



*Virginia Agricultural Council*

*ANNUAL REPORT*

*Fiscal Year Ending  
June 30, 2014*

*Tscharner D. Watkins, III*  
*Chair*  
*Cecil E. Meyerhoeffer, Jr.*  
*Vice Chair*



*Jason O. Bush*  
*Secretary*  
*Donald B. Ayers*  
*Executive Director*

The Honorable Terence R. McAuliffe  
Governor  
Commonwealth of Virginia  
Richmond, Virginia 23219

Dear Governor McAuliffe:

The Virginia Agricultural Council is pleased to present its annual report for the fiscal year ending June 30, 2014.

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  
2014**

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

**VIRGINIA AGRICULTURAL COUNCIL  
EX-OFFICIO MEMBERS**

<p>Sandra J. Adams Commissioner VA Dept. of Agriculture &amp; 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 &amp; Life Sciences VPI &amp; 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 benefits 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 are 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 accepts 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) description regarding 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. The Executive Director must receive properly supported project proposals 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 verbally summarize 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 2014-2015**

Evaluation of Phosphorus Nutrient Use Efficiency in Several Woody Ornamental Nursery Crops	\$8,000
Evaluation of renewable fuel sources for flue-cured tobacco curing barns	\$17,500
Delving deeper into the production of sweet cherries ( <i>Prunus avium</i> ) grown under protective whole-orchard covering systems in Virginia	\$1,250
Susceptibility of new apple rootstocks to Tomato Ringspot Virus (TmRSV)	\$7,500
Evaluation of Blackberry ( <i>Rubus</i> spp.) Cultivars in Virginia	\$9,500
Biodegradable ground cover sheeting	\$20,000
Expression of nutrient transporters and antimicrobial peptides in the intestine of <i>Salmonella</i> infected chicks	\$7,500
Alternative weaning and finishing strategies for Virginia beef cattle producers: An evaluation of the associated effects on beef retail characteristics and consumer sensory perception	\$4,500
Use of feed-additive probiotics as a potential replacement for antibiotics in the nursery feed of the weanling pig	\$5,000
Development of a novel vaccine for immune protection of dairy cows against <i>Staphylococcus aureus</i> infections.	\$14,250
Aquaculture and Alternative Energy	\$9,500
The Continuance of an Animal Science Course to Educate Youth During Residential Programs at the Airfield 4-H Educational Center	\$4,000
Investigating the Influence of Annual Bluegrass and Other Factors on Golf Putt Trajectory	\$10,000
<b>TOTAL: 13 PROJECTS</b>	<b>\$118,500</b>

**RESEARCH PROJECTS APPROVED FOR SECOND  
YEAR CONTINUED FUNDING IN 2014-2015**

Development of peanut cultivars with high oleic trait and cold tolerance	\$8,000
Improving Water Use Efficiency in Virginia's Agroecosystems	\$6,000
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	\$10,000
Preventing antibiotic resistance spread from dairy cows and manure: a metagenomic approach	\$16,226
Using a novel approach to detect and treat clinical mastitis	\$11,400
Improving wheat for changing environments	\$12,600
Increasing Production Efficiencies through Better Germination of Food-type Soybeans	\$8,709
Modification and Control of Ethanol Fermentation by Selective Light Exposure	\$6,300
Assessing yield potential of hybrid poplar as a short-rotation biomass crop for Virginia	\$4,000
Identification of insect vectors of North American Grapevine Yellowing in Virginia vineyards	\$7,000
Enhancing the Growth of Intrauterine Growth Restricted Calves Using Dietary Protein Supplements	\$9,000
Use of DNA Markers to Develop High Protein Soybean Cultivars	\$9,000
Evaluation of Seashore Paspalum – a New Turfgrass Species for Virginia	\$15,873
IPM for Putting Greens in Virginia: Using Iron Sulfate to Control Poa annua, Moss, and Dollar Spot, while Reducing Nitrogen, Phosphorus, and Pesticide Inputs	\$8,600
Spatial Impact of Turf Fans on Creeping Bentgrass Putting Greens.	\$17,770
<b>TOTAL: 15 Continuation PROJECTS</b>	<b>\$150,478</b>

