



*Virginia Agricultural Council*

*ANNUAL REPORT*

*Fiscal Year Ending  
June 30, 2016*



*Tscharner D. Watkins, III*  
*Chair*

*Jason O. Bush*  
*Secretary*

*Cecil E. Meyerhoeffer, Jr.*  
*Vice Chair*

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, 2016.

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 horizontal line at the end.

Tscharner D. Watkins, III  
Chairman

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**VIRGINIA AGRICULTURAL COUNCIL**

2016

<p>Joseph H. Barlow Cotton Plain Farms 8204 Longvue Circle Suffolk, VA 23436 Commodity: peanuts, cotton</p>	<p>Jason O. Bush Bush Farms 471 Brickchurch Circle Castlewood, VA 24224 Commodity: cattle, tobacco</p>
<p>Kathy Coffee W. J. Coffee Farms 2255 Fletcher Chapel Road Kenbridge, VA 23944 Commodity: tobacco, soybeans, wheat</p>	<p>Travis Croxton Rappahannock Oyster Company 4777 Wormleys Drive Mechanicsville, VA 23116 Commodity: aquaculture</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>Ashley Elgin Hardesty Harvue Farms 1458 Longmarsh Road Berryville, Virginia 22611 Commodity: dairy</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>Kimberley H. Nixon Co-Owner Glenmary Farm LLC and Western View Plantation, LLC 21496 River Road Rapid an, VA 22733 Commodity: cattle, turkeys and grain</p>
<p>Lynn Rush St. Clair Swover Creek Farms 4176 Swover Creek Road Edinburg, VA 22824 Commodity: vegetables, berries, direct marketing</p>	<p>Tscharner D. Watkins, III 2260 Chalkwell Drive Midlothian, VA 23113 Commodity: nursery stock</p>
<p>Jeffrey R. White Glen Manor Vineyard 2276 Browntown Road Front Royal, VA 22630 Commodity: wine</p>	<p>Alan Worrell Worrell Family Farms 879 Sunrise Drive Austinville, VA 24312 Commodity: vegetables</p>

**VIRGINIA AGRICULTURAL COUNCIL  
EX-OFFICIO MEMBERS**

Sandra J. Adams Commissioner VA Dept. of Agriculture & Consumer Services 102 Governor St. Richmond, VA 23219	Dr. M. Ray McKinnie, Interim Dean College of Agriculture Virginia State University 100 Owens Hall Box 9081 Petersburg, VA 2380
Dr. Alan Grant Dean, College of Agriculture & Life Sciences VPI & SU 104 Hutcheson Hall Blacksburg, VA 24061	

## 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 are 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; a five cents per ton levy on lime sold; a twenty-five cents per ton levy on fertilizer sold, with five cents per ton for Virginia Agricultural Council use; a seven cents per ton levy on feed; and 3/10 of 1% of gross sale receipts from lawn and turf seed with 50% to the Council. In 2008, the General Assembly established the Seed Fund. See Title 3.2-4004 of the Code of Virginia. Monies received for this fund are administered by the Council for the exclusive funding of lawn and turf research. 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. Very specialized projects or basic studies will be considered; however, they should 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 preproposal 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.

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 2016-2017**

<b>Project #</b>	<b>Title</b>	<b>Amount</b>
670	Evaluation of higher concentrations of butyric acid in broiler diets raised without antibiotics	\$10,000.00
671	Identification and testing of novel, locally isolated biopesticides for fire blight control in Virginia	18,000.00
672	Low-cost nutritional intervention to improve growth and fertility of replacement heifers grazing endophyte infected tall fescue	8,040.00
673	Identifying breeds suitable for niche market pig farmers producing charcuterie-style pork	12,000.00
674	Establishing a link between tall fescue endophyte toxicity and subfertility in cattle	10,000.00
675	Determining the feeding value of corn gluten feed in fescue forage based rations	5,943.20
676	Toward improved feed efficiency: understanding factors regulating energy production in dairy cattle background: Improving feed efficiency of dairy cattle	9,994.00
677	Improving honey bee colony health: Assessing the role of honey bee gut microbiota in mediating pesticide effects	19,600.00
678	Release public, roundup ready soybean varieties	12,000.00
679	Management and cultivar effects on malt-type barley performance and end use quality in Virginia	7,000.00
680	The continuance of an animal science course to educate youth during residential programs at the Airfield 4-H Educational Center	4,000.00
681	Living mulches to improve weed management and soil quality in fresh market tomato production.	7,095.00
682	Evaluation of strawberry cultivars in Virginia	15,000.00
663	Increasing milk yield on Virginia dairy farms with an adaptable approach to milking frequency	7,385.00
684	Weed identification website	12,500.00



**LISTING OF PROJECTS AND APPROVED FUNDING BY THE  
VIRGINIA AGRICULTURAL COUNCIL FOR THE FISCAL YEAR 2016-2017  
(CONTINUED)**

