



Virginia Agricultural Council

ANNUAL REPORT

*Fiscal Year Ending
June 30, 2015*



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, 2015.

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". The signature is written in a cursive style with a prominent flourish at the end.

Tscharner D. Watkins, III
Chairman

TABLE OF CONTENTS

	<u>Page</u>
Members of the Council	4
Purpose of the Council	6
Grants Approved by the Council for Fiscal Year 2015-2016	8
Approved Projects for Second Year Continued Funding For Fiscal Year 2015-2016.....	10
Grants Completed June 30, 2015	11
Financial Statement for Fiscal Year 2014-2015	13
Revenue Differentials for Fiscal Years 2014 and 2015	14
Reconciliation of Council Finances with the Commonwealth Department of Accounts.....	15

Joseph H. Barlow Cotton Plain Farms 8204 Longvue Circle Suffolk, VA 23436 Commodity: peanuts, cotton	Jason O. Bush Bush Farms 471 Brickchurch Circle Castlewood, VA 24224 Commodity: cattle, tobacco
Kathy Coffee W. J. Coffee Farms 2255 Fletcher Chapel Road Kenbridge, VA 23944 Commodity: tobacco, soybeans, wheat	Travis Croxton Rappahannock Oyster Company 4777 Wormleys Drive Mechanicsville, VA 23116 Commodity: aquaculture
Philip B. Glaize, Jr. Fred L. Glaize (Trade Name) P. O. Box 2077 Winchester, VA 22604 Commodity: apples	Dr. John R. Hall, III 301 Hemlock Drive, SE Blacksburg, VA 24060 Commodity: turf
Ashley Elgin Hardesty Harvue Farms 1458 Longmarsh Road Berryville, Virginia 22611 Commodity: dairy	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	Kimberley H. Nixon Co-Owner Glenmary Farm LLC and Western View Plantation, LLC 21496 River Road Rapidan, VA 22733 Commodity: cattle, turkeys and grain
Lynn Rush St. Clair Swover Creek Farms 4176 Swover Creek Road Edinburg, VA 22824 Commodity: vegetables, berries – direct marketing	Tscharner D. Watkins, III 2260 Chalkwell Drive Midlothian, VA 23113 Commodity: nursery stock
Jeffrey R. White Glen Manor Vineyard 2276 Browntown Road Front Royal, VA 22630 Commodity: wine	Alan Worrell Worrell Family Farms 879 Sunrise Drive Austinville, VA 24312 Commodity: vegetables

**VIRGINIA AGRICULTURAL COUNCIL
EX-OFFICIO MEMBERS**

<p>Sandra J. Adams 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

Agriculture is Virginia's largest industry by far, with an economic impact of \$52 billion annually and provides nearly 311,000 jobs in the Commonwealth.

The Pennies for Progress Act (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 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 on selecting projects for support dictates that projects should exhibit the capabilities of yielding timely results that are applicable and useful to Virginia's industry of agriculture. Studies should address current or foreseeable problems and interests and should have the potential to provide 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, however, show promise with 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 in 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 the summer. The project leaders complete a summary sheet (pre-proposal) outlining the objectives of their proposal that must be received by November 15 each year. By December 31, selected applicants will be invited to submit full proposals. New project proposal requests are heard only at the spring meeting in March.

All proposed projects are submitted in writing on either an approved form, available upon request from the Council's office, or in a format that includes the following 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 of 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. Proposals are sent along with letters of endorsement from commodity interest groups, associations, or individuals that support the need for the project. The Executive Director must receive complete project proposals no later than 5:00 p.m. on 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, held in August, is the Council's Annual Business Meeting.

