



*Virginia Agricultural Council*

*ANNUAL REPORT*

*Fiscal Year Ending  
June 30, 2013*

*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, 2013.

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  
2013**

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

**VIRGINIA AGRICULTURAL COUNCIL  
EX-OFFICIO MEMBERS**

|   |  |
|---|--|
| Matthew J. Lohr<br>Commissioner<br>VA Dept. of Agriculture & Consumer<br>Services<br>102 Governor St.<br>Richmond, VA 23219 | Dr. Jewel Hairston<br>Dean, College of Agriculture<br>Virginia State University<br>L. Douglas Wilder Building (Room 310)<br>Petersburg, VA 23806 |
| Dr. Alan Grant<br>Dean, College of Agriculture & Life<br>Sciences<br>VPI & SU<br>104 Hutcheson Hall<br>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 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 2013-2014

|  |                     |
|--|---------------------|
| Development of peanut cultivars with high oleic trait and cold tolerance   | 9,000.00            |
| Improving Water Use Efficiency in Virginia's Agroecosystems  | 17,000.00           |
| Using immunological castration as a tool to enhance animal welfare and production efficiency on swine farms in Virginia  | 10,000.00           |
| Continued effort to monitor the spread and to develop predictive and management strategies for the brown marmorated stink bug (BMSB) in agricultural row crops in Virginia | 16,456.00           |
| Preventing antibiotic resistance spread from dairy cows and manure: a metagenomic approach   | 21,300.00           |
| Predicting volatile fatty acid production and pH more precisely to improve animal efficiency and reduce acidosis incidence.  | 9,360.00            |
| Using a novel approach to detect and treat clinical mastitis   | 13,739.00           |
| Laboratory and Field Evaluations of Attracticidal Spheres as Tools for Control of Spotted Wing Drosophila (SWD), <i>Drosophila suzukii</i> (Matsumura)                     | 8,254.00            |
| Improving wheat for changing environments  | 14,000.00           |
| State-wide Edible Landscape Demonstration Gardens  | 6,500.00            |
| Increasing Production Efficiencies through Better Germination of Food-type Soybeans  | 8,709.00            |
| Modification and Control of Ethanol Fermentation by Selective Light Exposure   | 7,500.00            |
| Assessing yield potential of hybrid poplar as a short-rotation biomass crop for Virginia   | 4,500.00            |
| Identification of insect vectors of North American Grapevine Yellow in Virginia vineyards  | 10,000.00           |
| Enhancing the Growth of Intrauterine Growth Restricted Calves Using Dietary Protein Supplements  | 10,000.00           |
| Utilizing serial ultrasound measurements early in life to predict beef carcass quality   | 5,000.00            |
| Evaluating the Effects of Pesticide Exposure on Pathogen Levels and Honey Bee Colony Health  | 22,244.00           |
| Use of DNA Markers to Develop High Protein Soybean Cultivars   | 10,000.00           |
| Evaluation of Seashore Paspalum – a New Turfgrass Species for Virginia   | 15,469.00           |
| New and novel chemistries and timing options for managing masked chafers in turfgrass  | 5,130.00            |
| IPM for Putting Greens in Virginia: Using Iron Sulfate to Control <i>Poa annua</i> , Moss, and Dollar Spot, while Reducing Nitrogen, Phosphorus, and Pesticide Inputs      | 8,400.00            |
| Spatial Impact of Turf Fans on Creeping Bentgrass Putting Greens.  | 19,070.00           |
| Investigation of a suspected oxadiazon-resistant goosegrass population in Richmond, VA   | 11,718.00           |
| <b>TOTAL: 23 PROJECTS</b>  | <b>\$263,349.00</b> |



**RESEARCH PROJECTS APPROVED FOR SECOND  
YEAR CONTINUED FUNDING IN 2013-2014**

|  |                    |
|--|--------------------|
| Developing reliable high yielding sweet cherry (Prunus avium) orchard systems and research-based outreach for Virginia | \$9,376.00         |
| Investigating the Impact of Water management on Recycled-Water Quality in Containerized Crop Production                | 11,920.00          |
| Stabilizing silage yields in Virginia with BMR-6 forage sorghum  | 5,000.00           |
| Solving Orchardgrass Persistence Problems in Virginia  | 10,000.00          |
| Application Method of Auxin Impacts Propagation of Ornamental Plants   | 8,310.00           |
| Enhancing disease resistance by improving colostrum products – raising healthier calves.                               | 15,000.00          |
| Identification of critical biomarkers for genetic resistance to Salmonella in turkeys                                  | 18,750.00          |
|  |                    |
|  |                    |
| <b>Total: 7 Continuation Projects</b>  | <b>\$78,356.00</b> |

