

AGRICULTURE COMMODITY BOARD

ANNUAL REPORT

for the Virginia Tobacco Board

Fiscal Year: 2019-2020

July 31, 2020

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The Virginia Tobacco Board

I. Narrative

The Virginia Tobacco Board was established under § 3.2 – 2400 to 2411 of the Code of Virginia on July 1, 2012, merging the Virginia Bright Flue-Cured and Virginia Dark-Fired Tobacco Boards into a single Virginia Tobacco Board. The Virginia Tobacco Board manages two separate funds: the Bright Flue-Cured Tobacco Promotion Fund and the Virginia Dark-Fired Promotion Fund. Each of these programs provide funding for the promotion, education, and research of these two types of Virginia-produced tobacco. The Virginia Tobacco Board received \$115,136.86 in excise taxes into the Bright Flue-Cured Promotion Fund and \$1,856.56 into the Dark-Fired Promotion Fund in fiscal year 2019-2020.

The Board had expenditures of \$148,680.55 from the Bright Flue-Cured Promotion Fund and \$3,262.90 from the Dark-Fired Fund during the fiscal year. Of this amount, \$149,810.79, 98.6 percent of expenditures was spent on various projects involving market development, promotion, research, or education for the purpose of increasing the demand for Virginia-produced tobacco. Tobacco Associates, Inc., by contractual agreement with the Board, received \$48,900 for the purpose of conducting flue-cured tobacco market development and promotion in foreign countries. Funds were provided for three Virginia Cooperative Extension Southern Piedmont Agricultural Research & Extension Center production research projects and the 2021 Flue-cured Tobacco Production Guide, totaling \$61,800.

The Board ended the fiscal year with a cash balance of \$129,878.63, including a reserve of \$47,400, in the Flue-Cured Promotion Fund and \$3,174.77 in the Dark-Fired Fund. As of June 30, 2020, the Board had future financial commitments of \$77,056.98. These commitments are for research and education projects conducted and funded during the 2019-2020 fiscal year and research and education projects awarded funds for the 2020-2021 fiscal year. The excise tax assessment has remained at \$.40 per one hundred pounds.

Donald L. Moore, Chairman

II. Financial Summary: Fiscal Year 2019-2020

Virginia Bright Flue-cured Tobacco Promotion Fund

Cash balance (June 30, 2019)	=	\$159,560.44
Excise Tax Receipts (July 1, 2019 – June 30, 2020)	+	\$115,162.93
FY 18-19 Excise Tax Correction	-	\$26.07
Interest Earned	+	\$3,860.36
Other Revenue	+	\$1.52
Actual Expenditures	-	\$148,680.55
Cash Balance (June 30, 2020)	=	\$129,878.63

Virginia Dark-fired Tobacco Promotion Fund

Cash balance (June 30, 2019)	=	\$4,500.11
Excise Tax Receipts (July 1, 2019 – June 30, 2020)	+	\$1,830.49
FY 18-19 Excise Tax Correction	+	\$26.07
Interest Earned	+	\$81.00
Actual Expenditures	-	\$3,262.90
Cash Balance (June 30, 2020)	=	\$3,174.77

III. Projects and Funding

Virginia Bright Flue-cured Tobacco Promotion Fund

<u>Project Name</u>	<u>Amount Paid</u>	<u>Funded</u>
Tobacco Associates, Inc.	\$48,900.00*	\$48,000.00
2020 Flue-Cured Tobacco Production Guide	\$312.00	
2018 Tobacco Disease Management	\$2,534.35	
2018 Herbicide Use in Reduced Pesticide Tobacco Production Programs	\$1,915.30	
2018 Sucker Control with Reliance on MH	\$5,439.57	
2018 Harvest Management on Flue-cured Tobacco	\$882.00	
2018 Evaluation of Mgmt. Strategies for De-lugging of Flue-cured Tobacco	\$4,299.63	
2018 Molecular Methods to Improve Tobacco Disease Diagnosis & Mgmt.	\$11,954.80	
2019 Tobacco Disease Management	\$18,293.43	
2019 Harvest Management for Flue-cured Tobacco	\$13,819.17	
2019 Agronomic Studies of Low Nicotine Flue-cured Tobacco	\$13,045.77	
2019 Evaluation of Mgmt. Strategies for De-lugging of Flue-cured Tobacco	\$23,654.65	
Tobacco Workers Conference	\$1,500.00	
Total Administrative Costs	\$2,129.88	
TOTAL	\$148,680.55	

Virginia Dark-Fired Tobacco Promotion Fund

<u>Project Name</u>	<u>Amount Paid</u>	<u>Funded</u>
Tobacco Associates, Inc.	\$0.00*	\$900.00
2020 State Fair of Virginia	\$35.00	\$455.00*
2020 Production Guide	\$1,000	
Tobacco Workers Conference	\$200.12	
2019 State Fair	\$275.00	
2018 Disease Management Research	\$1,750.00	
Total Administrative Costs	\$2.78	
TOTAL	\$3,262.90	

