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.

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.

II. Budget and Finances

July 1, 2021 – June 30, 2022	
Income	
Assessment Collected:	\$349,274.78
Assessment Refunded:	\$ -2,973.50
Interest Collected:	\$ 1,621.48
	\$347,922.76

The Virginia Cattle Industry Board is responsible for the promotion and economic development of the Virginia cattle industry and of beef products, including the improvement of the commercial value of cattle for Virginia producers. The Board is authorized to expend collected funds to provide for programs to serve the Virginia cattle industry for market development, education, publicity, research, and the promotion of the sale and use of cattle and beef products; and to contract for market development, publicity, research, advertising, and other promotional services. The Board has developed this grant program to serve Virginia's cattle industry. Proposals must fall into one of the following categories:

- Education: Funded proposals will focus on cattle industry related education of producers, consumers, influencers, and/or youth
- Market Development: Funded proposals will address potential new and expanded market opportunities.
- Promotion: Funded proposals will promote Virginia cattle and beef.
- Research: Applied research proposals will address enhanced practices for net profitability.
- Youth Development: Funded proposals will be regional or statewide in scope and have a strong educational component.

VCIB funds two grant cycles each year (March and September).

III. Projects & Funding

FY 21/22 Round One Funding:

Title	Organization	Туре	Amount
Creep-Grazing Brassica and Small Grain Forages for Fall-Born Calves	Shenandoah Valley AREC / McCormick Farm	R	\$7,606.00
Identifying molecular markers to reduce economic losses due to infertile heifers in beef cattle	Virginia Tech	R	\$20,000.00
Southwest Virginia 4-H Livestock Camp	Southwest VA 4-H Educational Center	E / YD	\$6,975.00
Establishment of a Virginia Beef Cattle Center of Excellence	Virginia Tech	E	\$23,637.50
Market Development for Tidewater Beef Cattle	Eastern Virginia Cattlemen Association	MD	\$2,500.00
Does implanting nursing calves impact cow weight and body condition?	Virginia Cooperative Extension	R / E	\$4,000.00

Beef Quality Assurance Education for Virginia High School Agriculture Students and Virginia Youth Livestock Program Participants	Virginia Cooperative Extension	YD / E	\$5,000.00
Southwest Beef Leadership Pilot	Virginia Cooperative Extension	YD	\$9,900.00
Using Digital Marketing to Inform Western Customers of Opportunities to Purchase Feeder Cattle in Abingdon	Abington Feeder Cattle Association	MD	\$2,500.00
Building Knowledge, Confidence, and Future Industry Leaders Virginia Youth Livestock Educational Contests	Virginia Cooperative Extension	YD / E	\$5,000.00
The Green Side of Beef: Defending Grassland Agriculture	Virginia Forage and Grassland Council	E	\$7,000.00
Beef Cattle Handling for Beginners, An Introduction to low stress cattle management	The Middleburg Ag. Research & Extension Center - Virginia Tech	E	\$2,300.00
Beef Color; It's Not Dark, It's Just Different	Virginia Tech	R	\$15,000.00
Meats Evaluation & Technology CDE & Beef Proficiency Awards	Virginia FFA Foundation	YD / E	\$4,500.00
Economic impact of Virginia's cattle industry, the cost of raising cattle, and the threat posed by large-scale solar projects	Virginia Cattlemen's Association	R / E	\$25,000.00
Labeling Opportunities for Virginia Cattle Producers	Virginia Cattlemen's Association	R, E, / P	\$40,000.00
Total			\$180,918.50

FY 21/22 Round Two Funding:

1 21 / 22 Round 1 no 1 undung.			
Cultivating Face to Face Cattle Connections	Pittsylvania County Cattlemen's Association	MD	\$2,500.00
Fall Focus	Virginia Simmental Association	E	\$4,000.00
Connecting the Dots Between Livestock Production an Autism and Enhancing Reproduction Technologies in Far South West Virginia	Lee County Livestock Association	E	\$9,268.77
Packing Plant Feasibility Study	Virginia Cattlemen's Association	R	\$15,000.00
VCA Verified	Virginia Cattlemen's Association	MD	\$15,000.00
Southside Marketing Group: Producer Education + Buyer Engagement	Southside Marketing Group	e / MD	\$2,500.00
Virginia Women in Agriculture: Cattle WISE & Equipment WISE	VA Cooperative Extension / VA Dairymen's Association	E	\$12,267.63
Virginia Cattle Price Risk Management	Virginia FAIRS	R / MD	\$7,984.00

Total			\$102,770.40
Building Knowledge, Confidence, and Future Industry Leaders – Virginia 4-H All Star Livestock Judging Team	Virginia Cooperative Ext./ VT Animal & Poultry Sciences Dept.	YD / E	\$5,000.00
Live Carcass Demonstration at Eastern Regional Junior Angus Show	Eastern Regional Jr Angus Show Education Committee	E	\$2,250.00
Giles Family Mealtime	Virginia Cooperative Extension	E	\$7,000.00
Making Connections: Bringing the Buyers to the Farm	Virginia Cooperative Extension	MD	\$17,500.00
Alleghany Highlands Cattle Promotion	Highland-Bath Cattle Association	Ρ	\$2,500.00

IV. Year End Funding Level

CC 615:	
Cash Balance 7/1/2020:	\$787,000.64
Revenue (Virginia Cattle Assessment)	\$346,301.28
Revenue (Interest)	\$1,621.48
Expenditures:	<u>\$96,437.03</u>
Cash Balance 6/30/2021:	<u>\$1,038,486.37</u>

V. Board Meetings & Attendance

July 29, 2021 - Hotel Roanoke

Members Present: Matthew Hill, Bill Tucker, Richard Lloyd, Andy Smith, Steve Furrow, Buddy Shelton, Cecilia Moyer, David Coleman, Perry Huffman

Members Absent: Jared Burner, Paige Pratt

February 10, 2022 – Hotel Roanoke

Members Present: Matthew Hill, Bill Tucker, Richard Lloyd, Steve Furrow, Buddy Shelton, Cecilia Moyer, Perry Huffman

Members Absent: Paige Pratt, Jared Burner, Andy Smith, David Coleman

March 17, 2022 – Hotel Roanoke

Members Present:

Bill Tucker, Buddy Shelton, Andy Smith, Richard Lloyd, Steve Furrow, Matthew Hill

<u>Members Absent:</u> Paige Pratt, David Coleman, Perry Huffman, Cecilia Moyer, Jared Burner