

2024/2025 ANNUAL REPORT



July 1, 2024 - June 30, 2025

Date Due: November 1, 2025

Virginia Potato Board

July 1, 2024 – June 30, 2025

Date Due: November 1, 2025

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NARRATIVE (General overview of Board's fiscal year activities including goals, objectives, status and evaluation of projects, and discussion of significant changes in Board revenues.)

Potato growers in Virginia voted in the spring of 1994 to tax themselves two cents per hundred weight in order to conduct a program of promotion, research and education. Governor George Allen signed the proclamation creating the Virginia Potato Board on June 20, 1994, and the two cent per hundred weight excise tax became effective on that date.

The Board is composed of five members who serve four-year terms. The members are appointed by the Governor from nominations made by the Association of Eastern Virginia Agricultural Producers, Inc. The Board meets once or twice a year at a time determined by the membership. All Board meetings are open to the public and generally are held at the Eastern Shore Agricultural Research Station in Painter, Virginia.

The purpose of the Virginia Potato Board is to engage in an "expanded program of research, education, publicity, advertising and other means of promoting the use of potatoes". The funds from which the Board's programs are financed come from the two-cent excise tax per hundred weight levied on all potatoes produced in the State.

The two cents per hundred pounds excise tax is applied when potatoes are sold, to be deducted by the packer, shipper, processor, or handler who first purchases potatoes from the producer. The term "handler" shall include a farmer who packs, processes, or otherwise performs the function of a handler. The excise tax levied thereon shall be remitted to the Virginia Potato Board and shall be used for the following purposes:

1. Provide funds for a basic promotional program. Prior to 1994 the potato industry had no means of promoting its product in an increasingly competitive market. The Virginia potato industry's principal competition comes from North Carolina and states in the Mid-West. The industries in both of those competing areas have promotional boards. North Carolina typically starts harvesting their potato crop the second week in June, while the Mid-Western states start their potato harvest the first week of August. Therefore, Virginia has a very narrow market window to receive optimum price on their potato crop. Promotion of the crop is crucial during this time period. Additional trends show that acreage and production in North Carolina has decreased over the past 5 years due to less demand because of inflation (i.e. cost of potato chips), while Virginia's acreage has remained stable or slightly increased. This trend is in part due to promotion of Virginia grown potatoes by local growers and working with grocery store chains to promote the Virginia Grown label during the harvest months. Marketing challenges arise when potatoes from other regions are being promoted in the mid-Atlantic area causing Virginia growers to lose market share -- even within Virginia. Promotional monies from the Virginia Potato excise tax enables the industry to target and regain marketing leverage.

I. NARRATIVE (Continued)

2. Allow the Virginia potato industry to take a more aggressive stance in promotional efforts, especially in-state chain promotions, trade promotions, etc. Over the last several years, we have been successful in promoting Virginia potatoes to area chain and wholesalers such as Wal-Mart, Food Lion, and Military Produce Group.

3. Provide much needed funds to supplement agricultural research at the Virginia Tech Eastern Shore Agricultural and Extension Center. The Board funded research which helped lead to control of the Colorado potato beetle and new potato varieties suited to southeastern Virginia, The Board has recently research on the control of European corn borer, fertility, and weed and disease control. The Virginia Potato Board benefits the industry by making funds available to specifically address these research areas.

For a number of years, the growers have dedicated the vast majority of their funds to potato research.

Effective July, 2012, The Virginia Seed Potato Board was eliminated, and Virginia Potato Board has assumed the duties of the Seed Potato Board with regard to the oversight and regulation of potato seed coming into Virginia.

Mark Hickman
Chairman

Ursula Deitch
Program Manager

I. Budget and Finances

Annual Budget for FY 2024-2025

Two research projects were presented to the Potato Board. Two of the Research Projects were approved for funding in 24-25 FY with additional funds for Marketing approved for a total of \$11,490.00.

| | |
|-------------|-------------------|
| Sutton - | \$3,000.00 |
| Higgins - | \$5,490.00 |
| Marketing - | <u>\$3,000.00</u> |
| | \$11,490.00 |

(Cost Code #680)

| | |
|--|-----------------|
| 1. Cash Balance: June 30, 2024..... | \$53,016.86 |
| 2. (a) Assessment Receipts: July 1, 2024- June 30, 2025.... | (+) \$10,260.95 |
| (b) Interest Receipts: July 1, 2023- June 30, 2024..... | (+) \$2,136.23 |
| 3. Total Balance and Receipts (1+2a+2b) | (=) \$64,414.04 |
| 4. Deduct Total Actual Expenditures (from VDACS Financial Analysis Sheet) | (-) \$15,701.68 |
| 5. Cash Balance: June 30, 2025..... | (=) \$49,712.36 |

2024-2025 Board Attendance

**VIRGINIA POTATO BOARD MEETING
February 11, 2025 – Painter, Virginia**

Board Members Present

Mark Hickman - Chairman
Bruce Richardson
Ronnie Bailey
William “Bill” Floyd

Board Members Absent

John Holland