

Virginia Cattle Industry Board
Annual Report
2018-2019

I. Narrative

Item 4 of Chapter 565 of the 2016 Acts of Assembly required the Virginia Beef Industry Council (Council) to survey members about the utility of the Virginia Beef Industry Council Act (Act) (Va. Code § 3.2-1300 *et seq.*) and the Virginia Cattle Assessment (Assessment) collected pursuant to the provisions of the Act and to report its findings to the General Assembly by January 1, 2018. This work was performed on behalf of the Council by the Virginia Cattlemen's Association through a survey of cattle producers to determine the producers' opinions regarding (i) how, if reinstated and enforced, the Assessment should be administered, (ii) for what priorities Assessment funds should be utilized, and (iii) at what rate the Assessment should be set. The results of the producer survey indicated a general support for reinstatement of the Assessment to be utilized primarily for activities promoting the Virginia feeder cattle business, payable at a per head rate higher than currently established by the Act.

Chapter 469 of the 2018 Acts of Assembly addressed the matters raised in 2016 and provides for the following: the Beef Industry Council was renamed as the Cattle Industry Board (Board) and (i) reduced the size of the Board from 15 to 11 members; (ii) requires that the designations of the six cattle production areas represented by members be updated every five years based on U.S. Department of Agriculture (USDA) National Agricultural Statistics Service information; (iii) amends which trade associations may nominate candidates to the Governor for appointment to the Board; (iv) prohibits Board members from serving concurrently on a National or State Beef Checkoff Board; (v) directs the Board to elect a chairman from its membership and such other officers as deemed appropriate; (vi) provides that all unexpired terms of current members of the Board expired on July 1, 2018, and makes eligible for reappointment any such member; (vii) provides for the initial staggering of terms of Board members appointed to terms beginning July 1, 2018; and (viii) removes the authority of the Board to adopt regulations.

The act also renamed the Virginia Beef Industry Fund as the Virginia Cattle Industry Fund (the Fund) and clarifies that its provisions shall not affect the USDA-approved collection and administration of the National Beef Checkoff or the dispersal of any collected funds in accordance with the guidelines of a marketing plan approved by the national Cattlemen's Beef Promotion and Research Board.

Lastly, the act increased the amount of the assessment from the sale of cattle that handlers must pay from \$0.25 per head to 50 cents (\$0.50) per head beginning January 1, 2019, and ending July 1, 2023, and requires that each handler remit such assessment to the Tax Commissioner. This assessment is not due on the sale of cattle of any type weighing 99 pounds or less or animals selling for less than \$100 per head. This code section (i) allows producers who are dissatisfied with the assessment and the Board's use of it to receive a refund if they petition the Board in writing within 90 days of the collection of the assessment and (ii) requires the Board to refund such assessment within 90 days of receiving such petition.

Finally, the legislation specified for what purposes the Board can use the funds collected and requires that the Board develop and publish a strategic plan prior to expending a substantial amount of the funds collected through the assessment.

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II. Budget and Finances

January 1, 2019 – June 30, 2019

Assessment Collected:	\$136,051.29
Assessment Refunded:	<u>\$ 301.50</u>
	<u>\$135,749.79</u>

Board appointments were completed in February of 2019. The first meeting was held March 29, 2019 and the Board began to develop their strategic plan that will be crafted with input from the industry via several public sessions held across the state. During this fiscal year, input sessions were held in Roanoke and Weyers Cave.

III. Projects & Funding

N/A

IV. Year End Funding Level

CC 615:

Cash Balance 7/1/2018:	\$342.76
Revenue (Virginia Cattle Tax)	\$135,749.79
Revenue (Interest)	\$480.79
Revenue (Refund Exp. & Misc)	\$269.73
Expenditures:	<u>\$2,773.52</u>
Cash Balance 6/30/2019:	<u>\$134,069.55</u>

V. Board Meetings & Attendance

Board Meetings:

March 28, 2019 – Roanoke, Virginia

Present

Matthew Hill	Paige Pratt	Buddy Shelton
Perry Huffman	Cecelia Craun Moyer	Steve Furrow
Jared Burner	David Coleman	Richard Lloyd
Bill Tucker		

Absent

Andy Smith

Input Sessions:

March 29, 2019 – Roanoke, Virginia

Board Members Present: Matthew Hill, Paige Pratt, Cecelia Moyer, David Coleman, Bill Tucker, Richard Lloyd, Buddy Shelton, Steve Furrow

June 25, 2019 – Weyers Cave, Virginia

Board Members Present: Steve Furrow, Andy Smith, Bill Tucker