



Virginia Agricultural Council

ANNUAL REPORT

*Fiscal Year Ending
June 30, 2011*

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



Jason O. Bush
Secretary
Donald B. Ayers
Executive Director

The Honorable Robert F. McDonnell
Governor
Commonwealth of Virginia
Richmond, Virginia 23219

Dear Governor McDonnell:

The Virginia Agricultural Council is pleased to present its annual report for the fiscal year ending June 30, 2011.

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
2011

<p>Joseph H. Barlow Cotton Plain Farms 8204 Longvue Circle Suffolk, VA 23436 Commodity: peanuts, cotton</p>	<p>Jean Brown Oakland Green Farm Box 154 Lincoln, VA 20160 Commodity: beef cattle</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>Sara C. Gorman Cardinal Point Vineyard and Winery 1445 Oxford Road Charlottesville, VA 22903 Commodity: grape, winery</p>
<p>Dr. John R. Hall, III 301 Hemlock Drive, SE Blacksburg, VA 24060 Commodity: turf</p>	<p>C. Frank Jordan 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>Matt Lohr Commissioner VA Dept. of Agriculture & Consumer Services 102 Governor St. Richmond, VA 23219</p>	<p>Dr. Jewel Hairston Interim 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

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 will be beneficial to 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 will be 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, except Vi feed sold in individual packages of ten pounds or less; 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 will accept 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) 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. Properly supported project proposals must be received by the Executive Director 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 summarize orally 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 2011-2012

Urea Use in a Pine Tree Substrate	\$8,000.00
Effect of Blanching and Storage Conditions on in-Pod and Shelled Vegetable Soybean (Edamame)	\$12,000.00
Evaluating the Microbiological Safety and Quality of Greenhouse Produced Butterhead Lettuce and Culinary Herbs Using Aquaculture Waste Water	\$20,000.00
Bio-char: Developing Uses for Valuable Bioenergy Co-products	\$9,994.00
Establishment and Ecology of Bioenergy Crops	\$8,174.00
Fungicide Resistance Monitoring and Control of Apple Scab and Mildew in VA	\$18,000.00
A Local Approach to Alternative Energy Resources	\$7,000.00
Preparing for Annual Strawberry Production Without Soil Fumigation	\$12,000.00
Integrating Grafted Tomato Plants Into Commercial Production Systems	\$6,000.00
Impact and Management of the Brown Marmorated Stink Bug (BMSB) in Agricultural Crops in Virginia	\$16,000.00
Can we Reduce Phosphorous Supplementation of Grazing Beef Cattle?	\$15,000.00
The Continuation of an Animal Science Course to Educate Youth During Residential Programs at the Airfield 4-H Educational Center	\$4,000.00
Do Medicated Milk Replacers Contribute to the Problem of Antibiotic Resistance?	\$16,000.00
Agriculture in the Classroom Ag Map Project	\$5,000.00
Stream Water Quality Monitoring on Four Virginia Golf Courses in the Chesapeake Bay Watershed	\$4,125.00
Novel and Conventional Chemistries and Timing Options for Managing White Grubs in Cool-season Turf	\$1,853.00
Total: 16 New Projects	\$163,146.00

**RESEARCH PROJECTS APPROVED FOR SECOND
YEAR CONTINUED FUNDING IN 2011-2012**

<u>SECOND YEAR FUNDING</u>	
A Comparison of Different Feeds for Oyster Farming	\$12,500.00
Optimizing Honey Bee Colony Treatment for the Control of Nosema Disease	\$17,500.00
Interactive, Web-based Grape and Apple Disease Risk Assessment System	\$10,500.00
Understanding and Enhancing Yield Improvements in SRW Wheat	\$10,000.00
Improving Thrips Management in Virginia Soybean, Cotton, Peanut and tomato	\$8,000.00
Strategies to Reduce Toxin Levels in Barley Grain and Feed and Food Products	\$11,000.00
Identification of Sequence Variation in Immune Response and Candidate Genes that Make Turkeys Susceptible to Round Heart Disease	\$15,000.00
Exploring the Forage Potential of Teff: A New Crop for Virginia	\$10,000.00
Enhancing Disease Resistance by Improving Colostrum Products – Raising Healthier Calves	\$13,000.00
Increasing Overwintering Survival of Container-grown Perennials	\$7,000.00
Improving Chemical and Biological Management of Moss of Golf Putting Greens	\$5,543.00
Cultural and Physiological Impacts on Brown Patch Severity and Weed Encroachment in Tall Fescue	\$14,866.00
Total: 12 Continuation Projects	\$134,909.00

Grants Completed June 30, 2011

Controlling And Preventing Further Spread of Palmer Amaranth
Organic Matter Dilution Programs for Sand-Based Putting Greens in Virginia
Ground Pine Trees as a Substrate for Producing Plant in Containers
Carroll County Land-Lab
Minimizing Soil Erosion While Maintaining Tobacco and Pumpkin Yield and Quality
The Continuation of an Animal Science Course to Educate Youth During Residential Programs at the Airfield 4-H Educational Center
Using Reduced Dietary Protein and Rumen-Protected Amino Acids as a Method to Improve Nitrogen Efficiency and Reduce Nitrogen Waste from Lactating Dairy Cows
Increased Grape and Wine Quality by Root System and Soil Moisture Manipulation
Fungicide Selection and Resistance Monitoring for Tree Fruit Crops in Virginia
Sustainable Fertilization Strategies for No-Tillage Wheat
Physiological Basis for Early Maturity in Virginia-Type Peanut
Planning for a Sustainable Biofuels Industry in the Old Dominion
Identifying Mastitis Prior to Onset of Clinical Signs Using Milk Lactose Concentration as an Indicator
Using Milk Urea Nitrogen to Predict the Susceptibility of Cows to Ruminally Degradable Protein Deficiencies
Agriculture in the Classroom Ag Map Project
New and Novel Chemistries and Timing Options for Managing Annual Bluegrass Weevil and Masked Chafers in Turfgrass