## Grants Completed June 30, 2013

|  |
|--|
| A Comparison of Different Feeds for Oyster Farming   |
| Interactive, Web-based Grape and Apple Disease Risk Assessment System  |
| Enhancing disease resistance by improving colostrum products – raising healthier calves.   |
| Effect of Blanching and Storage Conditions on in-Pod and Shelled Vegetable Soybean (Edamame)   |
| Evaluating the Microbiological Safety and Quality of Greenhouse Produced Butterhead Lettuce and Culinary Herbs Using Aquaculture Waste Water |
| Preparing for annual strawberry production without soil fumigation   |
| Integrating Grafted Tomato Plants Into Commercial Production Systems   |
| Impact and Management of the Brown Marmorated Stink Bug (BMSB) in Agricultural Crops in Virginia   |
| Reducing Phosphorous Supplementation of Grazing Beef Cattle?   |
| The Continuation of an Animal Science Course to Educate Youth During Residential Programs at the Airfield 4-H Educational Center             |
| Agriculture in the Classroom Agriculture Map Project   |
| Stream Water Quality Monitoring on Four Virginia Golf Courses in the Chesapeake Bay Watershed  |
| Field Testing Peanuts Modified for Improved Disease Resistance to Sclerotinia Blight and Enhanced Nutritional (Folate) Composition           |

**Virginia Agricultural Council  
Current Financial Statement for  
July 1, 2012 - June 30, 2013  
Revenue & Expenditures**

**Cash balance – July 1, 2012** **\$163,165.03**

Add: Revenues

|                    |              |
|--------------------|--------------|
| Feed Tonnage       | \$223,996.77 |
| Seed               | 56,069.43    |
| Fertilizer Tonnage | 33,857.70    |
| Lime Tonnage       | 24,666.45    |
| Motor Fuel         | 2,069.79     |
| Interest           | 0            |
| Miscellaneous      | 154.66       |

**Total Balance and Receipts** **\$340,814.80** **\$503,979.83**

Less: - Expenses

|                                  |                     |
|----------------------------------|---------------------|
| Postal/Printing/Miscellaneous    | \$1,340.16          |
| Travel - Members Meeting         |                     |
| Expenses                         | 14,429.08           |
| Wages - Assistant Secretary/FICA | 27,227.90           |
| Grant Expenditures               | 179,610.39          |
|                                  | <b>\$222,607.53</b> |

**Cash Balance- June 30, 2013** **\$281,372.30**

## Revenue Differentials - 2012-2013

|                               | <b>2012</b>         | <b>2013</b>         | <b>Difference</b>  |
|-------------------------------|---------------------|---------------------|--------------------|
| Fertilizer Tonnage Inspection | 37,951.53           | 33,857.70           | -\$4,093.83        |
| Feed Tonnage Inspection       | 236,544.74          | 223,996.77          | -\$12,547.97       |
| Lime Tonnage Inspection       | 21,998.60           | 24,666.45           | \$2,667.85         |
| Seed Inspection Fee           | 48,358.05           | 56,069.43           | \$7,711.38         |
| Interest on Balance           | 0.00                | 0.00                | \$0.00             |
| Motor Fuel Receipts – Refunds | 3,536.74            | 2,069.79            | -\$1,466.95        |
| Miscellaneous                 | 0.00                | 154.66              | 154.66             |
| <b>Totals</b>                 | <b>\$348,389.66</b> | <b>\$340,814.80</b> | <b>-\$7,574.86</b> |

*Tscharner 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, 2013, 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.vdaacs.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."

*Matthew J. Lohr*  
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 8th day of October, 2013, took and subscribed the foregoing oath required by the laws of the Commonwealth.

*Kathryn Paxton*  
Signature of Notary

Kathryn Paxton  
Print Name of Notary

Admin Coordinator  
Title

My commission expires on 9/30/14



-Equal Opportunity Employer-

ACTR 0402 OPTIONS: B1  
 MONTHLY  
 (PM)-CYCLE M  
 RUN DATE 07/25/2013 02:05 P.M.

COMMONWEALTH ACCOUNTING AND REPORTING SYSTEM / CARS  
 VIRGINIA AGRICULTURAL COUNCIL  
 TRIAL BALANCE OF GENERAL LEDGER ACCOUNTS BY AGENCY/FUND DETAIL  
 AS OF 06/30/2013

AGENCY NO : 307  
 AGENCY PAGE: 1  
 REPORT PAGE: 446  
 REQUEST NO. ACTR0402 D 03

| FUND NO | GLA NO | ACCOUNT TITLE                | BEGINNING BALANCE | DEBITS | CREDITS  | ENDING BALANCE | GLA NO |
|---------|--------|------------------------------|-------------------|--------|----------|----------------|--------|
| 0000    | 892    | CENTRAL/OUTSIDE FUD-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 | 281,431.79        | 654.79 | 165.62CR | 281,920.96     | 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                 | 163,165.03CR      | .00    | .00      | 163,165.03CR   | 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                 | 222,441.91        | 165.62 | .00      | 222,607.53     | 901    |
|         | 960    | ESTIMATED REVENUE            | 395,933.00        | .00    | .00      | 395,933.00     | 960    |
|         | 961    | REVENUE                      | 340,708.67CR      | .00    | 654.79CR | 341,363.46CR   | 961    |
|         | TOTAL  |                              | .00               | 820.41 | 820.41CR | .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, 2013, 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

Printed Name: Sandra J. Adams

Title: Deputy Commissioner  
Agency Head or Designee

Date: July 11, 2013

Signature: Kristy M. McCabe

Printed Name: Kristy M. McCabe

Title: Director of Finance  
Fiscal Officer

Date: July 11, 2013

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