



Virginia Agricultural Council

ANNUAL REPORT

*Fiscal Year Ending
June 30, 2009*

Tscharnier D. Watkins, III
Chair
Cecil E. Meyerhoeffer, 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, 2009.

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 'Tscharnier D. Watkins, III'.

Tscharnier D. Watkins, III
Chairman

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**VIRGINIA AGRICULTURAL COUNCIL
2009**

Joseph H. Barlow Cotton Plain Farms 8204 Longvue Circle Suffolk, VA 23436 Commodity: peanuts, cotton	Jean Brown Oakland Green Farm Box 154 Lincoln, VA 20160 Commodity: beef cattle
Jason O. Bush Bush Farms Route 3, Box 281 Castlewood, VA 24224 Commodity: cattle, tobacco	Kathy Coffee W. J. Coffee Farms 2255 Fletcher Chapel Road Kenbridge, VA 23944 Commodity: tobacco, soybeans
Philip B. Glaize, Jr. Fred L. Glaize (Trade Name) P. O. Box 2077 Winchester, VA 22604 Commodity: apples	Sara C. Gorman Cardinal Point Vineyard and Winery 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 2828 Meadowgreen Court Chesapeake, VA 23321 Commodity: peanuts, cotton, soybeans, pork
Cecil "Sonny" Meyerhoeffer 7865 Kiser Rd Mount Crawford, VA 22841 Commodity: corn, soybeans, dairy, turkey	Mark H. Newbill Forest Lake Farm 105 Darlington Drive Rocky Mount, VA 24151 Commodity: dairy
Paul W. Rogers, Jr. Rogers Farm 1233 Southampton Road Wakefield, VA 23888 Commodity: peanuts, cotton, grain	Steve W. Sturgis 2403 Savage Neck Drive Eastville, VA 23347 Commodity: Vegetables
Lynn Rush St. Clair Swover Creek Farms 4176 Swover Creek Road Edinburg, VA 22824 Commodity: vegetables, berries – direct marketing	Tscharner Watkins, III 2260 Chalkwell Drive Midlothian, VA 23113 Commodity: nursery stock

**VIRGINIA AGRICULTURAL COUNCIL
EX-OFFICIO MEMBERS**

<p>Todd P. Haymore Commissioner VA Dept. of Agriculture & Consumer Services 102 Governor St. Richmond, VA 23219</p>	<p>Dr. Alma Hobbs Dean, College of Agriculture Virginia State University 100 Owens Hall Box 9081 Petersburg, VA 23806</p>
<p>Dr. Sharron Quissenberry Dean, College of Agriculture & Life Sciences VPI & SU 104 Hutcheson Hall Blacksburg, VA 24061</p>	

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 2009-2010
at the March 23-24 , 2009 Meeting**

Leading Ag to a Promising Future: Understanding the Leadership Development Needs of the Agricultural Community	\$3,000.00
Ground Pine Trees as a Substrate for Producing Plant in Containers	9,000.00
Carroll County Land-Lab Pre-Proposal	10,000.00
Assisting Pumpkin Producers & Vocational Ag Students in VA	10,000.00
Minimizing Soil erosion while Maintaining Tobacco and Pumpkin Yield and Quality	8,000.00
The Continuation of Animal Science Course to Educate Youth During Residential Programs at the Airfield 4-H Educational Center	2,500.00
Using reduced dietary protein and rumen- protected amino acids as a method to improve nitrogen efficiency and reduce nitrogen waste from lactating dairy cows	25,000.00
Influence of Incubation Conditions on Turkey Poult Intestinal Development and Susceptibility to Poult Enteritis Mortality Syndrome	15,000.00
Increased Grape and Wine Quality by Root System and Soil Moisture Manipulation	15,000.00
Fungicide Selection and Resistance Monitoring for Tree Fruit Crops in VA	23,500.00
Designing an Effective, Non-Saturating Trap for Mass-Trapping Grape Root Borer	4,000.00
Sustainable Fertilization Strategies for No- Tillage Wheat	4,500.00
Physiological Basis for Early Maturity in Virginia-type Peanut	10,500.00
Ag in the Classroom	11,000.00
Bermudagrass Control Programs in Kentucky Bluegrass	4,050.00
Total 15 new projects	\$155,050.00

