

AGRICULTURAL COMMODITY BOARD

ANNUAL REPORT

for the Virginia Apple Board

Fiscal Year 2019-2020

Date Due: November 1, 2020

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In 2003, Virginia apple growers voted to discontinue collecting the apple excise tax. Just one year later, a segment of the industry began work to reestablish the excise tax as a way to fund several important programs. A referendum was held in 2005 and the growers voted to reinstate the excise tax. The new code reflected a change in the way the assessment would be calculated. The assessment will only be collected on those growers who produce 5,000 bushels or more per year on a 5-year average. The rate collected will be .025 cents per bushel and the money will be divided between the U.S. Apple Association, the Virginia State Horticultural Society, the Virginia Apple Research Program, administration and reserve. This funding will continue to keep Virginia growers relevant in the national and international marketplace. The Virginia Department of Taxation will be responsible for collecting the taxes and transferring them to the Virginia Department of Agriculture. The money will be held by VDACS in cost code 646. In FY 2017, the industry requested the General Assembly change the Board composition, reducing the membership from 3 members per district to 2 members per district, partially due to the Board only meeting 1 time per year, but also the number of eligible Board members in District 2 has declined significantly.

The 2019-2020 Virginia Apple Board meeting was held electronically via WebEx on Friday, May 29, 2020 during the Governor's declared state of emergency due to the COVID-19 pandemic making it unsafe for the public body to assemble in a single location. During the meeting, the Board voted to send 40% of the revenue collected to the U.S. Apple Association, 20% to the Virginia State Horticultural Society, 20% to the Virginia Agricultural Research Program, and 10% to the administration fund. The reserve fund met the \$125,000 maximum, thus 10% of the collections could not be put towards the reserve. The balance was distributed equally between U.S. Apple Association, Virginia State Horticultural Society, and Virginia Agricultural Research Program. The administrative funds are within the Apple Board Fund at the Virginia Department of Agriculture.

The Apple Board allocated funding for Flair Communication to provide website services and social media services. Flair communication manages the Virginia Apple Industry website (www.virginiaapples.net) in addition to highlighting orchard events, recipes, news and general information on the Virginia Apple Industry Facebook page.

The Board voted to fund the Virginia Foundation for Agriculture in the Classroom for \$2,500 to fund educational initiatives such as Apple Life Cycle Model trainings and the FarmLife360 virtual reality project. Additionally, the funding provides direct support for National Apple Month resources and events including "Crunch Heard 'Round the Commonwealth" promoted during Farm to School week.

Financial Summary

Cost Code 646

Cash Balance: 6/30/2019	\$49,677.18
Assessment Receipts: 7/1/2019 – 6/30/2020	\$87,968.28
Total Cash Balance & Receipts:	\$137,645.46
Transfer to cc 647 – Reserve	\$0
Transfer to cc 648 - Admin	\$13,759.29
Total Actual Expenditures (from VDACS Financial Analysis)	\$110,076.00
Cash Balance: June 30, 2020	\$13,810.17

Cost Code 647 - Reserve

Cash Balance: 6/30/2019	\$125,000.00
Other receipts	\$0
Total Balance	\$125,000.00
Deduct Total Actual Expenditures (from VDACS Financial Analysis)	\$0
Cash Balance: June 30, 2020	\$125,000.00

Cost Code 648 – Administration

Cash Balance: 6/30/2019	\$71,764.17
Transfer from cc 646	\$13,759.29
Other Receipts - Interest	\$5,495.38
Total Balance	\$91,018.84
Deduct Total Actual Expenditures (from VDACS Financial Analysis)	\$3,009.62
Cash Balance: June 30, 2020	\$88,009.22

Board Meetings and Member Attendance

May 29, 2020

Marshall Saunders, <i>Chair</i>	Yes
Bethany Hill	Yes
Heather McKay	Yes
Dudley Rinker	Yes
Shannon Showalter	Yes
Tommy Williams	Yes
Total	6