



# COMMONWEALTH of VIRGINIA

Office of the Governor

Terence R. McAuliffe  
Governor

July 31, 2014

The Honorable Walter A. Stosch  
Chairman  
Senate Finance Committee  
Senate of Virginia

The Honorable R. Lee Ware, Jr.  
Chairman  
House Finance Committee  
House of Delegates

The Honorable S. Chris Jones  
Chairman  
House Appropriations Committee  
House of Delegates

Dear Messrs. Chairmen:

I am writing to update you on the recent activities with respect to the Governor's Agriculture and Forestry Industries Development Fund (AFID) during the preceding six-month period as required by § 3.2-309 of the Code of Virginia.

The General Assembly created the AFID incentive program during the 2012 legislative session, funding it at \$2 million over the biennium, \$1.5 million dedicated to AFID Facility Grants and \$500,000 to AFID Planning Grants. Through June 30, 2014, 13 AFID Facility Grants have been awarded to localities supporting a variety of agriculture and forestry based economic development projects. Eight of those localities have entered into the required Performance Agreements and requested disbursements from the fund. The secretariat and Virginia Department of Agriculture and Consumer Services (VDACS) continue to receive a tremendous number of inquiries and expressions of interest into the program. In addition to the fourteen awarded projects, there are several others in various stages of consideration by the secretariat with the opportunity for multiple announcements to be made during the next six months.

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During the first half of calendar year 2014, a total of \$464,700 was committed from AFID to assist five new and expanding projects in the state. Summaries of these projects are listed below:

**Announced AFID Facility Grant Projects for the period January – June, 2014**

<b>Montague Farms, Inc.- (announced March 2014)</b> New bagging line, warehouse and lab to allow access to new sprouting Natto soybean market	
Location	Isle of Wight County
Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	<ul style="list-style-type: none"> <li>• \$14,700 AFID Funds - for warehouse construction</li> </ul>
Other funds from the political subdivision and their use	<ul style="list-style-type: none"> <li>• \$14,700 – provided over three years through refunds of local taxes paid</li> <li>• Local funds used to off-set project costs</li> </ul>
New jobs	Three (3)
New investment	\$618,490
Minimum purchase Virginia-grown products	\$3.9M (7.5 Metric Tons) in Natto soybean purchases over three yrs (\$7.8M, 11 Metric Tons over five yrs).
Projected impact on agricultural and forestal producers	Provides area farmers access to new, high-value Korean sprouting soybean market generating an anticipated \$1.43M in additional farm revenue through 2017.
Timetable for project completion	Project completed and serving area producers
Prevailing average wage in locality	\$35,833/year
Average wage of project	\$39,067/year
Status	Performance Agreement completed, funds released to the County. First annual report due March 31, 2015

<b>Trout River Dry Kiln, LLC - (announced March 2014)</b> Large, new hardwood dry kiln facility adjacent to Trout River Lumber's flooring operation (Trout River is a major supplier of hardwood flooring to Lumber Liquidators)	
Location	Nottoway County (Town of Crewe)
Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	<ul style="list-style-type: none"> <li>• \$100,000 AFID Funds – site improvements</li> <li>• \$36,000 – Virginia Jobs Investment Program (VJIP) - VJIP used for worker training</li> </ul>
Other funds from the political subdivision and their use	<ul style="list-style-type: none"> <li>• \$115,720 in donated land in the Crewe industrial park (5.26 acres valued at \$22,000 per acre)</li> </ul>
New jobs	Forty (40)
New investment	\$5,467,500
Minimum purchase Virginia-grown products	\$30.6M of Virginia lumber purchases to produce 34 million board feet (mbf) of hardwood for flooring over three years
Projected impact on agricultural and forestal producers	Creates a major new demand for Virginia hardwood, providing new market opportunities for sawmills, loggers and landowners
Timetable for project completion	Construction is underway. Project to be completed early 2015
Prevailing average wage in locality	\$31,828 /year
Average wage of project	\$24,856/year
Status	Performance Agreement completed, funds released to the County. First annual report due May 1, 2015.