**RESEARCH PROJECTS APPROVED FOR SECOND AND THIRD YEAR
CONTINUED FUNDING IN 2009-2010**

<u>SECOND YEAR FUNDING</u>	
Using Landscape Trees and Shrubs for Storm Water Phytoremediation	6,375.00
Silvopastures for hair sheep production	4,250.00
Thrips populations and management in vegetables, row crops, and greenhouse crops in Virginia	12,814.00
Exploring Bioenergy Production Potential for Virginia Dairies	11,565.00
Identify Mastitis Prior to Onset of Clinical Signs using Milk Lactose Concentration as an Indicator	5,700.00
The Next Generation of “Designer Manures” for Virginia Dairy Farms	19,933.00
High Value Plastics from Agricultural Proteins	12,500.00
Improving Management and Identification of Tomato and Pepper Diseases in Virginia	9,775.00
Evaluating Alternative Management Strategies for Bacterial Wilt in Tomato	7,225.00
Improving Yield and Cosmetic Quality of Red-Skin Potatoes Grown in Virginia	5,525.00
Generating molecular markers suitable for switchgrass breeding for high yield and disease	15,300.00
Integrated Pest Management for Tall Fescue and Bermudagrass	26,880.00
Organic Matter Dilution Programs for Sand-based Putting Greens in Virginia	11,500.00
Pest Management Options for Annual Bluegrass weevil, cicada killer, and white grubs on golf courses and sod farms	6,900.00
<u>THIRD YEAR FUNDING</u>	
Herbaceous Crops for a Virginia Biofuels/Bioproducts Industry	5,628.00
Identification & Genetic Characterization of Stripe Rust Resistance in SRW Wheat	9,350.00
Total 16 continuation projects	\$171,220.00

Grants Completed June 30, 2009

Improvement of Strawberry and Raspberry Cultivars for the Mid-Atlantic
Fungicide Resistance Monitoring and Management Strategies for Virginia
Strategies to Increase Small Fruit Production and Marketing in Southwest Virginia
Breeding Sulfonylurea Tolerant Soybeans (STS) Adapted to Virginia
Effects of environmental and biological factors on efficacy of major chemical thinners in apples
Edamame: A potential Vegetable Crop to Virginia
Minimizing rise of ambrosia beetles and dogwood borer and attack in nursery tree production
Strip-Till Tobacco Research Studies in Virginia
Evaluation of organic or environmentally selective methods to control Japanese beetle on fruit crops
Use of omega-3 fatty acid rich algae as a feed supplement for dairy and beef cattle
Dietary programs for improved broiler performance during coccidial infections
Increasing the profitability of livestock operation in Virginia
Partial Control of Overseeded Grasses as a Novel Approach to Spring Transition
Use of a Hand-Held Electronic Nose for Non-Destructive Evaluation of Wine Grape Maturity
Agriculture in the Classroom Ag Map Project
Dairy Cattle Heat Stress Measurement and Education
Landscape Plant Germplasm Collection
On-Site Ultradwarf Bermudagrass Evaluation for Putting Green Use in Eastern Virginia

TOTAL

18 projects

**Virginia Agricultural Council
Current Financial Statement for
July 1, 2008 - June 30, 2009
Revenue & Expenditures**

Cash balance – July 1, 2008 **\$313,552.41**

Add: Revenues

Feed Tonnage	\$260,178.67
Seed	60,828.76
Fertilizer Tonnage	42,514.94
Lime Tonnage	32,409.59
Motor Fuel	2,213.72
Interest	0.00
Miscellaneous	0.00

Total Balance and Receipts **\$398,145.68** **\$711,698.09**

Less: - Expenses

Postal/Printing/Miscellaneous	\$3,561.76
Travel - Members Meeting	
Expenses	14,882.04
Wages - Assistant Secretary	31,796.93
Grant Expenditures	376,126.54
	\$426,367.27

Cash Balance- June 30, 2009 **\$285,330.82**

Revenue Differentials - 2008-2009

	2008	2009	Difference
Fertilizer Tonnage Inspection	\$43,965.85	\$42,514.94	-\$1,450.91
Feed Tonnage Inspection	\$249,384.02	\$260,178.67	\$10,794.65
Lime Tonnage Inspection	\$26,921.45	\$32,409.59	\$5,488.14
Seed Inspection Fee	\$69,849.37	\$60,828.76	-\$9,020.61
Interest on Balance	\$7,598.55	\$0.00	-\$7,598.55
Motor Fuel Receipts – Refunds	\$2,881.12	\$2,213.72	-\$667.40
Miscellaneous	\$0.00	\$0.00	\$0.00
Totals	\$400,600.36	\$398,145.68	-\$2,454.68

Reconciliation of Council Finances with State Department of Accounts

Comptroller's Directive No. 1-09
Attachment 30
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."

