

**Wayne C. Barnes, Chairman**  
**VIRGINIA PEANUT BOARD**  
**July 1, 2019 through June 30, 2020**

The Code of Virginia allows for an excise tax to be paid by the producer on every pound of peanuts sold. This excise tax is collected and remitted by the first handler to the Virginia Department of Taxation. The Department of Taxation transfers the funds monthly to the Virginia Department of Agriculture and Consumer Services, which houses the Peanut Fund. The excise tax rate is \$.30 per hundred or \$6.00 per ton. This rate was renewed by legislation and effective for the first of five years with the 2016 crop year. This money is used by the Virginia Peanut Board through agreement with the Virginia Peanut Growers Association to staff an office, conduct promotional activities, and fund research projects on behalf of and to benefit Virginia's peanut growers. These promotional activities are conducted by the Association and in conjunction with other organizations.

The United States is the third largest peanut producer in the world behind China and India. While China and India produce primarily for the oil market, the US produces primarily for the edible market. The US is known for the quality of its peanut production compared to its competitors but there are countries, such as Argentina, South Africa, and even China, who can produce quality peanuts on par with those from the US.

With the domestic industry being composed of growers, shellers, manufacturers and the many other companies that support these basic pillars of the industry, the American Peanut Council (APC) serves an important role for all involved. The APC is the main industry organization which brings together all segments of the industry in efforts from domestic and export promotion to market development, food safety, and crisis management / media relations. On the export side, export promotion funds are matched by funds from the Foreign Agricultural Service through the Market Assistance Program and extensive market development programs target Europe, Canada, and Mexico, the largest consumers of US grown peanuts. The promotion strategy is reviewed each year to target new countries and regions toward which to allocate resources.

The Board has maintained its membership with the Council through the years and paid \$2,314.00 as its pro-rata share of the grower segment dues. The Virginia Peanut Growers Association alternates with the North Carolina and South Carolina associations for a Board seat on either the APC Domestic or Export Board of Directors. Currently the Association's Executive Secretary serves on the APC Domestic Board.

Another organization the Association is affiliated with for promotion, education, and research is the National Peanut Board. The National Peanut Board is the producer checkoff entity which collects the national assessment of \$3.55 per ton sold. These funds paid by producers are then spent to promote peanut nutrition and consumption. The National Peanut Board is the industry leader in searching out new uses for peanuts and peanut butter.

The National Peanut Board spends a great deal of time and resources on the allergy issue, making sure that a responsible plan is developed to deal with the issue in schools and other public places if their input is requested. The Virginia Peanut Growers Association, along with other state grower organizations and industry groups, partners with the National Peanut Board on market promotion and outreach efforts. In May 2019, the

National Peanut Board was reauthorized for 5 years by a producer referendum with an approval rate of 93%.

The National Peanut Board annually allocates funds to each producer state for a co-promotion project. Typically the three VC area states (VA, NC, SC) pool their funds for a larger project than could be accomplished individually. For 2020, the three states are promoting the consumption of peanuts with an advertising campaign on I Heart radio.

The Virginia Peanut Growers Association, using Virginia Peanut Board funds, continued its efforts in promotion and education in other areas as well. Nearly 100,000 of the regular Virginia sample bags were distributed to organizations and individuals upon request, to Washington legislative offices, and to the 12 USO sites in VA during the year. The Association, usually with Virginia-Carolinas Peanut Promotions, had a presence at promotional functions such as the Virginia State Fair; the Washington DC Marine Corps Marathon and other events throughout the year. The Association once again hosted Peanut Night at the home of the Flying Squirrels baseball team in Richmond. Advertising venues this year included the University of Virginia stadium for home football and the arena for home basketball games, along with billboard advertising. This effort was also enhanced by an internet advertising venture attempting to guide the public to the [aboutpeanuts.com](http://aboutpeanuts.com) website to shop for peanuts during the holiday shopping season. The Association was also a sponsor of the VA Nutrition and Dietician Association and ran a full page ad in two special issues of Cooperative Living magazine.

We continue our joint efforts in promotion with the North Carolina and South Carolina grower organizations through V-C Peanut Promotions at a cost of \$24,000 for the fiscal year based on 2019 crop planted acres. This contribution is based on \$1 per acre. Marianne Copelan serves as head of V-C Peanut Promotions. She has brought new ideas and promotional efforts to the job, mostly through her varied capabilities in social media. Marianne is in charge of the website, [aboutpeanuts.com](http://aboutpeanuts.com), which has been revamped and is often updated. She continues to search for new markets in which to make the presence of VC grown peanuts known.

