.

The Act states that additional research is required to find new uses for agricultural products, to develop new markets for such products, and to promote more efficient and economical methods of agricultural production. An expanded program of agricultural research is essential to these objectives and will be beneficial to the State.

The Virginia Agricultural Council is directed by 18 members, 15 of whom are engaged in farming and all appointed by the Governor. Insofar as practical, each of the members should be engaged in the production of a different agricultural commodity.

The General Assembly specified in the Act, that it is in the public interest that assessments be levied upon certain agricultural supplies used by farmers. Monies will be received from one-half cent per gallon of the State gasoline tax refund made on motor fuel used for agricultural purposes; five cents per ton levy on lime sold; twenty-five cents per ton on fertilizer sold, with five cents per ton for Virginia Agricultural Council use; and seven cents a ton on feed, except Vi feed sold in individual packages of ten pounds or less; 3/10 of 1% of gross sale receipts from lawn and turf seed with 50% to the Council. The Council is also authorized to accept gifts and grants.

The Council will accept requests for financial assistance from any organized group within, or serving Virginia's industry of agriculture. This includes suppliers, farmers, marketers, extension centers, colleges, and universities.

The Council's philosophy in selecting projects for support is that projects should exhibit the capabilities of yielding timely results applicable and useful to Virginia's industry of agriculture. Studies should address current or foreseeable problems and interests and should have the potential of providing benefits to a reasonably broad spectrum of agricultural needs. This is not to say that very specialized projects or basic studies will not be considered; they should show promise, however, of leading to results that can be applied in a reasonable length of time.

There are five basic considerations, as follows:

- a. Importance of the project to Virginia's agricultural economy.
- b. Recognition by the public and/or the Council of the project's importance.
- c. Availability of other funds from industry, commodity groups, governmental agencies, and/or private individuals for support of the projects.
- d. Availability of personnel and facilities to conduct the project, if Council support is received.
- e. Ability of the group, organization, or agency to execute the proposal.

Council members meet at least twice each year, once in the spring, and again in August. New project proposal requests are heard only at the spring meeting which is the fourth Monday in March. The project leaders will complete a summary sheet (pre-proposal) outlining the objectives of their proposal that must be received by November 15 each year. By December 31, applicants whose pre-proposals are selected will be invited to submit full proposals.

To help the Council in its work, all proposed projects should be submitted in writing on either an approved form, available upon request from the address shown below, or in a format that includes the following essential elements: (a) title; (b) date of proposal; (c) date of study initiation; (d) estimated duration; (e) objectives; (f) justification; (g) summary of procedures; (h) how results will be disseminated and utilized; (i) personnel and facilities involved, including project leaders and their resumes; (j) itemized budget request, by each fiscal year; and (k) source and amount of other supporting funds, facilities, and personnel. This will aid the Council in evaluating the need and importance of each request. Twenty copies of each proposal should be sent to the address shown below along with twenty copies of any letters of endorsement from commodity interest groups, associations, or individuals that might help indicate the amount of interest and need for the project. Properly supported project proposals must be received by the Executive Director no later than 5:00 p.m. February 28 of each year in order to be considered at the March meeting. Project leaders are encouraged to appear in person to summarize orally their requests and answer questions.

The Council only approves project funding for one fiscal year at a time (July 1 - June 30). Continued financial support past the first fiscal year depends upon reports of progress, availability of funds, and priority in relation to other requests. The second Council meeting in August (fourth Monday) is the Council's Annual Business Meeting.

Executive Director
Virginia Agricultural Council
7163 Ayersby Drive
Mechanicsville, VA 23111

**Listing of Projects and Approved Funding by the Virginia
Agricultural Council for the Fiscal Year 2008-2009
at the March 17-18, 2008 Meeting**

Use of a Hand-Held Electronic Nose for Non-Destructive Evaluation of Wine Grape Maturity	\$ 12,000.00
Agriculture in the Classroom Ag Map Project	12,000.00
Determining the Value of Spring/Summer De-worming of Brood Cows by Measuring Calf Performance and Internal Parasite Load at Weaning	2,645.00
Thrips populations and management in vegetables, row crops, and greenhouse crops in Virginia	14,000.00
Exploring Bioenergy Production Potential for Virginia Dairies	20,000.00
Fertility of purebred Holstein and Jersey cows compared to crossbreds of the two breeds	20,000.00
Dairy Cattle Heat Stress Measurement and Education	6,100.00
Identifying mastitis prior to onset of clinical signs using milk lactose concentration as an indicator	9,400.00
The Next Generation of "Designer Manures" for Virginia Dairy Farms	23,000.00
Landscape Plant Germplasm Collection	5,000.00
Controlling and Preventing Further Spread of Palmer Amaranth	15,000.00
High value plastics from agricultural proteins	20,000.00
Improving Management and Identification of Tomato and Pepper Diseases in Virginia	11,500.00
Evaluating Alternative Management Strategies for Bacterial Wilt in Tomato	8,500.00
Improving Yield and Cosmetic Quality of Red-Skin Potatoes Grown in Virginia	6,500.00
Effect of vaccination against porcine type 2 circovirus on ejaculate characteristics and the shedding of virus in boar semen	15,000.00