<b>Vireol Bio Energy, LLC - (announced April 2014)</b> Restart and upgrade of former Osage Bioenergy ethanol plant	
Location	City of Hopewell
Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	<ul style="list-style-type: none"> <li>• \$250,000 AFID Funds – site improvements</li> <li>• \$60,000 – Virginia Jobs Investment Program (VJIP) - VJIP used for worker training</li> <li>• Enterprise Zone Job Creation Grant: \$180,000</li> <li>• Enterprise Zone Real Property Improvement Grant: \$100,000</li> <li>• Biofuels Production Incentive Grant (BPIG): up to \$3,295,000, as authorized in the FY15 – FY16 biennial budget.</li> </ul>
Other funds from the political subdivision and their use	<ul style="list-style-type: none"> <li>• \$250,000 (at least) awarded as Machinery &amp; Tools tax rebate through City’s local Enterprise Zone incentive</li> </ul>
New jobs	Seventy (70) - 45 direct, 25 qualifying contractor positions
New investment	\$26,200,000
Minimum purchase Virginia-grown products	21.7 bushels of Virginia grown grain over three years
Projected impact on agricultural and forestal producers	A massive new market for Virginia grown grain. Annually, facility will consume as much as ~15% of Virginia’s entire corn crop and ~18% of Virginia’s wheat and barley crops
Timetable for project completion	Production is underway, with major investments planned for the next five years.
Prevailing average wage in locality	\$49,229 /year
Average wage of project	\$50,075/year
Status	Draft Performance Agreement provided to Company and City, who are currently negotiating final language.

<b>Bloomaker USA - (announced June 2014)</b> Expansion of Bloomaker (producer of “long-life tulips” and other flowers)	
Location	Augusta County
Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	<ul style="list-style-type: none"> <li>• \$50,000 AFID Funds – natural gas line extension</li> <li>• \$8,000 – Virginia Jobs Investment Program (VJIP) - VJIP used for worker training</li> </ul>
Other funds from the political subdivision and their use	<ul style="list-style-type: none"> <li>• \$58,000 in matching cash funds (\$50K for natural gas line, \$8K for employee training)</li> </ul>
New jobs	Ninety-eight (98) - 8 new jobs and 90 FTEs
New investment	\$2,000,000
Minimum purchase Virginia-grown products	\$17.6M in new plant sales over three years
Projected impact on agricultural and forestal producers	In addition to supporting Greenhouse/Nursery industry, project provides important cold-weather employment for ag workers
Timetable for project completion	Construction underway. Project to be completed by early 2015.
Prevailing average wage in locality	\$39,183 /year
Average wage of project	\$20,800/year (New jobs \$45,760/year, FTEs at \$9/hour – they will avg. \$18,720 over six-to-seven mo. period
Status	Announced June 20, Performance Agreement being developed.

<b>Retail Relay, Inc., d/b/a Relay Foods - (announced June 2014)</b> Expansion of on-line grocer specializing in local foods	
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Location	City of Charlottesville
Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	<ul style="list-style-type: none"> <li>• \$50,000 AFID Funds – building improvements</li> <li>• \$20,000 – Virginia Jobs Investment Program (VJIP) - VJIP used for worker training</li> </ul>
Other funds from the political subdivision and their use	• \$50,000 in matching cash funds – building improvements
New jobs	Twenty-Five (25)
New investment	\$735,000
Minimum purchase Virginia-grown products	\$353,309 of new purchases of meat, milk & produce in 3 years
Projected impact on agricultural and forestal producers	Relay’s retail platform and dedication to sourcing local provides a powerful, cost-effective retail and distribution network for numerous local ag and specialty foods producers
Timetable for project completion	Construction underway, will be mostly completed in year one.
Prevailing average wage in locality	\$44,447 /year
Average wage of project	\$20.44/hour plus benefits
Status	Announced June 30, Performance Agreement being developed.

In addition, there are eight previously announced AFID projects underway. Their status is detailed below.