**Virginia Agricultural Council
Current Financial Statement for
July 1, 2010 - June 30, 2011
Revenue & Expenditures**

Cash balance – July 1, 2010 **\$199,068.84**

Add: Revenues

Feed Tonnage	\$227,754.20
Seed	45,817.18
Fertilizer Tonnage	39,005.21
Lime Tonnage	18,319.53
Motor Fuel	1,323.01
Interest	0
Miscellaneous	312.22

Total Balance and Receipts **\$332,531.35** **\$531,600.19**

Less: - Expenses

Postal/Printing/Miscellaneous	\$1,568.55
Travel - Members Meeting	
Expenses	14,801.24
Wages - Assistant Secretary/FICA	27,393.31
Grant Expenditures	315,448.81
	\$359,211.91

Cash Balance- June 30, 2011 **\$172,388.28**

Revenue Differentials - 2010-2011

	2010	2011	Difference
Fertilizer Tonnage Inspection	\$38,726.72	39,005.21	\$278.49
Feed Tonnage Inspection	\$233,194.25	227,754.20	-\$5,440.05
Lime Tonnage Inspection	\$19,460.13	18,319.53	-\$1,140.60
Seed Inspection Fee	\$48,072.91	45,817.18	-\$2,255.73
Interest on Balance	\$0.00	0.00	
Motor Fuel Receipts – Refunds	\$2,197.24	1,323.01	-\$874.23
Miscellaneous	\$110.75	312.22	\$201.47
Totals	\$341,762.00	332,531.35	-\$9,230.65

Tscharner 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, 2011, 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 horizontal line.

Donald B. Ayers
Executive Director

VIRGINIA AGRICULTURAL COUNCIL • 7163 AYERSBY DRIVE • MECHANICSVILLE, VIRGINIA 23111 • 804/779-3742



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

Matthew J. Lohr
Commissioner

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

Matthew J. Lohr

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 Matthew J. Lohr on this 20th day of September, 2011, took and subscribed the foregoing oath required by the laws of the Commonwealth.

Kathryn Paxton

Signature of Notary

Signature of Notary

Kathryn Paxton

Print Name of Notary

Print Name of Notary

Assistant to Commissioner

Title

Title

My commission expires on 9/30/14



Kathryn DeFilippo Paxton
NOTARY PUBLIC
Commonwealth of Virginia
Reg. #7324389
My Commission Expires
September 30, 2014

 (PM) -CYCLE M
 RUN DATE 07/22/2011 09:28 P.M.

VIRGINIA AGRICULTURAL COUNCIL
 TRIAL BALANCE OF GENERAL LEDGER ACCOUNTS BY AGENCY/FUND DETAIL
 AS OF 06/30/2011

AGENCY PAGE: 1
 REPORT PAGE: 470
 REQUEST NO. ACTR0402 D 03

FUND NC	GLA NO	ACCOUNT TITLE	BEGINNING BALANCE	TRANSACTIONS		ENDING BALANCE	GLA NO
				DEBITS	CREDITS		
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	
0100	101	CASH WITH THE TREASURER OF V	.00	.00	.00	.00	101
	564	GEN WARRANT STOP PAY CLEARIN	.00	.00	.00	.00	564
	TOTAL		.00	.00	.00	.00	
0900	101	CASH WITH THE TREASURER OF V	173,139.35	2,212.41	2,963.48CR	172,388.28	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	199,068.84CR	.00	.00	199,068.84CR	800
	801	SURPLUS APPROPRIATED	94,401.00	.00	.00	94,401.00	801
	900	APPROPRIATIONS	490,334.00CR	.00	.00	490,334.00CR	900
	901	EXPENDITURES	356,300.00	2,963.48	.00	359,263.48	901
	902	EXPENDITURE REFUNDS	51.57CR	.00	.00	51.57CR	902
	960	ESTIMATED REVENUE	395,933.00	.00	.00	395,933.00	960
	961	REVENUE	330,318.94CR	.00	2,212.41CR	332,531.35CR	961
	TOTAL		.00	5,175.89	5,175.89CR	.00	

COMMONWEALTH OF VIRGINIA
Department of Accounts
General Accounting
Confirmation 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, 2011, 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:

	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)
N/A	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: Deputy Commissioner
Agency Head or Designee

Title: Finance Director
Fiscal Officer

Date: July 15, 2011

Date: July 15, 2011

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

Delegation of Signatory Authority Form

Attachment B
Statement B.1

Agency Code: 307
Agency Name: VIRGINIA AGRICULTURAL COUNCIL

Agency Head

I delegate my signatory authority for the Confirmation Form to

Sandra J. Adams
(Name)

Deputy Commissioner
(Title)

Signed: 
Agency Head

Reminder: Agency Head may not delegate his/her signatory authority to the Fiscal Officer.

Printed Name: Matthew J. Lohr, Commissioner

Date: 6-2-11

Fiscal Officer

I delegate my signatory authority for the Confirmation Form to

(Name)

(Title)

Signed: _____
Fiscal Officer

Reminder: If the Fiscal Officer delegates his/her authority to a lower ranking official, please provide the explanation of the delegation below.

Printed Name: _____

Date: _____

Approved by: _____
Agency Head's Signature

Printed Name: _____

Date: _____

Reason for delegating authority to a lower ranking official, if applicable:

Note: Attach this form to Attachment B, Page 1, if applicable.