



Virginia Agricultural Council

ANNUAL REPORT

*Fiscal Year Ending
June 30, 2018*

Virginia Agricultural Council Annual Report

PUBLICATION YEAR 2018

Document Title

Virginia Agricultural Council Annual Report

Author

Virginia Agricultural Council

Legislative Mandate

Va. Code § 3.2-2904

Executive Summary

Summarizes the management and expenditure of the Virginia Agricultural Foundation Fund for programs of agricultural research, education, and agricultural services to strengthen and promote the best interests of agriculture in the Commonwealth. The report contains the annual financial statements of the Agricultural Council for the fiscal year ending June 30, 2018.

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Tscharner D. Watkins, III
Chair

Cecil E. Meyerhoeffer, Jr.
Vice Chair



Jason O. Bush
Secretary

Kendra Brown Shifflett.
Acting Executive Director

January 14, 2019

The Honorable Ralph S. Northam
Governor
Commonwealth of Virginia
Richmond, Virginia 23219

Dear Governor Northam:

The Virginia Agricultural Council is pleased to present its annual report for the fiscal year ending June 30, 2018.

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

MEMBERS OF THE VIRGINIA AGRICULTURAL COUNCIL

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<p>Mrs. Kathy G. Coffee W. J. Coffee Farms 2255 Fletcher Chapel Road Kenbridge, VA 23944 Home Phone: 434-676-3707 Work Phone: 434-676-1553 Cell Phone: 434-955-0009 FAX: 434-676-1653 Commodity: Tobacco, Soybeans, Wheat kgcoffee1979@yahoo.com</p>	<p>Mr. Travis Croxton Rappahannock Oyster Company 4777 Wormleys Drive Mechanicsville, VA 23116 Home Phone: Work Phone: 804-204-1709 Cell Phone: 804-986-2854 FAX: Commodity: Aquaculture travis@rroysters.com</p>
<p>Mr. Philip B. Glaize Jr. Fred L. Glaize P. O. Box 2077 Winchester, VA 22604 Home Phone: 540-667-3097 Work Phone: 540-662-6251 Cell Phone: 540-247-6251 FAX: 540-667-3464 Commodity: Apples glzapple@visuallink.com</p>	<p>Mr. George G. Grattan 8907 Alendale Road Henrico, Virginia 23229 Home Phone: Work Phone: 804-285-6200 Cell Phone: 804-400-9040 Fax: Commodity: Turf Gil.grattan@viriniagreencare.com</p>

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<p>Ms. Kimberley H. Nixon Co-Owner, Glenmary Farm LLC and Western View Plantation LLC 21496 River Road Rapidan, Virginia 22733 Home Phone: 540-672-7396 Cell Phone: 540-718-0378 FAX: Commodity: Cattle, Turkey and Grain khnixon1231@gmail.com</p>	<p>Ms. Lynn Rush St. Clair Swover Creek Farms 4176 Swover Creek Road Edinburg, VA 22824 Home Phone: 540-984-8973 Work Phone: 540-984-8973 Cell Phone: 540-335-7101 FAX: Commodity: Direct Marketing swover@shentel.net</p>
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VIRGINIA AGRICULTURAL COUNCIL
EX-OFFICIO MEMBERS

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Purpose of the Council

Agriculture is Virginia's largest industry, with an economic impact of \$70 billion annually and provides more than 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 (Council) to administer the objectives of the Act. The current Agricultural Council Law (Virginia Code §3.2 – 2900 et seq.) permits financial assistance and support for agricultural research, education, and services. Activities sponsored are to complement rather than substitute existing programs.

The Law 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 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 Law 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 25 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 one percent of gross sale receipts from lawn and turf seed with 50 percent to the Council. In 2008, the General Assembly established the Seed Fund (Virginia Code §3.2-4004). 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. All projects will be considered; however, projects 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 or the Council of the project's importance.
- c. Availability of other funds from industry, commodity groups, governmental agencies, 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. Selected applicants are invited to submit full proposals. New project proposal requests are considered at the spring meeting.

The Council 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 Council meeting held in August is the Council's Annual Business Meeting.