**Ongoing AFID Facility Grant Projects**

<b>Homestead Creamery, Inc.</b> (announced December 2012) Manufacturer of dairy-related products using locally sourced milk to make a variety of products, including glass-bottled milk, ice cream, flavored milk and novelties.	
Location	Franklin County
Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	<ul style="list-style-type: none"> <li>• \$60,000 AFID Funds - used for building expansion and renovations,</li> <li>• \$12,240 Virginia Jobs Investment Program (VJIP) - VJIP used for worker training</li> </ul>
Other funds from the political subdivision and their use	<ul style="list-style-type: none"> <li>• \$30,000 Franklin County – cash</li> <li>• \$45,000 Tobacco Region Opportunity Fund</li> <li>• Funds for building expansion and renovations</li> </ul>
New jobs	Twenty (20)
New investment	\$1.1 million
Minimum purchase Virginia-grown products	\$1,485,669 (~75% milk, ~25% in cream, eggs and produce)
Projected impact on agricultural and forestal producers	Impact on Virginia agriculture is especially strong. Over 45 Virginia producers will benefit directly. Homestead Creamery promotes other Virginia products through its store, home deliveries & other activities.
Timetable for project completion	Expansion to begin in 2013 and be completed by 2016
Prevailing average wage in locality	\$29,665/year
Average wage of project	\$13.95/hr or \$29,016/year
Status	Performance Agreement completed, full funds issued to County. First annual report received Apr 2014. Based on contents of annual report, project is in good standing.

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<b>Greencore USA.</b> (announced March 2013) Expansion of sandwich and packaged food production operation.	
Location	Stafford County
Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	<ul style="list-style-type: none"> <li>• \$75,000 AFID Funds - AFID funds used for training, site improvements or other activities</li> <li>• \$154,000 Virginia Jobs Investment Program (VJIP)</li> </ul>
Other funds from the political subdivision and their use	<ul style="list-style-type: none"> <li>• \$75,000 Stafford County – cash</li> <li>• Local funds used to off-set project costs</li> </ul>
New jobs	Three-Hundred and Fifty (350)
New investment	\$5.75 million
Minimum purchase Virginia-grown products	40,200 lbs of produce over three years (13,400 lbs annually) – primarily cabbage and peppers
Projected impact on agricultural and forestal producers	Although the requirements of the Performance Agreement will have only a limited impact of Virginia ag producers, Greencore has expressed a willingness to work with VDACS and their customers to source additional Virginia produce in the future for new product lines, such as salads, which could lead to a greater positive impact to the ag sector from this project.
Timetable for project completion	Expansion to begin in 2013 and be completed by 2016
Prevailing average wage in locality	\$46,646/year
Average wage of project	\$29,000/year
Status	Performance Agreement completed, \$25,000 issued to Stafford Co. Economic Development Authority June 2013. Balance (\$50,000) awarded 5/21/14 after submission of first annual report, confirming satisfaction of performance goals.

<b>Red Sun Farms (Agricola El Rosal)</b> - (announced January 2013) New, high-technology, climate controlled greenhouses operation on 45 acres – this is the first American location for this major Mexican greenhouse producer.	
Location	Pulaski County
Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	<ul style="list-style-type: none"> <li>• \$100,000 AFID Funds- used for site improvements</li> <li>• \$350,000 grant from the Governor's Opportunity Fund (GOF)</li> <li>• \$113,600 Virginia Jobs Investment Program (VJIP)</li> <li>• \$200,000 - Enterprise Zone Real Property Investment Grant</li> <li>• \$38,400 - Enterprise Zone Job Creation Grants</li> </ul>
Other funds from the political subdivision and their use	<ul style="list-style-type: none"> <li>• \$2,000,000 for site preparation</li> <li>• 100 acres of land (valued at \$20,000 per acre) for a total value of \$2,000,000</li> <li>• Local funds used to off-set project costs</li> </ul>
New jobs	One-Hundred-Forty-Two (142)
New investment	\$21 million
Minimum purchase Virginia-grown products	13,550,400 lbs of tomatoes grown at facility
Projected impact on agricultural and forestal producers	Although the facility will not be directly purchasing products from other producers, the presence of such a large producer of tomatoes and peppers will attract packaging, shipping and

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	related companies that will benefit the ag industry in the region and state.
Timetable for project completion	Expansion to begin in 2013 and be completed by 2018
Prevailing average wage in locality	\$34,758/year
Average wage of project	\$26,583/year
Status	Performance Agreement completed, funds released to County. First Annual Report due June 30, 2015.