## Grants Completed June 30, 2014

Laboratory And Field Evaluations Of Attracticidal Spheres As Tools For Control Of Spotted Wing Drosophila (SWD), Drosophila Suzukii (Matsumura)
New And Novel Chemistries And Timing Options For Managing Masked Chafers In Turfgrass
Enhancing Disease Resistance By Improving Colostrum Products – Raising Healthier Calves.
Identification Of Critical Biomarkers For Genetic Resistance To Salmonella In Turkeys
Solving Orchardgrass Persistence Problems In Virginia
Investigating The Impact Of Water Management On Recycled-Water Quality In Containerized Crop Production
Developing Reliable High Yielding Sweet Cherry (Prunus Avium) Orchard Systems And Research-Based Outreach For Virginia
Urea Use In A Pine Tree Substrate
Establishment And Ecology Of Bioenergy Crops
Fungicide Resistance Monitoring And Control Of Apple Scab And Mildew In VA
A Local Approach To Alternative Energy Resources
Do Medicated Milk Replacers Contribute To The Problem Of Antibiotic Resistance?
Grazing, Nutritional, And Parasite Management Strategies For Hair Sheep Lambs
Evaluating The Effects Of Pesticide Exposure On Pathogen Levels And Honey Bee Colony Health
Using Immunological Castration As A Tool To Enhance Animal Welfare And Production Efficiency On Swine Farms In Virginia

**Virginia Agricultural Council  
Financial Statement for  
July 1, 2013 - June 30, 2014  
Revenue & Expenditures**

<b>Cash balance - June 30, 2013</b>			<b>\$281,920.96</b>
<u>Add: Revenues</u>			
	Feed Tonnage	\$227,126.96	
	Seed	59,130.16	
	Fertilizer Tonnage	41,385.43	
	Lime Tonnage	23,622.09	
	Motor Fuel	1,512.48	
	Interest	0.00	
	Miscellaneous	0.00	
<b>Total Balance and Receipts</b>		<b>\$352,777.12</b>	<b>634,698.08</b>
<u>Less - Expenses</u>			
	Postal/Printing/Miscellaneous	\$2,156.34	
	Travel - Members Meeting	12,957.95	
	Expenses	12,957.95	
	Wages - Executive Director	24,390.69	
	/FOIA	24,390.69	
	Grant Expenditures	338,912.03	
		<b>\$378,417.01</b>	
<b>Cash Balance - June 30, 2014</b>			<b>\$256,281.07</b>

## Revenue Differentials - 2013-2014

	<b>2013</b>	<b>2014</b>	<b>Difference</b>
Fertilizer Tonnage Inspection	33,919.58	41,385.43	7,465.85
Feed Tonnage Inspection	224,483.55	227,126.96	2,643.41
Lime Tonnage Inspection	24,666.45	23,622.09	-1,044.36
Seed Inspection Fee	56,069.43	59,130.16	3,060.73
Interest on Balance	0.00	0.00	\$0.00
Motor Fuel Receipts – Refunds	2,069.79	1,512.48	-557.31
Miscellaneous	154.66	0.00	-154.66
<b>Totals</b>	<b>\$341,363.46</b>	<b>\$352,777.12</b>	<b>11,413.66</b>

*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, 2014, 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 faint, larger version of the signature.

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

Sandra J. Adams  
Commissioner

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

Sandra J. Adams

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 Sandra J. Adams on this 30th day of September, 2014, took and subscribed the foregoing oath required by the laws of the Commonwealth.

Kathryn Paxton

Signature of Notary

Kathryn Paxton

Print Name of Notary

Administrative Coordinator

Title

My commission expires on

9/30/14



-Equal Opportunity Employer-

ACTR 0402 OPTIONS: 81  
 MONTHLY  
 (3M) - CYCLE X  
 RUN DATE 07/25/2014 02:43 A.M.

COMMONWEALTH ACCOUNTING AND REPORTING SYSTEM / CARS  
 VIRGINIA AGRICULTURAL COUNCIL  
 TRAIL BALANCE OF GENERAL LEDGER ACCOUNTS BY AGENCY/FUND DETAIL  
 AS OF 06/30/2014

AGENCY NO: 307  
 AGENCY PAGE: 1  
 REPORT PAGE: 430  
 REQUEST NO. ACTR0402 D 03

FUND NO	GLA NO	ACCOUNT TITLE	BEGINNING BALANCE	DEBITS	CREDITS	ENDING BALANCE	GLA NO
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	243,512.12	12,930.09	161.14CR	256,281.07	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	281,920.96CR	.00	.00	281,920.96CR	800
	801	SURPLUS APPROPRIATED	124,380.00	.00	.00	124,380.00	801
	900	APPROPRIATIONS	490,334.00CR	.00	.00	490,334.00CR	900
	901	EXPENDITURES	378,255.87	161.14	.00	378,417.01	901
	960	ESTIMATED REVENUE	365,954.00	.00	.00	365,954.00	960
	961	REVENUE	339,847.03CR	.00	12,930.09CR	352,777.12CR	961
	TOTAL		.00	13,091.23	13,091.23CR	.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, 2014, 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: Commissioner  
Agency Head or Designee

Title: Director of Finance  
Fiscal Officer

Date: July 16, 2014

Date: July 16, 2014

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