**LISTING OF PROJECTS AND APPROVED FUNDING BY THE
VIRGINIA AGRICULTURAL COUNCIL FOR THE FISCAL YEAR 2015-2016**

Feasibility Study on Planting, Field Management, and Harvesting Strategies for Successful Grain Teff in Southeast Virginia	\$18,534.00
Enhancing Embryonic Survival in Cattle Grazing Endophyte-infected Tall Fescue	7,000.00
Summer Stockpiling Fescue for Late-summer Grazing	2,039.00
Integrated Research and Extension Education to Enhance Reproduction on Small-Scale and Niche Market Pig Farms in Virginia	12,000.00
Solving Orchardgrass Persistence Problems in Virginia: Hay Harvest Management and Crop Heat Stress	9,400.00
Reducing Fescue Pasture Toxicity by Frost Seeding Bermuda Grass, Alfalfa, or Clovers	4,888.00
Development of Winter Malt Barley Varieties for Virginia and Neighboring States	10,000.00
Integrated Approaches for Reducing Synthetic Fertilizer Inputs in Apple Orchards	21,683.00
Enhancing Rumen Development and Growth in Dairy Calves Through the Use of a <i>Megasphaera elsdenii</i> Probiotic Supplement	24,940.00
Improving Integrated Pest Management in Virginia Cucurbit Production	14,954.00
Growing for the Future: Building a Research Hop Yard at Virginia Tech	8,900.00
Potential Western Corn Rootworm Resistance to Bt Corn in Virginia	12,008.00
Determining Utilization and Efficacy of Best Management Practices for the Virginia Nursery Industry	19,607.00
Feasibility of Sweet Potato Production in Virginia to Supply Fresh and Processing Markets	17,000.00
Evaluation of Antimicrobial Peptides Expression in the Gastrointestinal Tract of <i>Campylobacter</i> -infected Broiler Chicks	9,441.00

**LISTING OF PROJECTS AND APPROVED FUNDING BY THE
VIRGINIA AGRICULTURAL COUNCIL FOR THE FISCAL YEAR 2015-2016
(CONTINUED)**

Composition and Regional Comparison of Virginia Grown Hops	\$7,500.00
Re-Introduction of Buckwheat (A Multi-Use Crop) in Virginia	20,000.00
Characterizing Herbicide-Resistant Annual Bluegrass	12,000.00
The Heating Characteristics of Tall Fescue/Kentucky Bluegrass and Bermuda Grass Sods As Affected by Harvest Season, Daily Time of Harvest, Turf Mowing, Height, and Soil Moisture at Harvest	7,500.00
Selective Control of Perennial Grassy Weeds in Tall Fescue, Seashore Paspalum, and Bermuda Grass	15,546.00
Efficacy of Select Insecticides on White Grubs and Earthworms	10,217.00
TOTAL: 21 PROJECTS	\$ 265,157.00

**2014-2015 RESEARCH PROJECTS APPROVED FOR SECOND
YEAR CONTINUED FUNDING IN 2015-2016**

Evaluation of Phosphorus Nutrient Use Efficiency in Several Woody Ornamental Nursery Crops	\$ 8,020.00
Evaluation of Renewable Fuel Sources for Flue-cured Tobacco Curing Barns	20,000.00
Susceptibility of New Apple Rootstocks to Tomato Ringspot Virus (TmRSV)	2,000.00
Development of a Novel Vaccine for Immune Protection of Dairy Cows Against <i>Staphylococcus Aureus</i> Infections.	15,000.00
The Continuance of an Animal Science Course to Educate Youth During Residential Programs at the Airfield 4-H Educational Center	4,156.10
TOTAL: 5 CONTINUATION PROJECTS	\$49,676.10

GRANTS COMPLETED IN 2014-2015

Stabilizing Silage Yields in Virginia with BMR-6 Forage Sorghum
Application Method of Auxin Impacts Propagation of Ornamental Plants
Predicting Volatile Fatty Acid Production and pH More Precisely to Improve Animal Efficiency and Reduce Acidosis Incidence
State-wide Edible Landscape Demonstration Gardens
Utilizing Serial Ultrasound Measurements Early in Life to Predict Beef Carcass Quality
Investigation of a Suspected Oxadiazon-Resistant Goosegrass Population in Richmond, Virginia
Development of Peanut Cultivars with High Oleic Trait and Cold Tolerance
Improving Water Use Efficiency in Virginia's Agroecosystems
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
Preventing Antibiotic Resistance Spread from Dairy Cows and Manure: a Metagenomic Approach
Improving Wheat for Changing Environments
Increasing Production Efficiencies Through Better Germination of Food-type Soybeans
Modification and Control of Ethanol Fermentation by Selective Light Exposure
Assessing Yield Potential of Hybrid Poplar as a Short-rotation Biomass Crop for Virginia
Identification of Insect Vectors of North American Grapevine Yellows in Virginia Vineyards
Use of DNA Markers to Develop High Protein Soybean Cultivars

**GRANTS COMPLETED 2014-2015
(CONTINUED)**

Evaluation of Seashore Paspalum – a New Turfgrass Species for Virginia
IPM for Putting Greens in Virginia: Using Iron Sulfate to Control Poa Annua, Moss, and Dollar Spot, While Reducing Nitrogen, Phosphorus, and Pesticide Inputs
Spatial Impact of Turf Fans on Creeping Bentgrass Putting Greens
Delving Deeper Into the Production of Sweet Cherries (<i>Prunus avium</i>) Grown Under Protective Whole-Orchard Covering Systems in Virginia
Evaluation of Blackberry (<i>Rubus</i> spp.) Cultivars in Virginia
Biodegradable Ground Cover Sheeting
Expression of Nutrient Transporters and Antimicrobial Peptides in the Intestine of Salmonella-infected chicks
Investigating the Influence of Annual Bluegrass and Other Factors on Golf Putt Trajectory