<b>Shamrock Farms - (announced January 2013)</b> New, state-of-the-art dairy manufacturing facility producing extended shelf life (ESL) products.	
Location	Augusta County
Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	<ul style="list-style-type: none"> <li>• \$50,000 AFID Funds - used for site improvements.</li> <li>• \$250,000 grant from the Governor's Opportunity Fund (GOF)</li> <li>• \$650,000 (up to) - Economic Development Access Funds</li> <li>• \$45,000 - Virginia Jobs Investment Program (VJIP) – cash</li> <li>• \$50,000 - VJIP – cost avoidance</li> <li>• \$10,000 (up to) – Major Business Facility Jobs Tax Credit</li> </ul>
Other funds from the political subdivision and their use	<ul style="list-style-type: none"> <li>• \$800,000 cash</li> <li>• 40 acres of land (valued at \$32,000 per acre) for a total value of \$1,280,000</li> <li>• \$45,000 matching VJIP dollars</li> <li>• Local funds used to off-set project costs</li> </ul>
New jobs	Sixty (60)
New investment	\$50 million
Minimum purchase Virginia-grown products	\$13,550,000 or 7.54 million gallons of Virginia milk over three years
Projected impact on agricultural and forestal producers	The facility will be a significant new purchaser of milk, at least 30% (and likely much more) of which will come from Virginia
Timetable for project completion	Expansion to begin in 2013 and be completed by 2014
Prevailing average wage in locality	\$38,360/year
Average wage of project	\$39,553/year
Status	Performance Agreement drafted and submitted to parties for execution.

<b>Franklin Lumber, LLC - (announced June 2013)</b> Restart of the former Franklin International Paper 60 million board feet pine sawmill facility in Isle of Wight County	
Location	Isle of Wight County
Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	<ul style="list-style-type: none"> <li>• \$150,000 AFID Funds - to be spent on construction and installation costs for new building to house gas-fired boiler</li> <li>• \$71,000 Virginia Jobs Investment Program (VJIP)</li> <li>• \$260,000 - Enterprise Zone Job Creation Grants</li> </ul>
Other funds from the political subdivision and their use	<ul style="list-style-type: none"> <li>• \$74,900 - Local enterprise zone 25% machinery &amp; tools discount</li> <li>• \$10,000 - Local enterprise zone jobs grant</li> </ul>

	<ul style="list-style-type: none"> <li>• \$91,000 - Local Economic Development Incentive Grant</li> <li>• Local funds used to off-set project costs</li> </ul>
New jobs	Seventy-two (72)
New investment	\$14.8 million
Minimum purchase Virginia-grown products	1.45 million tons of logs purchased over five years. A minimum of 40% (580,000 tons) of the logs will come from Virginia.
Projected impact on agricultural and forestal producers	Project will have significant positive impact on loggers (who are estimated to earn \$5.7M annually from this facility) and forest landowners (annual payments to landowners are estimated at \$2.3M) in an area hard hit by the closure of the IP facility.
Timetable for project completion	Expansion to begin in 2013 and be completed by 2018
Prevailing average wage in locality	\$38,523/year
Average wage of project	\$42,500/year
Status	Performance Agreement completed, funds issued to County. First Annual Report due December 31, 2014.

<b>Dan River Plants - (announced July 2013)</b>	
Expansion/relocation of Dan River Plants (tissue culture/plant propagation) as it is spun-off from Danville's Institute of Advanced Learning and Research (IALR)	
Location	Pittsylvania County
Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	<ul style="list-style-type: none"> <li>• \$150,000 AFID Funds - to be spent on site improvements</li> <li>• \$21,600 Virginia Jobs Investment Program (VJIP)</li> <li>• \$78,000 - Enterprise Zone Job Creation Grants</li> </ul>
Other funds from the political subdivision and their use	<ul style="list-style-type: none"> <li>• \$200,000 - Reduced price sale of 20 acres in industrial park</li> <li>• \$10,000 - Local enterprise zone jobs grant</li> <li>• \$341,000 in Tobacco Commission Funds, previously committed to Pittsylvania County IDA for grading, site prep and running a natural gas line to the site</li> <li>• Local funds used to off-set project costs</li> </ul>
New jobs	Twenty-seven (27)
New investment	\$2.3 million
Minimum purchase Virginia-grown products	\$7.7 million in sales over three years of tissue-cultured plants produced on-site
Projected impact on agricultural and forestal producers	In addition to the significant plant production jobs and investment, the facility is the first of its kind in Virginia, providing plant propagation services that will be a strong and unique resource for Virginia's nursery industry
Timetable for project completion	Expansion to begin in 2013 and be completed by 2016
Prevailing average wage in locality	\$31,250/year
Average wage of project	\$42,500/year
Status	Performance Agreement completed, funds issued to County. First Annual Report due December 31, 2014

