

*Virginia Agricultural Council*

*ANNUAL REPORT*

*Fiscal Year Ending  
June 30, 2017*

*Tscharner D. Watkins, III*  
*Chair*

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

*Jason O. Bush*  
*Secretary*

*Larry A. Harris Sr.*  
*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, 2017.

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

Tscharner D. Watkins, III  
Chairman

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VIRGINIA AGRICULTURAL COUNCIL

2017

<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**

<p>Sandra J. Adams Commissioner VA Dept. of Agriculture &amp; Consumer Services 102 Governor St. Richmond, VA 23219</p>	<p>Dr. M. Ray McKinnie, Interim Dean College of Agriculture Virginia State University 100 Owens Hall Box 9081 Petersburg, VA 2380</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

Agriculture is Virginia's largest industry by far, with an economic impact of \$70 billion annually and provides nearly 334,000 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 2017-2018**

<b>Project #</b>	<b>Title</b>	<b>Amount</b>
685	Mastitis in the developing bovine mammary gland	\$15,000.00
686	Delivering probiotics to chicken embryos to enhance post-hatch performance and immunity	\$18,000.00
687	Mitigating the effects of iron deficiency anemia in pigs fed antibiotic-free nursery diets containing elevated levels of copper and zinc	\$9,512.00
688	Increasing profitability for Virginia's double crop wheat-soybean system	\$20,093.00
689	Increasing the economic value of brewer's spent grain by producing high-protein and high-fiber products to support animal production in Virginia	\$24,000.00
690	Early detection of soilborne diseases of peanut using multispectral and infrared sensor technology	\$10,997.50
691	Testing a novel strategy for evaluating energy content of feed	\$9,959.00
692	Understanding nitrogen fate to increase profitability in ornamental container-grown plant production	\$18,790.00
693	Evaluation of alternative methods for the prevention and control of histomonosis (blackheads) in turkeys	\$10,000.00
694	Utilizing oocyte reconstruction to improve the heat tolerance of dairy cattle	\$10,000.00
695	Evaluating nutrient supplements to improve strawberry fruit yield and quality	\$5,410.00
696	Enhancing opportunities for pasture-based beef production research at Virginia Tech	\$10,008.00
697	Enhanced apple cider fermentation by selective light exposure	\$9,000.00
698	Pre-bloom leaf thinning to increase grape aromas and aid bunch rot management	\$16,254.00
699	Establishing the efficacy of faecalibacterium prausnitzii as a probiotic to enhance pre-weaning health, growth and performance of beef calves	\$15,650.00
700	Management of spreading troublesome weeds in Bermuda grass and tall fescue turf	\$16,624.00



**LISTING OF PROJECTS AND APPROVED FUNDING BY THE  
VIRGINIA AGRICULTURAL COUNCIL FOR THE FISCAL YEAR 2017-2018  
(CONTINUED)**

<b>Project #</b>	<b>Title</b>	<b>Amount</b>
701	Alternative fencing and watering systems to enhance stream exclusion and grazing management	\$15,578.00
702	Increasing hops yield with phototherapy	\$8,000.00
703	English cucumber as an alternative cash crop	\$11,800.00
	<b>TOTAL NEW PROJECTS</b>	<b>\$254,675.50</b>

**2016-2017 RESEARCH PROJECTS APPROVED FOR SECOND  
YEAR CONTINUED FUNDING IN 2017-2018**

<b>Project #</b>	<b>Title</b>	<b>Amount</b>
667	Comparisons of exceptional quality biosolids and inorganic fertilizer on carbon and nitrogen dynamics and turfgrass production and quality	\$15,000
668	Rapid estimation of water, nutrient and pesticide needs using unmanned aerial vehicles for reduced inputs	\$20,000
670	Evaluation of higher concentrations of butyric acid in broiler diets raised without antibiotics	\$10,000
671	Identification and testing of novel, locally isolated biopesticides for fire blight control in Virginia	\$16,000
672	Low-cost nutritional intervention to improve growth and fertility of replacement heifers grazing endophyte infected tall fescue	\$7,798
675	Determining the feeding value of corn gluten feed in fescue forage-based rations	\$8,543
677	Improving honey bee colony health: Assessing the role of honey bee gut microbiota in mediating pesticide effects	\$13,497
678	Release public, roundup ready soybean varieties	\$12,000
679	Management and cultivar effects on malt-type barley performance and end use quality in Virginia	\$7,000
	<b>TOTAL SECOND YEAR FUNDING</b>	<b>\$109,838.00</b>