The Peanut Production Contest was once again held for the 2019 crop. Sponsorship of the trophies for the Virginia county winners and the State champion was Colonial Farm Credit. The state winner was Joey Johnson of Branchville. His farm operation is in the Boykins/Newsoms area of Southampton County. The state average yield was over 4,550 pounds per acre which was a record.

Association funds were allocated to the Tidewater Agricultural Experiment Station for research projects in the amount of \$40,567. The projects were approved in April and will be completed during the 2020 crop year. A list of the research projects is a part of this report. The Association is also responsible for reviewing research proposals to be recommended for funding in Virginia by the National Peanut Board. In December 2019, the Virginia Peanut Growers Association recommended projects totaling \$27,500 to be spent against the National Peanut Board funds allocated for Virginia for 2020.

The Association once again provided funds for a weather hotline for use at harvest by VC area growers from South Carolina, North Carolina and Virginia. The expense is now split three ways, with the North Carolina and Virginia growers sharing the cost attributed to the traditional areas covered by the advisory. The Association is a joint publisher of the VC Peanut News, issued three or four times during the year. The paper provides

marketing, research, and promotional updates for growers in the three state region. The paper is put together by Marianne and her staff.

The Association continues to help identify companies willing to add the Virginia-Carolinas Grown logo to their product label. There are now four small processors using the logo on their label.

Acres in Virginia have somewhat stabilized in the last few years in the mid-20,000 range. This is certainly lower than before the program changed but the tendency seems higher than the low of 12,000 acres in 2009. Recent acreage totals were 26,000 for 2017 and 23,500 in 2018. Acreage in 2019 of 24,238 acres is expected to be followed by a return to 26,000 acres for 2020.

In January of 2016, the Virginia General Assembly passed and the Governor signed an extension of the \$6.00 per ton excise tax rate for 5 more years, or through the 2020 crop. This will not require more General Assembly action until the session of 2021. The 5 year extension was sponsored by the Virginia Peanut Growers Association with no known grower opposition. It is expected that Virginia's acreage will be in the 18,000 to 25,000 acre range for the foreseeable future, and the \$6 rate with at least an average crop provides adequate funding for our administration and promotional needs while allowing new projects to be considered. Promotional projects have increased the budget in recent years, and this is expected to continue. The annual Association budget is currently in the range of \$300,000. Plans are being made to determine the rate to pursue during the 2021 General Assembly session.

Discussions are ongoing on new promotion and education programs that can be undertaken on behalf of and to benefit our producers and our Virginia peanut industry.

#### **BUDGET AND FINANCES**

The Board's contract with the Virginia Peanut Growers Association is composed such that the entire Peanut Fund is transferred to the Association on a monthly basis, to be spent under the guidance of the Board.

Virginia Peanut Growers Association Budget – (Virginia Peanut Board – Approved)

	<b>2019-2020 Budget</b>	<b>Expended</b>
VPGA (Staff, Office, Promotions, Travel, etc)	\$261,940	\$ 242,593
American Peanut Council	\$2,200	\$2,314
Research	\$35,000	\$40,567
Insurance	\$1,700	\$ 783

**RESEARCH PROJECTS**

- Evaluation of Experimental Insecticides for Southern Corn Rootworm  
Dr. S. Taylor            \$15,000
- Enhancing Tolerance To Water Deficit of Virginia Type Peanut for Virginia and Carolinas  
Dr. M. Balota            \$10,000
- Management of Southern Stem Rot of Peanut Utilizing Remote Sensing Technologies and Fungicides  
Dr. H. Mehl    Dr. D. Langston    \$15,567

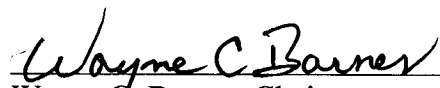
**YEAR END FUNDING LEVEL – VA PEANUT BOARD**

Balance of Peanut Fund (VDACS)	6/30/19	\$ 2,719.85
Revenue	(7/1/19 – 6/30/20)	365,532.86
Expenditures (to Association & Richmond)		337,706.03
Interest Earned		1,063.02
Annual Administrative Fees		2,757.50
Ending Cash Balance	6/30/20	\$ 28,852.20

**MEETING AND ATTENDANCE**

March 5, 2020

Wayne C. Barnes	P
Ernest L. Blount	P
Michael J. Marks	P
Donna N. Jones	P
Andrew Darden	P
Joey Doyle	P
John Crumpler, II	N
Robert C. Rogers	P

  
Wayne C. Barnes, Chairman  
Virginia Peanut Board