

Wayne C. Barnes, Chairman
VIRGINIA PEANUT BOARD
July 1, 2020 through June 30, 2021

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 \$.25 per hundred or \$5.00 per ton. This rate was approved by the Virginia General Assembly in its 2021 legislative session and will be in force for 5 years beginning with the 2021 crop. 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. About 30% of US produced peanuts are exported each year.

The Board has maintained its membership with the Council through the years and paid \$2,518.00 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 Board seats on the APC Board of Directors. Currently the Association's Executive Secretary serves on the APC 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 2021, the three states are promoting the consumption of peanuts with an advertising campaign using selected billboards in the three states.

The Virginia Peanut Growers Association, using Virginia Peanut Board collections, continued its efforts in promotion and education as best it could during the year considering how many typical venues were affected by the pandemic. Sample bag distribution was definitely affected as shipments to Congressional offices were discontinued. As USO Centers in our states began to reopen, sample bag shipments to them resumed. Recently the sample bag distributions through Virginia's Welcome Centers gained momentum with most Centers participating. No in-person events took place in the last year. Instead, sports events with television exposure continued with UVA, VCU, and the Richmond Raceway. Billboard advertising was also used, and the Association once again ran a full page ad in two issues of Cooperative Living Magazine. A new promotion on Morning Ag Clips greeted users every day with an ad about Virginia peanuts.

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 \$26,000 for the fiscal year based on 2020 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, 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 2020 crop. The sponsor of the trophies for the Virginia county winners and the State champion was Colonial Farm Credit. The state winner was Greg and Seth Edwards of the Branchville/Little Texas area of Southampton County. This was their third state title in the last 4 years. The state average yield was nearly 4,300 pounds per acre even with a most difficult harvest season.

Association funds were allocated to the Tidewater Agricultural Experiment Station for research projects in the amount of \$42,435. The projects were approved in March and will be completed during the 2021 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 2020, the Virginia Peanut Growers Association recommended projects totaling \$31,500 to be spent against the National Peanut Board funds allocated for Virginia for 2021.

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 times during the year. The paper has been reformatted this

year with many favorable comments from readers. The paper provides marketing, research, and promotional updates for growers in the three state region, and 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 to upper 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, 23,500 in 2018, 24,238 in 2019, and 26,775 in 2020. In 2021 acreage will be similar to that of 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 years. The 2020 season was the final one before this had to be revisited with the General Assembly. In July of 2020 the two Virginia Boards met and agreed unanimously to reduce the state excise tax rate to \$5.00 per ton for the next 5 years, beginning with the 2021 crop. This was carried successfully by Senator Louise Lucas and Delegate Emily Brewer in the January 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)

	2020-2021 Budget	Expended
VPGA (Staff, Office, Promotions, Travel, etc)	\$261,640	\$ 225,686
American Peanut Council	\$2,132	\$2,518
Research	\$35,000	\$43,470
Insurance	\$1,700	\$ 2,750

RESEARCH PROJECTS

- Development of Peanut Cultivars with University of Florida
Dr. Maria Balota \$13,783
- Evaluation of Rescue Treatments for Controlling Advanced Outbreaks of Leaf Spot and Sclerotinia Blight in Virginia
Dr. David Langston \$13,652
- Southern Corn Rootworm Management in Peanut 2021
Dr. Sally Taylor \$15,000

YEAR END FUNDING LEVEL – VIRGINIA PEANUT BOARD

Balance of Peanut Fund (VDACS)	6/30/20	\$ 28,852.20
Revenue	(7/1/20 – 6/30/21)	353,186.52
Expenditures (to Association & Richmond)		352,636.18
Interest Earned		337.14
Annual Administrative Fees		2,419.00
Ending Cash Balance	6/30/21	\$ 27,320.68

MEETING AND ATTENDANCE

	<u>August 6, 2020</u>	<u>March 25, 2021</u>	<u>June 22, 2021</u>
Wayne C. Barnes	P	P	P
Ernest L. Blount	P	P	P
Michael J. Marks	N	N	N
Donna N. Jones	P	P	P
Andrew Darden	P	P	P
Joey Doyle	P	P	P
John Crumpler, II	P	P	P
Robert C. Rogers	P	P	P

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