



Virginia Agricultural Council

ANNUAL REPORT

*Fiscal Year Ending
June 30, 2012*

Tscharner 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, 2012.

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
2012**

<p>Joseph H. Barlow Cotton Plain Farms 8204 Longvue Circle Suffolk, VA 23436 Commodity: peanuts, cotton</p>	<p>Kathy Coffee W. J. Coffee Farms 2255 Fletcher Chapel Road Kenbridge, VA 23944 Commodity: tobacco, soybeans</p>
<p>Jason O. Bush Bush Farms Route 3, Box 281 Castlewood, VA 24224 Commodity: cattle, tobacco</p>	<p>Sara C. Gorman Cardinal Point Vineyard and Winery 1445 Oxford Road Charlottesville, VA 22903 Commodity: grape, winery</p>
<p>Philip B. Glaize, Jr. Fred L. Glaize (Trade Name) P. O. Box 2077 Winchester, VA 22604 Commodity: apples</p>	<p>C. Frank Jordan 2828 Meadowgreen Court Chesapeake, VA 23321 Commodity: peanuts, cotton, soybeans, pork</p>
<p>Dr. John R. Hall, III 301 Hemlock Drive, SE Blacksburg, VA 24060 Commodity: turf</p>	<p>Mark H. Newbill Forest Lake Farm 105 Darlington Drive Rocky Mount, VA 24151 Commodity: dairy</p>
<p>Cecil "Sonny" Meyerhoeffer 7865 Kiser Rd Mount Crawford, VA 22841 Commodity: corn, soybeans, dairy, turkey</p>	<p>Tscharner Watkins, III 2260 Chalkwell Drive Midlothian, VA 23113 Commodity: nursery stock</p>
<p>Lynn Rush St. Clair Swover Creek Farms 4176 Swover Creek Road Edinburg, VA 22824 Commodity: vegetables, berries – direct marketing</p>	

**VIRGINIA AGRICULTURAL COUNCIL
EX-OFFICIO MEMBERS**

<p>Matt Lohr Commissioner VA Dept. of Agriculture & Consumer Services 102 Governor St. Richmond, VA 23219</p>	<p>Dr. Jewel Hairston Dean, College of Agriculture Virginia State University L. Douglas Wilder Building (Room 310) 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 Title 3.2, Chapter 29 of the Code of Virginia, Sections 3.2 – 2900 through 2905.

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; 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 2012-2013

Field Testing Peanuts Modified for Improved Disease Resistance to Sclerotinia Blight and Enhanced Nutritional (Folate) Composition	\$10,000.00
Grazing, Nutritional, and Parasite Management Strategies for Hair Sheep Lambs	\$5,492.00
Stabilizing silage yields in Virginia with BMR-6 forage sorghum	\$5,000.00
Enhancing disease resistance by improving colostrum products – raising healthier calves.	\$15,000.00
Identification of critical biomarkers for genetic resistance to Salmonella in turkeys	\$17,000.00
Solving Orchardgrass Persistence Problems in Virginia	\$9,000.00
Application Method of Auxin Impacts Propagation of Ornamental Plants	\$9,000.00
Investigating the Impact of Water management on Recycled-Water Quality in Containerized Crop Production	\$17,450.00
Developing reliable high yielding sweet cherry (<i>Prunus avium</i>) orchard systems and research-based outreach for Virginia	\$23,000.00
Total: 9 New Projects	\$110,942.00

**RESEARCH PROJECTS APPROVED FOR SECOND
YEAR CONTINUED FUNDING IN 2012-2013**

<u>SECOND YEAR FUNDING</u>	
Fungicide resistance monitoring and control of apple scab and mildew in VA	\$18,000.00
Agriculture in the Classroom Ag Map Project	\$5,000.00
Preparing for annual strawberry production without soil fumigation	\$12,000.00
The Continuation of an Animal Science Course to Educate Youth During Residential Programs at the Airfield 4-H Educational Center	\$4,000.00
Establishment and ecology of bioenergy crops	\$8,000.00
Do medicated milk replacers contribute to the problem of antibiotic resistance?	\$18,000.00
Urea Use in a Pine Tree Substrate	\$8,000.00
Impact and management of the brown marmorated stink bug (BMSB) in agricultural crops in Virginia	\$10,000.00
Stream water quality monitoring on four Virginia golf courses in the Chesapeake Bay Watershed	\$10,000.00
A Local Approach to Alternative Energy Resources	\$10,000.00
Total: 10 Continuation Projects	\$103,000.00

Grants Completed June 30, 2012

Influence of Incubation Conditions on Turkey Poult Intestinal Development and Susceptibility to Poult Enteritis Mortality Syndrome
Assisting Pumpkin Producers and Vocational Agriculture Students in Virginia
Bio-char: developing uses for valuable bioenergy co-products
Novel and conventional chemistries and timing options for managing white grubs in cool-season turf
Improving thrips management in Virginia soybean, cotton, peanut and tomato
Cultural and physiological impacts on brown patch severity and weed encroachment in tall fescue
Exploring the Forage Potential of Teff: A New Crop for Virginia
Strategies to Reduce Toxin Levels in Barley Grain and Feed and Food Products
Increasing Overwintering Survival of Container-grown Perennials
Improving Chemical and Biological Management of Moss of Golf Putting Greens
Optimizing Honey Bee Colony Treatment for the Control of Nosema Disease
Understanding and Enhancing Yield Improvements in SRW Wheat
Identification of Sequence Variation in Immune Response and Candidate Genes that Make Turkeys Susceptible to Round Heart Disease
Reduction of Lameness on Virginia Dairy Farms
Biochar as a Remediation Tool to Enhance turfgrass Establishment and Persistence on Disturbed Soils