## GRANTS COMPLETED IN 2016-2017

Project #	Title
603	Effect of feeding whole compared with cell-free colostrum on calf immune status: The neonatal period
610	Improving water use efficiency in Virginia's agroecosystems
633	Evaluation of renewable fuel sources for flue-cured tobacco curing barns
641	Development of a novel vaccine for immune protection of dairy cows against staphylococcus aureus infections
649	Integrated research and extension education to enhance reproduction on small-scale and niche market pig farms in Virginia
652	Development of winter malt barley varieties for Virginia and neighboring states
653	Integrated approaches for reducing synthetic fertilizer inputs in apple orchards
654	Are rumen metabolism and dairy calf growth enhanced through use of a megasphaera elsdenii probiotic
655	Improving integrated pest management in virginia cucurbit production
660	Evaluation of antimicrobial peptides expression in the gastrointestinal tract of campylobacter-infected broiler chicks
663	Characterizing herbicide-resistant annual bluegrass
666	Efficacy of selected insecticides on white grubs and earthworms

**Virginia Agricultural Council  
Financial Statement for  
July 1, 2016 - June 30, 2017  
Revenue & Expenditures**

**Cash balance - June 30, 2016** **\$432,719.65**

Add: Revenues

Feed Tonnage	\$223,234.80
Seed	59,494.06
Fertilizer Tonnage	42,310.35
Lime Tonnage	22,357.84
Motor Fuel	914.96
Interest and Miscellaneous	<u>3,717.99</u>

**Total Balance and Receipts** **\$352,030.00** **\$784,749.65**

Less - Expenses

Postal/Printing/Miscellaneous	\$2,232.65
Telecom Services	1,004.28
Information Technology Services	3,919.27
Travel - Members Meeting Expenses	19,585.67
Management Expenses (Wages)	15,999.91
Grant Expenditures	<u>263,361.90</u>
<b>Total Expenses</b>	<b>\$306,103.68</b>

**Cash Balance - June 30, 2017** **\$478,645.97**

## Revenue Differentials - 2016-2017

	<u>2016</u>	<u>2017</u>	<u>Difference</u>
Fertilizer Tonnage Inspection	\$ 45,046.44	\$42,310.35	(\$2,736.09)
Feed Tonnage Inspection	255,509.37	223,234.80	(32,274.57)
Lime Tonnage Inspection	24,894.97	22,357.84	(2,537.13)
Seed Inspection Fee	35,812.34	59,494.06	23,681.72
Motor Fuel Receipts-Refunds	1,182.66	914.96	(267.70)
Interest and Miscellaneous	2,298.36	3,717.99	1,419.63
<b><u>Totals</u></b>	<b><u>\$364,744.14</u></b>	<b><u>\$352,030.00</u></b>	<b><u>(\$12,714.14)</u></b>

COMMONWEALTH OF VIRGINIA  
Department of Accounts  
General Accounting  
**Certification of Agency Reconciliation to Cardinal**

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 are accurate in all material respects. The basis for these conclusions relates to our assessment of the internal controls operating within our Agency. The establishment of such internal controls requires estimates and judgments 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.

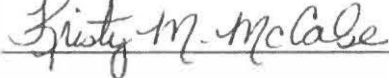
Additionally, I certify that, for the agency listed above, the accounting records represented in Cardinal, the official record of the Commonwealth, are accurate in all material respects.

Our agency accounting records for the year ended June 30, 2017, have been verified and reconciled to Cardinal, and when any submitted General Ledger Journals have posted to Cardinal, and/or items shown below (if any) are processed, our internal records will be in agreement with those reported in Cardinal for each of the following:

Yes All cash balances (by fund)  
Yes All appropriations (by fund, program)  
Yes All allotments (by fund, program)  
Yes Total expenditures (by fund, program, account)  
Yes Net revenues (by fund, account)  
Yes Fixed assets (by fund)

**PLEASE INDICATE IF THERE ARE  
ITEMS NOTED ON THE EXCEPTION  
REGISTER.**  
No

Signature: 

Signature: 