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<b>Virginia Produce Company - (announced September 2013)</b> Expansion/relocation of Virginia Produce Company (produce grading, packing and distribution)	
Location	Carroll County
Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	<ul style="list-style-type: none"> <li>• \$200,000 AFID Funds - to be spent for building improvements</li> <li>• \$20,000 Virginia Jobs Investment Program (VJIP)</li> <li>• \$20,000 - Enterprise Zone Job Creation Grants</li> <li>• \$100,000 - Enterprise Zone Real Property Improvement Grant</li> <li>• \$200,000 - Tobacco Region Opportunity Fund (TROF)</li> </ul>
Other funds from the political subdivision and their use	<ul style="list-style-type: none"> <li>• \$1,056,500 - Reduced price sale of county owned building</li> <li>• \$28,613 - Local enterprise zone benefits</li> <li>• \$23,718 - Grant based Machinery &amp; Tools Taxes paid</li> <li>• \$13,090 - Grant based on Real Estate Taxes paid</li> <li>• \$40,000 - Cash grant from Carroll County</li> <li>• Local funds used to off-set project costs</li> </ul>
New jobs	Twenty-five (25) New Jobs and Fifty (50) FTEs
New investment	\$2.54 million
Minimum purchase Virginia-grown products	\$12 million of Virginia grown produce over three years
Projected impact on agricultural and forestal producers	Significant positive impacts on current and prospective produce growers in the region – both through increased sales of current crops and opportunities for new crops; project also provides positions for disabled individuals in partnership with the Mount Rodgers Industrial and Developmental Center
Timetable for project completion	Expansion to begin 2013 with first stage completed Spring 2014
Prevailing average wage in locality	\$27,109/year
Average wage of project	\$19,261/year
Status	Performance Agreement completed, funds issued to County. First Annual Report due December 31, 2014.

<b>Shenandoah Processing, LLC - (announced December 2013)</b> Start-up of medium-scale (50,000 birds/day), organic-certified, custom poultry processor.	
Location	City of Harrisonburg
Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	<ul style="list-style-type: none"> <li>• \$50,000 AFID Funds - used for building improvements</li> <li>• \$79,050 Virginia Jobs Investment Program (VJIP)</li> </ul>
Other funds from the political subdivision and their use	<ul style="list-style-type: none"> <li>• \$50,000 – Cash grant from City of Harrisonburg</li> <li>• Local funds used to off-set project costs</li> </ul>
New jobs	One-hundred-and-two (102)
New investment	\$2.2 million
Minimum purchase Virginia-grown products	25 million chickens processed over the first three years of operation, valued at approximately \$160M
Projected impact on agricultural and forestal producers	Significant positive impact on Valley poultry growers who'll have a new market niche to exploit, a use for old (but viable) poultry houses, and a new processing option for their flocks.
Timetable for project completion	Processing birds by early 2014 with additional capacity improvements made through 2016
Prevailing average wage in locality	\$31,250/year
Average wage of project	\$35,498/year



Status	Performance Agreement completed, full funds issued to City. First Annual Report due December 31, 2014
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### **AFID Facility Grant Total Economic Development Impact**

As of June, 2014, there have been a total of 13 announced AFID Facility Grant projects totaling \$1,299,700 in grant funds committed or expended. These 13 projects account for 1,084 new jobs created and \$133,713,000 in new capital investments. These agribusiness companies have, on average, committed to purchase from Virginia approximately 70% of all the additional agricultural and forest products they will use to meet their new value-added processing needs.

### **AFID Planning Grants Program**

As part of the budget language funding the AFID program, \$250,000 in each year of the biennium was set-aside to encourage localities to think strategically about how they can better support and integrate agriculture and forestry-based industries into their community's overall economic development efforts. The AFID Planning Grants Program was developed with input from industry stakeholders, as well as the Virginia Association of Counties and the Virginia Department of Housing and Community Development.

The first round of applications for this new program was due March 1, 2013, with the first planning grants awarded in May 2013. AFID Planning Grants in the amount of \$249,000 were awarded to eleven projects covering thirty-one localities. A second round of AFID Planning Grant funding was announced July 10, 2013, with \$60,500 being awarded on October 16 to three projects covering seven localities developing plans on agritourism, a Virginia wine heritage center, and local food systems. Since then, AFID Planning Grant applications have been accepted on a rolling basis, allowing for applicants to work with the AFID Fund Coordinator to refine their project and submit stronger applications. Since the start of this year, Governor McAuliffe has announced five AFID Planning Grant awards totaling \$94,500, covering seven localities.

