



Virginia Agricultural Council

ANNUAL REPORT

*Fiscal Year Ending
June 30, 2010*

Tscharnier D. Watkins, III
Chair
Cecil E. Meyerhoeffer, Jr.
Vice Chair



Jason O. Bush
Secretary
Donald B. Ayers
Executive Director

The Honorable Robert F. McDonnell
Governor
Commonwealth of Virginia
Richmond, Virginia 23219

Dear Governor McDonnell:

The Virginia Agricultural Council is pleased to present its annual report for the fiscal year ending June 30, 2010.

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
2010**

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
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

EX-OFFICIO MEMBERS

<p>Matt Lohr Commissioner VA Dept. of Agriculture & Consumer Services 102 Governor St. Richmond, VA 23219</p>	<p>Dr. Wondi Mersie Acting, Dean, College of Agriculture Virginia State University 100 Owens Hall Box 9081 Petersburg, VA 23806</p>
<p>Dr. Alan Grant 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 29, Virginia Agricultural Council, Section 3.2-2900 - 3.2-2905, 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 2010-2011
at the March 22-23, 2010 Meeting**

A Comparison of Different Feeds for Oyster Farming	\$15,000.00
Optimizing Honey Bee Colony Treatment for the Control of Nosema Disease	\$17,500.00
Interactive, Web-based Grape and Apple Disease Risk Assessment System	\$14,700.00
Understanding and Enhancing Yield Improvements in SRW Wheat	\$8,000.00
Improving Thrips Management in Virginia Soybean, Cotton, Peanut and Tomato	\$8,000.00
Strategies to Reduce Toxin Levels in Barley Grain and Feed and Food Products	\$11,250.00
Using milk urea nitrogen to predict the susceptibility of cows to ruminally degradable protein deficiencies	\$14,000.00
Identification of Sequence Variation in Immune Response and Candidate Genes that Make Turkeys Susceptible to Round Heart Disease	\$15,000.00
Exploring the Forage Potential of Teff: A New Crop for Virginia	\$10,000.00
Enhancing disease resistance by improving colostrum products – raising healthier calves	\$15,000.00
Reduction of Lameness on Virginia Dairy Farms	\$8,000.00
Agriculture in the Classroom Ag Map Project	\$10,000.00
Increasing Overwintering Survival of Container-grown Perennials	\$9,200.00
Improving Chemical and Biological Management of Moss of Golf Putting Greens	\$12,500.00
Cultural and Physiological Impacts on Brown Patch Severity and Weed Encroachment in Tall Fescue	\$32,000.00
New and Novel Chemistries and Timing Options for Managing Annual Bluegrass Weevil and Masked Chafer in Turfgrass	\$8,503.00
Biochar as a Remediation Tool to Enhance Turfgrass Establishment and Persistence on Disturbed Soils	\$4,321.00
Total 17 new projects	\$212,974.00

**RESEARCH PROJECTS APPROVED FOR SECOND AND THIRD
YEAR CONTINUED FUNDING IN 2010-2011**

<u>SECOND YEAR FUNDING</u>	
Ground Pine Trees as a Substrate for Producing Plant in Containers	\$9,000.00
Carroll County Land-Lab	\$7,500.00
Minimizing Soil Erosion While Maintaining Tobacco and Pumpkin Yield and Quality	\$4,000.00
The Continuation of an Animal Science Course to Educate Youth During Residential Programs at the Airfield 4-H Educational Center	\$2,500.00
Influence of Incubation Conditions on Turkey Poul Intestinal Development and Susceptibility to Poul Enteritis Mortality Syndrome	\$14,000.00
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 Virginia	\$15,000.00
Sustainable Fertilization Strategies for No-illage Wheat	\$3,500.00
Physiological Basis for Early Maturity in Virginia-Type Peanut	\$6,000.00
<u>THIRD YEAR FUNDING</u>	
Controlling and Preventing Further Spread of Palmer Amaranth	\$12,700.00
Organic Matter Dilution Programs for Sand-based Putting Greens in Virginia	\$10,085.00
Total 11 continuation projects	\$99,285.00

Grants Completed June 30, 2010

Herbaceous Crops for a Virginia Biofuels/Bioproducts Industry
Control of Pre-harvest Fruit Drop and Extension of Post-harvest Life through Use of Plant Growth Regulators in Apples
Identification & Genetic Characterization of Stripe Rust Resistance in SRW Wheat
Using Landscape Trees and Shrubs for Storm Water Phytoremediation
Silvopastures for Hair Sheep Production
Propagation and Production of Native Wildflower Species – a Systems Approach
Thrips Populations and Management in Vegetables, Row Crops, and Greenhouse Crops in Virginia
Exploring Bioenergy Production Potential for Virginia Dairies
Fertility of Purebred Holstein and Jersey Cows Compared to Crossbreds of the Two Breeds
The Next Generation of “Designer Manures” for Virginia Dairy Farms
High Value Plastics from Agricultural Proteins
Improving Management and Identification of Tomato and Pepper Diseases in Virginia
Evaluating Alternative Management Strategies for Bacterial Wilt in Tomato
Improving Yield and Cosmetic Quality of Red-Skin Potatoes Grown in Virginia
Effect of Vaccination Against Porcine Type 2 Circovirus on Ejaculate Characteristics and the Shedding of Virus in Boar Semen
Generating Molecular Markers Suitable for Switchgrass Breeding for High Yield and Disease Resistance
High Pressure Processing to Eliminate Salmonella enterica from Whole and Fresh-Cut Tomatoes
Integrated Pest Management for Tall Fescue and Bermudagrass
Pest Management Options for Annual Bluegrass Weevil, Cicada Killer, and White Grubs on Golf Courses and Sod Farms
Leading Ag To A Promising Future: Understanding The Leadership Development Needs Of The Agricultural Community
Agriculture in the Classroom Ag Map Project
Designing an Effective Non-Saturating Trap for Mass-Trapping Grape Root Borer
Bermudagrass Control Programs in Kentucky Bluegrass
TOTAL 23 projects