Printed Name: Sandra J. Adams

Printed Name: Kristy M. McCabe

Title: Commissioner  
Agency Head or Designee

Title: Director of Finance  
Fiscal Officer or Designee

Date: July 14, 2017

Date: July 14, 2017

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



Report ID: VGLR001

Commonwealth of Virginia  
CARDINAL TRIAL BALANCE REPORT

Run Date: 07/17/2017  
Run Time: 05:05 00

Business Unit : 30700 Agricultural Council  
Fiscal Year : 2017 Accounting Period : 12  
Account Details : Detail Ledger Selection : ACTUALS  
ChartField Selection : By BU,Fund Adj. Period :

<u>Business Unit Fund Code</u>	<u>Account</u>	<u>Description</u>	<u>Beginning Balance</u>	<u>Net Activity</u>	<u>Ending Balance</u>
30700 09307	101010	Cash With The Treasurer Of VA	479,813.93	(1,167.96)	478,645.97
<b>Asset Total :</b>			<b>479,813.93</b>	<b>(1,167.96)</b>	<b>478,645.97</b>
	205025	Accts Payable-AP/EX Accruals	0.00	0.00	0.00
<b>Liability Total :</b>			<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	308000	Fund Balance	(432,719.65)	0.00	(432,719.65)
<b>Equity Total :</b>			<b>(432,719.65)</b>	<b>0.00</b>	<b>(432,719.65)</b>
	4002105	Fertilizr Tonnage Inspectn Fee	(41,670.56)	(639.79)	(42,310.35)
	4002639	Feed Tonnage Inspection Fee	(222,953.77)	(281.03)	(223,234.80)
	4002640	Lime Tonnage Inspection Fee	(22,357.84)	0.00	(22,357.84)
	4002650	Seed Inspection Fee	(58,652.60)	(841.46)	(59,494.06)
	4007108	Interest From Other Sources	(2,680.64)	(1,037.35)	(3,717.99)
	4009029	Recpt-Ref Mtr Fuel Tx-Agricult	(866.02)	(48.94)	(914.96)
<b>Revenue Total :</b>			<b>(349,181.43)</b>	<b>(2,848.57)</b>	<b>(352,030.00)</b>
	5011130	Wage Social Security&Medicare	1,038.98	68.43	1,107.41
	5011410	Wages, General	13,949.00	943.50	14,892.50
	5012150	Printing Services	10.50	0.00	10.50
	5012160	Telecom Services (VITA)	578.28	426.00	1,004.28
	5012240	Employee Training/Workshop/Conf	(249.00)	0.00	(249.00)
	5012270	Employee Training Travel	249.00	0.00	249.00
	5012640	Food & Dietary Services	4,210.14	0.00	4,210.14
	5012720	VITA Pass Thru Charges	649.20	0.00	649.20
	5012780	VITA It Infrastructure Srvc	2,725.05	545.02	3,270.07
	5012820	Travel, Personal Vehicle	3,789.24	0.00	3,789.24
	5012830	Travel, Public Carriers	1,198.00	0.00	1,198.00
	5012850	Travel, Subsistence & Lodging	9,105.07	0.00	9,105.07
	5012880	Travel, Meal Reimb-Not Rpt Irs	2,287.50	0.00	2,287.50
	5013120	Office Supplies	238.71	0.00	238.71

<u>Business Unit Fund Code</u>	<u>Account</u>	<u>Description</u>	<u>Beginning Balance</u>	<u>Net Activity</u>	<u>Ending Balance</u>
	5013620	Food & Dietary Supplies	42.95	0.00	42.95
	5013630	Food Service Supplies	7.77	0.00	7.77
	5014510	Grnt-Intergovernmental Org	261,341.32	2,020.58	263,361.90
	5015350	Building Rentals	315.90	0.00	315.90
	5015410	Agency Service Charges	414.00	0.00	414.00
	5015470	Private Vendor Service Charges	6.96	0.00	6.96
	5015550	Workers' Compensation	0.00	13.00	13.00
	5022170	Other Computer Equipment	149.99	0.00	149.99
	5022630	Office Incidentals	28.59	0.00	28.59
<b>Expense Total :</b>			<u>302,087.15</u>	<u>4,016.53</u>	<u>306,103.68</u>
<b>Total for Fund :</b>	09307	Dedicated Special Revenue-VAC	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>Total for BU :</b>	30700	Agricultural Council	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>