GRANTS APPROVED BY THE COUNCIL FOR FISCAL YEAR 2017-2018

LAST NAME	PROJECT TITLE	AMOUNT
Pent	Feeding Value of Hulless Barley for Finishing Beef Cattle	\$11,630.00
Bedford	Evaluating the effect of Propionate on First-Calf Heifer Reproductive Performance	\$14,604.00
Sherif	A plant growth regulator to induce bloom delay and avoid spring frost injury in peach	\$10,090.00
Zhang	Continue Developing Public, Roundup Ready Soybean Varieties	\$12,000.00
Estienne	Further studies on iron deficiency anemia in pigs fed antibiotic-free nursery diets containing elevated levels of copper	\$16,000.00
Ealy	A diet-based scheme for improving muscle development in ruminants	\$15,000.00
Ponder	Safe cooling strategies for naturally cured artisan meats	\$20,000.00
McDowell	Development of Genomic Resources for Advancement of Hard Clam (<i>Mercenaria mercenaria</i>) Aquaculture	\$15,500.00
Rivest	Carry-over effects of hatchery conditions (seawater pH and temperature) on the Virginia aquaculture species, <i>Crassostrea virginica</i>	\$10,004.00
Frame	Developing a malting barley/cotton double crop system for Southeastern Virginia	\$15,000.00
Fukao	Improvement of flooding tolerance in corn	\$12,000.00
Arancibia	Pre-harvest conditioning to accelerate and improve skin set and reduce bruising in potato	\$18,003.00
Flessner	Weed Identification Website Phase II	\$14,000.00
Snyder	Seaside Aquaculture: addressing roadblocks to commercial production of bay scallops	\$15,118.00
Ferreira	Effects of feeding hulless barley on production performance and nutrient digestibility by lactating dairy cows consuming diets containing high- and low-quality hay	\$18,172.00
Mercadante	Incorporation of zinc (Zn ²⁺) chelators during fertilization to prevent early embryonic loss in cattle	\$15,000.00
Wilson	Evaluation of beef cow/calf performance when grazed on endophyte-infected or novel endophyte-infected tall fescue summer-stockpiled pastures	\$11,900.00
Persia	Estimation of the Lysine and Methionine Requirements of Starter (Young) Broiler Chickens Using a Short Duration Feeding Approach	\$15,000.00
Li	Developing culture-free sequencing technologies to improve ornamental crop disease diagnosis and prevention with a focus on boxwood blight	\$16,000.00

Wang	Turning phosphorus pollution into a marketable product by using fungi	\$23,154.00
Taylor	Improving and reducing costs of managing corn earworm, <i>Helicoverpa zea</i> (Boddie), in Virginia row crops	\$15,000.00
Hanigan	A survey of Virginia dairy nutritionists' methods and practices for formulating rations across a variety of production situations	\$6,580.00
Tracy	Evaluating the potential for dual-use canola/rapeseed production in Virginia	\$10,683.00
Scoggins	Hops in Virginia: Cultural Practices and Post-Harvest Processing	\$11,300.00

SECOND YEAR PROJECTS

LAST NAME	PROJECT TITLE	AMOUNT
Persia	Evaluation of alternative methods for the prevention and control of histomonosis (blackheads) in turkeys	\$10,000.00
Wolf	Pre-bloom Leaf Thinning to Increase Grape Aromas and Aid Bunch Rot Management	\$13,655.00
Williams	Enhanced Apple Cider Fermentation by Selective Light Exposure	\$11,000.00
Akers	Mastitis in the Developing Bovine Mammary Gland	\$15,000.00
Rhoads	Utilizing Oocyte Reconstruction to Improve the Heat Tolerance of Dairy Cattle	\$8,000.00
Langston	Early Detection of Soilborne Diseases of Peanut Using Multispectral and Infrared Sensor Technology	\$7,002.50
Dalloul	Delivering Probiotics to chicken embryos to enhance post-hatch performance and immunity	\$17,000.00
Booher	Alternative Fencing and Watering Systems to Enhance Stream Exclusion and Grazing Management	\$1,260.00
Dick	Increasing Hops Yield with Phototherapy	\$8,000.00
Holshouser	Increasing Profitability for Virginia's Double Crop Wheat-Soybean System	\$20,466.00

SEED PROJECTS

LAST NAME	PROJECT NAME	AMOUNT
Goatley	Evaluating the potential of perennial two-grass turf management systems utilizing Kentucky bluegrass established and maintained in combination with seeded and vegetatively established bermudagrass	\$5,000.00
McCall	Improving Soil Moisture Assessment across Turfgrass Systems Utilizing Field and Aerial Radiometry	\$10,000.00
Kuhar	Strategies for infesting turf with white grubs for evaluating insecticides	\$5,000.00