**Virginia Agricultural Council
Current Financial Statement for
July 1, 2011 - June 30, 2012
Revenue & Expenditures**

Cash balance – July 1, 2011 **\$172,388.28**

Add: Revenues

Feed Tonnage	\$236,544.74
Seed	48,358.05
Fertilizer Tonnage	37,951.53
Lime Tonnage	21,998.60
Motor Fuel	3,536.74
Interest	0
Miscellaneous	0

Total Balance and Receipts **\$348,389.66** **\$520,777.94**

Less: - Expenses

Postal/Printing/Miscellaneous	\$471.31
Travel - Members Meeting	
Expenses	11,656.67
Wages - Assistant Secretary/FICA	23,462.87
Grant Expenditures	322,022.06
	\$357,612.91

Cash Balance- June 30, 2012 **\$163,165.03**

Revenue Differentials - 2011-2012

	2011	2012	Difference
Fertilizer Tonnage Inspection	39,005.21	37,951.53	-\$1,053.68
Feed Tonnage Inspection	227,754.20	236,544.74	\$8,790.54
Lime Tonnage Inspection	18,319.53	21,998.60	\$3,679.07
Seed Inspection Fee	45,817.18	48,358.05	\$2,540.87
Interest on Balance	0.00	0.00	\$0.00
Motor Fuel Receipts – Refunds	1,323.01	3,536.74	\$2,213.73
Miscellaneous	312.22	0.00	-\$312.22
Totals	\$332,531.35	\$348,389.66	\$15,858.31

Thomas 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, 2012, 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 a horizontal line.

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.vdacs.virginia.gov

Matthew J. Lohr
Commissioner

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

[Handwritten Signature]

Signature

Commissioner

Title

Virginia Agriculture 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 *2nd* day of *October*, 2012, took and subscribed the foregoing oath required by the laws of the Commonwealth.

Kay E. Wyatt

Signature of Notary

Kay E. Wyatt

Print Name of Notary

Executive Assistant

Title

My commission expires on *06/30/16*



-Equal Opportunity Employer-

ACTR 0402 OPTIONS: 81 COMMONWEALTH ACCOUNTING AND REPORTING SYSTEM / CARB

MONTHLY (2ND)-CYCLE M TRIAL BALANCE OF GENERAL LEDGER ACCOUNTS BY AGENCY/FUND DETAIL AGENCY NO : 307

RUN DATE 07/24/2012 10:54 P.M. AS OF 06/30/2012 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	158,223.31	4,980.72	39,00CR	163,165.03	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	172,388.28CR	.00	.00	172,388.28CR	800
		801 SURPLUS APPROPRIATED	94,401.00	395,933.00	.00	94,401.00	801
		900 APPROPRIATIONS	490,334.00CR	.00	.00	490,334.00CR	900
		901 EXPENDITURES	358,232.52	39.00	.00	358,271.52	901
		902 EXPENDITURE REFUNDS	658.72CR	.00	.00	658.72CR	902
		960 ESTIMATED REVENUE	395,933.00	395,933.00	395,933.00CR	395,933.00	960
		961 REVENUE	344,776.51CR	.00	4,980.72CR	349,757.23CR	961
		962 REVENUE REFUNDS	1,367.57	.00	.00	1,367.57	962
		TOTAL	.00	796,885.72	796,885.72CR	.00	

COMMONWEALTH OF VIRGINIA
Department of Accounts
General Accounting
Certification 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, 2012, 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: Sandra J. Adams

Signature: Kristy M. McCabe

Printed Name: Sandra J. Adams

Printed Name: Kristy M. McCabe

Title: Deputy Commissioner
Agency Head or Designee

Title: Director of Finance
Fiscal Officer

Date: July 16, 2012

Date: July 16, 2012

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

Delegation of Signatory Authority Form

Attachment B
Statement B.1

Agency Code: 301 as Control agency for 301 Ag Council
Agency Name: DEPT OF AGRICULTURE & CONSUMER SERVICES

Agency Head

I delegate my signatory authority for the Certification Form to Sandra J. Adams
(Name)

Deputy Commissioner
(Title)

Signature: [Handwritten Signature]
Agency Head

Reminder: Agency Head may not delegate his/her signatory authority to the Fiscal Officer.

Printed Name: Matthew J. Lohr, Commissioner Date: 7-3-12

Fiscal Officer

I delegate my signatory authority for the Certification Form to _____
(Name)

(Title)

Signature: _____
Fiscal Officer

Reminder: If the Fiscal Officer delegates his/her authority to a lower ranking official, please provide the explanation of the delegation below.

Printed Name: _____ Date: _____

Approved by: _____
Agency Head's Signature

Printed Name: _____ Date: _____

Reason for delegating authority to a lower ranking official, if applicable:

Attach this form to Attachment B, Page 1, if applicable.