**Virginia Agricultural Council
Current Financial Statement for
July 1, 2009 - June 30, 2010
Revenue & Expenditures**

Cash balance – July 1, 2009 **\$285,330.82**

Add: Revenues

Feed Tonnage	\$233,194.25
Seed	48,072.91
Fertilizer Tonnage	38,726.72
Lime Tonnage	19,460.13
Motor Fuel	2,197.24
Interest	0
Miscellaneous	110.75

Total Balance and Receipts **\$341,762.00** **\$627,092.82**

Less: - Expenses

Postal/Printing/Miscellaneous	\$2,893.17
Travel - Members Meeting	
Expenses	12,884.88
Wages - Assistant Secretary/FICA	28,752.55
Grant Expenditures	383,493.38
	\$428,023.98

Cash Balance- June 30, 2010 **\$199,068.84**

Revenue Differentials - 2009-2010

	2009	2010	Difference
Fertilizer Tonnage Inspection	\$42,514.94	\$38,726.72	-\$3,788.22
Feed Tonnage Inspection	\$260,178.67	\$233,194.25	-\$26,984.42
Lime Tonnage Inspection	\$32,409.59	\$19,460.13	-\$12,949.46
Seed Inspection Fee	\$60,828.76	\$48,072.91	-\$12,755.85
Interest on Balance	\$0.00	\$0.00	
Motor Fuel Receipts – Refunds	\$2,213.72	\$2,197.24	-\$16.48
Miscellaneous	\$0.00	\$110.75	\$110.75
Totals	\$398,145.68	\$341,762.00	-\$56,383.68

Tscharnier D. Watkins, III
Chair
Cecil E. Meyerhoeffer, Jr.
Vice Chair



Jason O. Bush
Secretary
Donald B. Ayers
Executive Director

For the year ending June 30, 2010, the Finance Office of the Virginia Department of Agriculture and Consumer Services has verified and reconciled the financial information of the Virginia Agricultural Council to the State's CARS system and submitted required documentation to the Department of Accounts.

Virginia Agricultural Council

A handwritten signature in black ink, appearing to read 'Donald B. Ayers', is written over the printed name and title.

Donald B. Ayers
Executive Director

Comptroller's Directive No. 1-10
Attachment 30
Report of Financial Condition

Notarized
statement

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."

Matthew J. Lohr
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

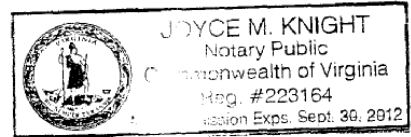
This is to certify that Matthew J. Lohr on this 13 day of
October, 2010, took and subscribed the foregoing oath required by
the laws of the Commonwealth.

Joyce M. Knight 223164
Signature of Notary

Joyce M. Knight
Print Name of Notary

Notary
Title

My commission expires on 9-30-2012



ACTR 0402 OPTIONS: E1
 MONTHLY
 (PM)-CYCLE M
 RUN DATE 07/24/2010 12:46 A.M.

COMMONWEALTH ACCOUNTING AND REPORTING SYSTEM / CARS
 VIRGINIA AGRICULTURAL COUNCIL
 TRIAL BALANCE OF GENERAL LEDGER ACCOUNTS BY AGENCY/FUND DETAIL
 AS OF 06/30/2010

AGENCY NO : 307
 AGENCY PAGE: 1
 REPORT PAGE: 459
 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 V	202,057.87	658.42	3,647.45CR	199,068.84	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	285,330.82CR	.00	.00	285,330.82CR	800
	801	SURPLUS APPROPRIATED	94,401.00	.00	.00	94,401.00	801
	900	APPROPRIATIONS	490,334.00CR	.00	.00	490,334.00CR	900
	901	EXPENDITURES	432,250.34	1,151.73	.00	433,402.07	901
	902	EXPENDITURE REFUNDS	5,378.09CR	.00	.00	5,378.09CR	902
	960	ESTIMATED REVENUE	395,933.00	.00	.00	395,933.00	960
	961	REVENUE	345,432.91CR	.00	658.42CR	346,091.33CR	961
	962	REVENUE REFUNDS	1,833.61	2,495.72	.00	4,329.33	962
	TOTAL		.00	4,305.87	4,305.87CR	.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:

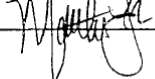
Our Agency's management accepts responsibility for the integrity and objectivity of the financial transactions provided to the State Comptroller. We believe the data provided is accurate. The basis for these conclusions relates to our assessment of the internal controls operating within the Agency. The 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.

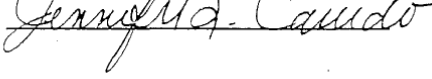
I certify that, for the agency listed above, the accounting records represented in CARS, the official record of the Commonwealth, are accurate.

Our agency accounting records for the year ended June 30, 2010, have been verified and reconciled to CARS, and, when any submitted ATV's 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: 
Printed Name: Matthew J. Lohr
Title: Commissioner
Agency Head or Designee
Date: July 13, 2010

Signature: 
Printed Name: Jennifer S. Cavado
Title: Director of Admin & Financial Svcs
Fiscal Officer
Date: July 12, 2010
Fiscal Officer's Telephone No: (804) 786-3532