RESEARCH PROJECTS APPROVED FOR SECOND AND THIRD YEAR CONTINUED FUNDING IN 2008-2009

SECOND YEAR FUNDING

Minimizing risk of ambrosia beetles and dogwood borer attack in nursery tree production	7,500.00
Strip-Till Tobacco Research Studies in Virginia	11,600.00
Herbaceous Crops for a Virginia Biofuels/Bioproductions Industry	5,496.00
Evaluation of organic or environmentally selective methods to control Japanese beetle on fruit crops	8,500.00
Control of Pre-harvest Fruit Drop and Extension of Post-harvest Life through Use of Plant Growth Regulators in Apples	12,000.00
Identification & Genetic Characterization of Stripe Rust Resistance in SRW Wheat	11,000.00
Dietary Programs for Improved Broiler Performance during Coccidial Infections	18,000.00
Increasing the Profitability of Livestock Operation in Virginia	3,000.00
Propagation and Production of Native Wildflower Species – a Systems Approach	6,000.00
Partial Control of overseeded Grasses as a Novel Approach to Spring Transition	12,000.00

THIRD YEAR FUNDING

Improvement of Strawberry and Raspberry Cultivars for the Mid-Atlantic	2,000.00
Fungicide Resistance Monitoring and Management Strategies for Virginia	10,000.00
Breeding Sulfonylurea Tolerant Soybeans (STS) Adapted to Virginia	10,000.00
Effects of environmental and biological factors on efficacy of major chemical thinners in apples	20,000.00
Edamame: A potential Vegetable Crop to Virginia	7,000.00

Total 15 continuation projects	\$144,096.00
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Grants Completed June 30, 2008

Ground Trees as a Nursery and Greenhouse Container Substrate
Value-Added Forage-Based Growing Beef Cattle Systems for Southwest Virginia
Integrating Pheromone and Bait Monitoring Techniques for Management of Ambrosia Beetles and Dogwood Borer in Production Nurseries
Nitrogen Retention and Release in Long-term No-till Crop Production in Mid-Atlantic Coastal Plain
"Designer Manures" for Virginia Dairy Farms
Integrated Pest Management for Cool and Warm-Season Turgrass (SEED)
Development of an In-line Drain Tile Filter to Capture and Quantify Nitrate and Phosphate Leachates from Sand-Based Putting Greens (SEED)
Survey of Grape Powdery and Downy Mildew Sensitivity to Commonly Used Fungicides
An Examination of Sod-Based Cropping Sequences in Cotton and Peanut Production
Development of Omega 3 Rich Algae from Cull Potatoes and Biodiesel Waste for Use as a Chicken Feed Supplement
Screening Medicinal Plants as Potential Substitutes for Dietary Antibiotics
Evaluating the Susceptibility of Virginia-type Peanut Varieties and Advanced Breeding Lines to Tomato Spotted Wilt Virus and Tobacco Thrips
Improved Pest Management and Production of Snap Beans in Virginia
Petitioning the Animal and Plant Health Inspection Service for Deregulated Status of Peanuts Genetically Engineered for Disease Resistance
Improved management of stink bugs in agricultural crops and vegetables
Evaluation of esterase based resistance in the tobacco aphid, Myzus persicae (Sulzer)
Agriculture in the Classroom
Environmental Sampling for Recovery of Airborne Campylobacter spp. in Poultry Houses and Processing Plants
Evaluation of enhanced dietary energy in combination with reduced dietary protein as a method to reduce nitrogen waste from lactating dairy cows
Planning For Landscape Irrigation Water Conservation in Virginia
Evaluation of Novel Insecticide Chemistries for Controlling White Grubs and Black Cutworms in Turf

TOTAL

21 projects

**Virginia Agricultural Council
Current Financial Statement for
July 1, 2007 - June 30, 2008
Revenue & Expenitures**

Cash balance – July 1, 2007 **\$339,662.07**

Add: Revenues

Feed Toonage	\$249,384.02
Seed	69,849.37
Fertilizer Tonnage	43,965.85
Lime Tonnage	26,921.45
Motor Fuel	2,881.12
Interest	7,598.55
Miscellaneous	0.00