VIRGINIA TOBACCO BOARD BRIGHT FLUE-CURED PROMOTION FUND			
FINANCIAL STATEMENT July 1, 2019 - June 30, 2020			
REVENUE			
Balance (June 30, 2019)	\$159,560.44		
Tobacco Excise Tax FY 19-20	\$115,162.93		
FY 18-19 Excise Tax Correction	-\$26.07		
Interest Earned	\$3,860.36		
Other Revenue (VT OSP Refund)	\$1.52		
Total Balance & Receipts			\$278,559.18
Reserve Fund (\$47,400 Classified)*	\$47,400.00		\$231,159.18
EXPENSES			
Administrative			
1. VDACS Admin Fee	\$1,769.62	**	
3. Attorney Services	\$0.00		
4. Private Vendor Fee	\$0.31		
5. Board Meeting Mileage	\$359.95		
Total Administrative Expenses		\$2,129.88	
Paid on Approved Projects			
1. 2018 Tobacco Disease Mgmt (449784)	\$2,534.35		
2. 2018 Herbicide Use in Reduced Pesticide Tobacco Production Programs (449785)	\$1,915.30		
3. 2018 Sucker Control with Reduced Reliance on MH (449786)	\$5,439.57		
4. 2018 Harvest Mgmt on Flue-Cured Tobacco (542805)	\$882.00		
5. 2018 Evaluation of Mgmt Strategies for De-Lugging of Flue-Cured Tobacco (542806)	\$4,299.63		
6. 2018 Molecular Methods to Improve Tobacco Disease Diagnosis & Mgmt (449787)	\$11,954.80		
7. 2019 Tobacco Disease Mgmt (449989)	\$18,293.43		
8. 2019 Harvest Mgmt for Flue-Cured Tobacco (449993)	\$13,819.17		
9. 2019 Agronomic Studies of Low Nicotine Flue-Cured Tobacco (449992)	\$13,045.77		
10. 2019 Evaluation of Reduced Application Rates of MH (449994)	\$23,654.65		
11. 2020 Tobacco Workers Conference	\$1,500.00		
12. 2020 Tobacco Production Guide	\$312.00		
13. 2020 TAI	\$48,900.00	***	
TOTAL PAID ON APPROVED PROJECTS		\$146,550.67	
TOTAL EXPENDITURES			\$148,680.55
CASH BALANCE			\$129,878.63
*\$47,400 of Cash Balance is classified for reserve			

VIRGINIA TOBACCO BOARD BRIGHT FLUE-CURED PROMOTION FUND				
FINANCIAL STATEMENT July 1, 2019 - June 30, 2020				
OUTSTANDING OBLIGATIONS TO BE PAID				
Amounts Due on Projects				
1. 2019 Tobacco Disease Mgmt (449989)	\$6.57			
2. 2019 Agronomic Studies of Low Nicotine Flue-Cured Tobacco (449992)	\$11,954.23			
3. 2019 Harvest Mgmt for Flue-Cured Tobacco (449993)	\$180.83			
4. 2019 Evaluation of Reduced Application Rates of MH (449994)	\$1,545.35			
5. 2020 Tobacco Disease Mgm	\$18,300.00			
6. 2020 Harvest Mgmt	\$5,000.00			
7. 2020 21st Century	\$37,000.00			
TOTAL OUTSTANDING OBLIGATIONS	\$73,986.98			
BALANCE INCLUDING RESERVE FUNDS			\$55,891.65	*
UNOBLIGATED BALANCE			\$8,491.65	
* <i>\$47,400 classified for reserve</i>				
** <i>An adjustment of \$1,065.41 was made to the Fiscal Year 2020 administrative fee of \$1,769.62 in Fiscal Year 2021 resulting in a decreased fee of \$704.21 which will be reflected on the Fiscal Year 2021 Annual Report.</i>				
*** <i>An adjustment of \$900.00 was made to the Fiscal Year 2020 Tobacco Associates, Inc. expenditures in Fiscal Year 2021 to decrease the Bright Flue-cured Fund expenditures and to increase the Dark-fired Fund expenditures which will be reflected on the Fiscal Year 2021 Annual.</i>				

VIRGINIA TOBACCO BOARD DARK-FIRED PROMOTION FUND
FINANCIAL STATEMENT July 1, 2019 - June 30, 2020

REVENUE			
Balance (June 30, 2019)	\$4,500.11		
Tobacco Excise Tax FY 19-20	\$1,830.49		
FY 18-19 Excise Tax Correction	\$26.07		
Interest Earned	\$81.00		
Other Revenue	\$0.00		
Total Balance & Receipts			\$6,437.67
EXPENSES			
Administrative			
1. VDACS Admin Fee/Finance Office	\$1.78		
2. Private Vendor Fee	\$1.00		
Total Administrative Expenses		\$2.78	
Paid on Approved Projects			
1. 2018 Disease Management Research	\$1,750.00		
2. 2019 State Fair	\$275.00		
3. 2020 Tobacco Workers Conference	\$200.12		
4. 2020 Production Guide	\$1,000.00		
5. 2020 State Fair	\$35.00		
TOTAL PAID ON APPROVED PROJECTS		\$3,260.12	
TOTAL EXPENDITURES			\$3,262.90
CASH BALANCE			\$3,174.77
OUTSTANDING OBLIGATIONS TO BE PAID			
Amounts Due on Projects			
1. 2021 Production Guide	\$1,500.00		
2. 2020 AITC	\$250.00		
3. 2020 State Fair	\$420.00		
4. 2020 TAI	\$900.00		
TOTAL OUTSTANDING OBLIGATIONS		\$3,070.00	
UNOBLIGATED BALANCE			\$104.77

IV. Board Meeting Summary

Date: February 13, 2020

Time: 9:30am

Location: Sheldon's Restaurant, 1450 Four Locust Hwy., Keysville, VA 23947

All Members Present: John C. Bledsoe, D. Scott Crowder, Richard T. Hite, Jr., Glen Price Hudson, Darrell E. Jackson, Joanne J. Jones, Donald L. Moore, Hugh T. Rogers, Cecil E. Shell