

AGRICULTURAL COMMODITY BOARD

ANNUAL REPORT

for the Virginia Apple Board

Fiscal Year 2018-2019

Date Due: November 1, 2019

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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.

During the January 25, 2019 meeting, the Board voted to send 10% 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 has met the \$125,000 maximum, and no more money will be placed in that fund. The administrative and reserve funds will be held within the Apple Board Fund at the Virginia Department of Agriculture.

The Apple Board allocated funding for Flair Communication to continue management of the Virginia Apple Industry website (www.virginiaapples.net). In 2019, Flair Communication set-up a Mailchimp account to make it easier for growers to add orchard and event information to the website. Flair Communication continued to highlight orchard events, recipes, news and general information on the Virginia Apple Industry Facebook page.

The Virginia State Horticultural Society made a proposal to utilize social media to educate the public on apple related programs and activities. This activity aligns with VSHS's mission to plan and organize educational meetings and make timely information available to the public. The Board voted to fund this effort in the amount of \$3500.

The Board voted to fund the Virginia Foundation for Agriculture in the Classroom in the amount of \$2,500 to sponsor the 2019 National Apple Month. The funding provides direct support to the "Crunch Heard 'Round the Commonwealth" efforts including the lesson plan kit and volunteer resource guide, website and social media in addition to project management and administrative support.

Finally, the Board did not vote on funding for Virginia's membership in the United States Apple Export Council. However, the Office of International Marketing at the Virginia Department of Agriculture agreed to pay the USAEC membership dues for Virginia moving forward.

Financial Summary

Cost Code 646

Cash Balance: 6/30/2018	\$34,312.02
Assessment Receipts: 7/1/2018 – 6/30/2019	\$77,460.16
Total Cash Balance & Receipts:	\$111,772.18
Transfer to cc 647 – Reserve	\$0
Transfer to cc 648 - Admin	\$12,418.29
Total Actual Expenditures (from VDACS Financial Analysis)	\$62,095.00

Cash Balance: 6/30/2019	\$49,677.18
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Cost Code 647 - Reserve

Cash Balance: 6/30/2018	\$125,000.00
Other receipts	\$0
Total Balance	\$125,000.00
Deduct Total Actual Expenditures (from VDACS Financial Analysis)	\$0

Cash Balance: June 30, 2019	\$125,000.00
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Cost Code 648 – Administration

Cash Balance: 6/30/2018	\$65,513.44
Transfer from cc 646	\$12,418.29

Other Receipts - Interest	\$5,264.61
Total Balance	\$83,196.34
Deduct Total Actual Expenditures (from VDACS Financial Analysis)	\$11,432.17
Cash Balance: June 30, 2019	\$71,764.17

Board Meetings and Member Attendance

January 25, 2019

<u>Members</u>	<u>Staunton</u>
Lynn Graves, <i>Chair</i>	Yes
Bethany Hill	Yes
Heather McKay	Yes
Dudley Rinker	Yes
Marshall Saunders	Yes
Shannon Showalter	Yes
Total	6