Zhang	Evaluating effects of humic acid-based biostimulants on rooting and drought tolerance of creeping bentgrass putting green turf and Kentucky bluegrass sod	\$18,000.00
Derr	Management of spreading troublesome weeds in Bermuda grass and tall fescue turf	\$17,249.00

GRANTS COMPLETED 2017-2018

Project #	Title
647	Enhancing Embryonic Survival in Cattle Grazing Endophyte-infected Tall Fescue
648	Summer Stockpiling Fescue for Late-summer Grazing
650	Solving Orchardgrass Persistence Problems in Virginia: Hay Harvest Management and Crop Heat Stress
656	Growing for the Future: Building a Research Hop Yard at Virginia Tech
657	Potential Western Corn Rootworm Resistance to Bt Corn in Virginia
658	Determining Utilization and Efficacy of Best Management Practices for the Virginia Nursery Industry
659	Development of winter malt barley varieties for Virginia and neighboring states Feasibility of Sweet Potato Production in Virginia to Supply Fresh and Processing Markets
661	Composition and Regional Comparison of Virginia Grown Hops
665	Selective Control of Perennial Grassy Weeds in Tall Fescue, Seashore Paspalum, and Bermuda Grass
632	Evaluation of Phosphorus Nutrient Use Efficiency in Several Woody Ornamental Nursery Crops
615	Using a Novel Approach to Detect and Treat Clinical Mastitis
668	Rapid estimation of water, nutrient, and pesticide needs using unmanned aerial vehicles (UAV) for reduced inputs
676	Toward improved feed efficiency: understanding factors regulating energy production in dairy cattle
682	Evaluation of Strawberry Cultivars in Virginia
683	Increasing milk yield on Virginia Dairy Farms with an adaptable approach to milking frequency

**Virginia Agricultural Council
Financial Statement
July 1, 2017 - June 30, 2018
Revenue and Expenditures**

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

Add: Revenues

Feed Tonnage	\$263,455.19
Seed	58,239.59
Fertilizer Tonnage	41,310.49
Lime Tonnage	23,100.67
Motor Fuel	745.44
Interest and Miscellaneous	<u>36,381.10</u>

Total Balance and Receipts **\$423,232.48** **\$901,878.45**

Less - Expenses

Postal/Printing/Miscellaneous	\$1,643.41
Telecom Services	1,020.30
Information Technology Services	3,445.92
Travel - Members Meeting Expenses	17,533.88
Management Expenses (Wages)	17,592.65
Grant Expenditures	<u>319,083.90</u>
Total Expenses	\$360,320.06

Cash Balance - June 30, 2018 **\$541,558.39**

Revenue Differentials - 2017-2018

	<u>2017</u>	<u>2018</u>	<u>Difference</u>
Fertilizer Tonnage Inspection	\$42,310.35	\$41,310.49	(\$999.86)
Feed Tonnage Inspection	223,234.80	263,455.19	40,220.39
Lime Tonnage Inspection	22,357.84	23,100.67	742.83
Seed Inspection Fee	59,494.06	58,239.59	(1,254.47)
Motor Fuel Receipts-Refunds	914.96	745.44	(169.52)
Interest and Miscellaneous	3,717.99	36,381.10	32,663.11
<u>Totals</u>	<u>\$352,030.00</u>	<u>\$422,232.48</u>	<u>\$71,202.48</u>

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, 2018, 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: Jewel Bronaugh

Signature: Kristy M. McCabe

Printed Name: Jewel H. Bronaugh, Ph.D.

Printed Name: Kristy M. McCabe

Title: Commissioner
Agency Head or Designee

Title: Director of Finance
Fiscal Officer or Designee

Date: July 11, 2018

Date: July 11, 2018

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

Tschanner D. Watkins, III
Chair

Cecil E. Meyerhoeffer, Jr.
Vice Chair



Jason O. Bush
Secretary

Kendra Brown Shifflett
Acting Executive Director

January 14, 2019

For the year ending June 30, 2018, 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 accounting system, Cardinal, and submitted required documentation to the Department of Accounts.

Virginia Agricultural Council

Kendra Brown Shifflett
Acting Executive Director