<b>Project #</b>	<b>Title</b>	<b>Amount</b>
667	Comparisons of exceptional quality (EQ) biosolids and inorganic fertilizer on carbon and nitrogen dynamics and turfgrass production and quality (Seed Fund)	\$15,000.00
668	Rapid estimation of water, nutrient, and pesticide needs using unmanned aerial vehicles (UAV) for reduced inputs (Seed Fund)	14,697.00
669	A durable high-quality pocket guide to insects and related organisms of Virginia Turfgrass (Seed Fund)	5,000.00
	<b>TOTAL NEW PROJECTS</b>	<b>\$ 193,254.20</b>

**2015-2016 RESEARCH PROJECTS APPROVED FOR SECOND  
YEAR CONTINUED FUNDING IN 2016-2017**

<b>Project #</b>	<b>Title</b>	<b>Amount</b>
659	Feasibility of sweet potato production in Virginia to supply fresh and processing markets	\$15,000.00
662	Re-introduction of buckwheat (a multi-use crop) in Virginia	20,000.00
646	Feasibility study on planting, field management, and harvesting strategies for successful grain teff in Southeast Virginia	16,384.00
647	Enhancing embryonic survival in cattle grazing endophyte-infected tall fescue	3,000.00
656	Growing for the future: building a research hop yard at Virginia Tech	7,000.00
661	Composition and regional comparison of Virginia grown hops	7,500.00
650	Solving orchard grass persistence problems in Virginia: hay harvest management and crop heat stress	3,600.00
652	Development of winter malt barley varieties for Virginia and neighboring states	10,000.00
648	Summer stockpiling fescue for late-summer grazing	2,631.00
664	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 (Seed Fund)	3,750.00
665	Selective control of perennial grassy weeds in tall fescue, seashore paspalum and Bermuda grass (Seed Fund)	15,983.00
	<b>TOTAL SECOND YEAR FUNDING</b>	<b>\$104,848.00</b>

## GRANTS COMPLETED IN 2015-2016

Project #	Title
633	Evaluation of renewable fuel sources for flue-cured tobacco curing barns
635	Susceptibility of new apple rootstocks to tomato ringspot virus (TmRSV)
655	Improving integrated pest management in Virginia cucurbit production
666	Efficacy of select insecticides on white grubs and earthworms

**Virginia Agricultural Council  
Financial Statement for  
July 1, 2015 - June 30, 2016  
Revenue & Expenditures**

<b>Cash balance - June 30, 2015</b>		<b>\$386,329.80</b>
 <u>Add: Revenues</u>		
	Feed Tonnage	\$255,509.37
	Seed	35,812.34
	Fertilizer Tonnage	45,046.44
	Lime Tonnage	24,894.97
	Motor Fuel	1,182.66
	Interest and Miscellaneous	2,298.36
 <b>Total Balance and Receipts</b>	<b>\$364,744.14</b>	 <b>\$751,073.94</b>
 <u>Less - Expenses</u>		
	Postal/Printing/Miscellaneous	\$4,809.11
	Travel - Members Meeting Expenses	15,261.20
	Management Expenses	15,068.87
	Grant Expenditures	283,215.11
	<b>\$318,354.29</b>	
 <b>Cash Balance - June 30, 2016</b>		 <b><u>\$432,719.65</u></b>

## Revenue Differentials - 2015-2016

	2015	2016	Difference
Fertilizer Tonnage Inspection	\$ 37,495.10	\$ 45,046.44	\$ 7,551.34
Feed Tonnage Inspection	272,115.82	255,509.37	(16,606.45)
Lime Tonnage Inspection	22,177.29	24,894.97	2,717.68
Seed Inspection Fee	71,138.22	35,812.34	(35,325.88)
Motor Fuel Receipts – Refunds	2,376.83	1,182.66	(1,194.17)
Interest and Miscellaneous		2,298.36	2,298.36
<b>Totals</b>	<b>\$405,303.26</b>	<b>\$364,744.14</b>	<b>\$ (40,559.12)</b>

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 Cardinal and CARS, the official record of the Commonwealth, are accurate.

Our agency accounting records for the year ended June 30, 2016, have been verified and reconciled to Cardinal and then to CARS, and, when any submitted General Ledger Journals and/or ATV's have posted to Cardinal or 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 Cardinal and 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, account/object)
- Yes Net revenues (by fund/fund detail, account/revenue source)
- No 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 13, 2016

Date: July 12, 2016

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

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	408,322.64	31,157.09	6,760.08CR	432,719.65	101
	102	ALLOTMENTS	490,334.00CR	.00	.00	490,334.00CR	102
	510	ACCOUNTS PAYABLE - CARDINAL	6,694.08CR	6,727.08	33.00CR	.00	510
	703	RESERVE FOR ALLOTMENTS	490,334.00	.00	.00	490,334.00	703
	800	FUND BALANCE	386,329.80CR	.00	.00	386,329.80CR	800
	801	SURPLUS APPROPRIATED	123,906.00	.00	.00	123,906.00	801
	900	APPROPRIATIONS	490,334.00CR	.00	.00	490,334.00CR	900
	901	EXPENDITURES	318,321.29	33.00	.00	318,354.29	901
	960	ESTIMATED REVENUE	366,428.00	.00	.00	366,428.00	960
	961	REVENUE	333,620.05CR	.00	31,124.09CR	364,744.14CR	961
		TOTAL	.00	37,917.17	37,917.17CR	.00	