Todd P. Haymore
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

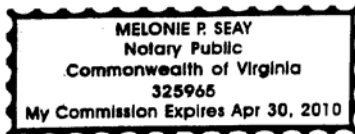
This is to certify that Todd P. Haymore on this 6th day of October, 2009, took and subscribed the foregoing oath required by the laws of the Commonwealth.

Melonie P. Seay
Signature of Notary

Melonie P. Seay
Print Name of Notary

Notary Public
Title

My commission expires on April 30, 2010.



ACTR 0402 OPTIONS: B1
 MONTHLY
 (PM)-CYCLE M
 RUN DATE 07/24/2009 11:58 P.M.

COMMONWEALTH ACCOUNTING AND REPORTING SYSTEM / CARS
 VIRGINIA AGRICULTURAL COUNCIL
 TRIAL BALANCE OF GENERAL LEDGER ACCOUNTS BY AGENCY/FUND DETAIL
 AS OF 06/30/2009

AGENCY NO : 307
 AGENCY PAGE: 1
 REPORT PAGE: 418
 REQUEST NO. ACTR0402 D 03

FUND NO	GLA NO	ACCOUNT TITLE	BEGINNING BALANCE	TRANSACTIONS		ENDING BALANCE	GLA NO
				DEBITS	CREDITS		
0000	892	CENTRAL/OUTSIDE BUD-ORIGINAL	490,334.00CR	.00	.00	490,334.00CR	892
	899	CONTRA STATISTICAL RECORDS	490,334.00	.00	.00	490,334.00	899
	TOTAL		.00	.00	.00	.00	
0900	101	CASH WITH THE TREASURER OF VA	275,317.92	24,351.87	14,338.97CR	285,330.82	101
	102	ALLOTMENTS	490,334.00CR	.00	.00	490,334.00CR	102
	703	RESERVE FOR ALLOTMENTS	490,334.00	.00	.00	490,334.00	703
	800	FUND BALANCE	313,552.41CR	.00	.00	313,552.41CR	800
	801	SURPLUS APPROPRIATED	92,611.00	.00	.00	92,611.00	801
	900	APPROPRIATIONS	490,334.00CR	.00	.00	490,334.00CR	900
	901	EXPENDITURES	412,977.10	13,390.17	.00	426,367.27	901
	960	ESTIMATED REVENUE	397,723.00	.00	.00	397,723.00	960
	961	REVENUE	375,996.29CR	948.80	24,351.87CR	399,399.36CR	961
	962	REVENUE REFUNDS	1,253.68	.00	.00	1,253.68	962
	TOTAL		.00	38,690.84	38,690.84CR	.00	

COMMONWEALTH OF VIRGINIA
Department of Accounts
General Accounting
Confirmation of Agency Reconciliation to DOA Reports

Agency No. 307

Agency Name: VIRGINIA AGRICULTURAL COUNCIL

To the Comptroller:

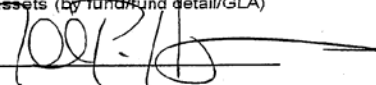
Our Agency's management accepts responsibility for the integrity and objectivity of the financial transactions provided to the State Comptroller. We believe the data provided is accurate. The basis for these conclusions relates to our assessment of the internal controls operating within the Agency. The establishment of such internal controls requires estimates and judgements 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 Agency's internal controls adequately safeguard its assets and provide reasonable assurance as to the proper recording of financial transactions.

I certify that, for the agency listed above, the accounting records represented in CARS, the official record of the Commonwealth, are accurate.

Our agency accounting records for the year ended June 30, 2009, have been verified and reconciled to CARS, and, when any submitted ATVs have posted to CARS, and/or items shown on the Exception Register (if any) are processed within the timeliness outlined in CAPP Topic No. 20905, our internal records will be in agreement with those reported in CARS for each of the following:

- Yes All cash balances (by fund/fund detail)
- Yes All appropriations (by fund/fund detail, program)
- Yes All allotments (by fund/fund detail, program)
- Yes Total expenditures (by fund/fund detail, program, object)
- Yes Net revenues (by fund/fund detail, revenue source)
- Yes Fixed assets (by fund/fund detail/GLA)

PLEASE INDICATE IF THERE ARE
ITEMS NOTED ON THE EXCEPTION
REGISTER.
No

Signature: 

Signature: 

Printed Name: Todd P. Haymore

Printed Name: Jennifer S. Cavado

Title: Commissioner
Agency Head or Designee

Title: Director of Finance
Fiscal Officer

Date: July 15, 2009

Date: July 14, 2009

Fiscal Officer's
Telephone No: (804) 371-8576