**Virginia Agricultural Council
Financial Statement for
July 1, 2014 - June 30, 2015
Revenue & Expenditures**

Cash balance - June 30, 2014 **\$256,281.07**

Add: Revenues

Feed Tonnage	\$272,115.82	
Seed	71,138.22	
Fertilizer Tonnage	37,495.10	
Lime Tonnage	22,177.29	
Motor Fuel	2,376.83	

Total Balance and Receipts **\$405,303.26** **\$661,584.33**

Less - Expenses

Postal/Printing/Miscellaneous	\$2,446.61	
Travel - Members Meeting		
Expenses	14,644.50	
Wages - Executive Director		
/FICA	24,062.13	
Grant Expenditures	234,101.29	
	\$275,254.53	

Cash Balance - June 30, 2015 **\$386,329.80**

Revenue Differentials - 2014-2015

	<u>2014</u>	<u>2015</u>	<u>Difference</u>
Fertilizer Tonnage Inspection	\$ 41,385.43	\$ 37,495.10	\$ (3,890.33)
Feed Tonnage Inspection	227,126.96	272,115.82	44,988.86
Lime Tonnage Inspection	23,622.09	22,177.29	(1,444.80)
Seed Inspection Fee	59,130.16	71,138.22	12,008.06
Motor Fuel Receipts – Refunds	1,512.48	2,376.83	864.35
Totals	<u>\$352,777.12</u>	<u>\$405,303.26</u>	<u>\$ 52,526.14</u>

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, 2015, 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



COMMONWEALTH of VIRGINIA
 Department of Agriculture and Consumer Services
 P.O. Box 1163, Richmond, Virginia 23218
 Phone: 804/786-3501 • Fax: 804/371-2945 • Hearing Impaired: 800/828-1120
www.vdacs.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

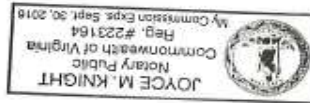
The oath should be administered by a notary or other officer authorized by Section 49-4 of the Code of Virginia, and such notary or other officer should complete a certificate in substantially the following form:

State of Virginia, City/County of: Richmond

This is to certify that Sandra J. Adams on this 5 day of October, 2015, took and subscribed the foregoing oath required by the laws of the Commonwealth,

Joyce M. Knight 223164
 Signature of Notary

Joyce M. Knight 223164
 Print Name of Notary



Notary Public
 Title

My commission expires on 9/30/2016

ACTR 0402 OPTIONS: B1
 MONTHLY
 (FM) - CTRCH M
 RUN DATE 07/24/2015 09:32 P.M.
 COMMONWEALTH ACCOUNTING AND REPORTING SYSTEM / CARS
 VIRGINIA AGRICULTURAL COMMISSION
 TRAIL BALANCE OF GENERAL LEDGER ACCOUNTS BY AGENCY/FUND DETAIL
 AS OF 06/30/2015
 AGENCY NO : 307
 AGENCY PAGE: 1
 REPORT PAGE: 417
 REQUEST NO. ACTR0402 D 03

FUND NO	GLA NO	ACCOUNT TITLE	BEGINNING BALANCE	TRANSACTIONS		ENDING BALANCE	GLA NO
				DEBITS	CREDITS		
0000	892	CENTRAL/OUTSIDE BOD-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	375,627.66	12,639.76	1,937.62CR	386,329.80	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	256,281.07CR	.00	.00	256,281.07CR	800
	801	SURPLUS APPROPRIATED	92,401.00	.00	.00	92,401.00	801
	900	APPROPRIATIONS	490,334.00CR	.00	.00	490,334.00CR	900
	901	EXPENDITURES	273,723.54	1,937.62	128.22CR	275,532.94	901
	902	EXPENDITURE REFORMS	278.41CR	.00	.00	278.41CR	902
	960	ESTIMATED REVENUE	397,933.00	.00	.00	397,933.00	960
	961	REVENUE	392,791.72CR	.00	12,511.54CR	405,303.26CR	961
	TOTAL		.00	14,577.38	14,577.38CR	.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, 2015, 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: Commissioner
Agency Head or Designee

Date: July 15, 2015

Signature: Kristy M. McCabe

Printed Name: Kristy M. McCabe

Title: Director of Finance
Fiscal Officer

Date: July 15, 2015

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