Total Balance and Receipts **\$400,600.36** **\$740,262.43**

Less: - Expenses

Postal/Printing/Miscellaneous	\$2,139.75
Travel - Members Meeting	
Expenses	11,632.28
Wages - Assistant Secretary/FOAI	28,153.14
Grant Expenditures	384,784.85
	\$426,710.02

Cash Balance- June 30, 2008 **\$313,552.41**

Revenue Differentials - 2007-2008

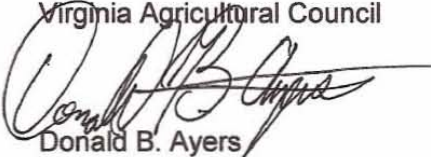
	2007	2008	Difference
Fertilizer Tonnage Inspection	\$45,776.48	\$43,965.85	-\$1,810.63
Feed Tonnage Inspection	\$228,942.01	\$249,384.02	\$20,442.01
Lime Tonnage Inspection	\$32,246.44	\$26,921.45	-\$5,324.99
Seed Inspection Fee	\$63,294.09	\$69,849.37	\$6,555.28
Interest on Balance	\$16,587.09	\$7,598.55	-\$8,988.54
Motor Fuel Receipts – Refunds	\$3,637.39	\$2,881.12	-\$756.27
Miscellaneous	\$0.00	\$0.00	\$0.00
Totals	\$390,483.50	\$400,600.36	\$10,116.86

Tscharner D. Watkins, III
Chair
Cecil E. Myerhoeffer, Jr.
Vice Chair



Jason O. Bush
Secretary
Donald B. Ayers
Executive Director

With regard to the financial information of the Virginia Agricultural Council for the year ending June 30, 2008, the following attachments submitted by the Finance Office of the Virginia Department of Agriculture and Consumer Services to the Department of Accounts, verified and reconciles to the State's CARS system.

Virginia Agricultural Council

Donald B. Ayers
Executive Director



COMMONWEALTH of VIRGINIA

Department of Agriculture and Consumer Services

PO Box 1163, Richmond, Virginia 23218

Phone: 804/786-3501 • Fax: 804/371-2945 • Hearing Impaired: 800/828-1120
www.vdaacs.virginia.gov

Todd P. Haymore
Commissioner

October 1, 2008

Mr. David A. Von Moll, State Comptroller
Department of Accounts
101 North 14th Street
Richmond, VA 23219

Mr. Von Moll:

The Virginia Department of Agriculture and Consumer Services' management is responsible for the integrity and objectivity of the financial transactions and other information provided to the State Comptroller.

We believe the data provided are accurate in all material respects and that all disclosures necessary to obtain a thorough understanding of the Department of Agriculture and Consumer Services' as well as the Virginia Agricultural Council's financial activities have been included.

The basis for these conclusions relates to our assessment of the internal controls operating within the Department of Agriculture and Consumer Services and the Agricultural Council. The establishment of such internal controls requires estimates and judgments from management so that, in attaining reasonable assurance as to the adequacy of such controls, the cost of controls should not exceed the benefits obtained. I believe the Department of Agriculture and Consumer Services' internal controls adequately safeguard its assets and provide reasonable assurance as to the proper recording of financial transactions.

Sincerely,

Todd P. Haymore
Commissioner

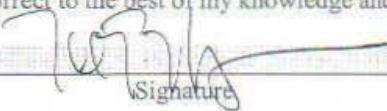
cc The Honorable Robert S. Bloxom, Secretary of Agriculture and Forestry
Walter J. Kucharski, Auditor of Public Accounts
Donald G. Blankenship, Deputy Commissioner
Sandra J. Adams, Director of Administrative and Financial Services

-Equal Opportunity Employer-

Comptroller's Directive No. 3-08
Attachment 31
Report of Financial Condition

The following oath should be mailed (not e-mailed or faxed) to the Auditor of Public Accounts:

"I hereby affirm that the financial statements or information submitted are true and correct to the best of my knowledge and belief."


Signature

Commissioner
Title
Virginia Agricultural Council
Agency Name

The oath should be administered by a notary or other officer authorized by Section 49-4 of the *Code*, and such notary or other officer should complete a certificate in substantially the following form:

State of Virginia, City / County of:

Richmond

This is to certify that Todd P. Haymore on this 29th day of September, 2008, took and subscribed the foregoing oath required by the laws of the Commonwealth.

Melanie P. Seay
Name of Notary

Melanie P. Seay Administrative Coordinator
Title

My commission expires on April 30, 2010.