Here is a summary of each project:

**Project Title: Loudoun County Viticulture and Enology Education Center**

**Applicant:** Town of Purcellville

**Award:** \$17,500

**Summary:** The Town of Purcellville, with the support of Loudoun County, and in conjunction with Northern Virginia Community College, will conduct a feasibility study for the development of a viticultural and enology education center, using as a model the Shelton-Badgett North Carolina Center for Viticulture & Enology. It would serve Virginia's wine industry by training the next generation of wine makers and vineyard managers through certificate and degree programs.

**Project Title: Developing a Roadmap for Agriculture and Forestry Industries in Essex County**

**Applicant:** Essex County Industrial Development Authority

**Award:** \$17,000

**Summary:** Through a competitive bidding process, the Essex County Industrial Development Authority (IDA) is proposing to hire a contractor to work with an appointed Essex County Agriculture and Forestry Advisory Board to develop a strategic plan for agriculture and forestry industries within Essex County. The effort will help the County promote and enhance the competitiveness of its agriculture and forestry industry.

**Project Title: Local Food Initiative**

**Applicant:** Franklin County

**Award:** \$15,000

**Summary:** Franklin County is seeking an AFID Planning Grant to help Ferrum College implement a shared vision for making locally produced food a part of the County's economic development strategy. Included in the project is the operation of a flash freezer and storage freezer that will assist in furthering use of local food production. This equipment will allow the College to double their purchases of local foods, increasing their local sourcing for campus food from an already impressive 30% to 60% from Virginia producers. In 2012, Ferrum College's Dining Services purchased \$250,000 worth of product from local producers. The roughly \$100,000 project is also benefitting from \$49,402 in Tobacco Commission funds. The project will allow for at least one Full-Time Equivalent position on campus and provide additional access to local foods for their 1,500 primarily-residential students and 300 faculty and staff. Ferrum is also working with Franklin County Public Schools on a pilot basis to provide fresh, local food to them as well.

**Project Title: Virginia Produced: A Light Processing and Flash Freezing Hub for Virginia-Grown Produce**

**Applicant:** City of Charlottesville and Albemarle County

**Award:** \$35,000

**Summary:** This project will yield an actionable business plan for a flash freezing and light food processing hub, building on a feasibility study already completed by the Jefferson Area Board for Aging. The resulting business entity would source Albemarle County and Virginia-grown produce supplied by the Local Food Hub and distribute flash frozen bulk and retail packs and prepared meals to institutional customers such as the University of Virginia, Virginia Area Agencies on Aging, and specialty grocery retailers such as Whole Foods. Growers stand to benefit through greater demand for their crops and exposure to new purchasers.

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Local, wholesome food could be available year round for consumption by the local community.

**Project Title: Integrated Poultry Industry Feasibility Study**

**Applicant:** Pittsylvania County

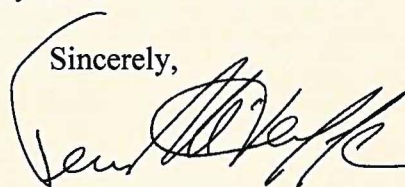
**Award:** \$10,000

**Summary:** To conduct an in-depth and independent feasibility study focused on attracting integrated poultry companies to Pittsylvania County. The study will inventory which companies are considering expanding, how and where a poultry complex could be located, which attributes of an area are attractive to poultry companies, and how the county can enhance its profile and marketing strategies to lobby these poultry companies. This feasibility study and the data it produces will be utilized to develop promotional pieces and to assist the county in the manner best suited to invite an integrator to Southern Virginia.

Since the inception of the AFID Planning Grant, \$404,000 has been committed from a pool of \$500,000. The remaining balance will be carried forward into the \$500,000 currently budgeted for AFID Planning Grants for the next biennium. Applications for these funds will continue to be accepted, reviewed, and awarded on a rolling basis until the fund is exhausted. Approximately \$100,000 in AFID Planning Grant projects are currently being discussed with potential applicants.

Should you have any questions, please do not hesitate to contact me or my Secretary of Agriculture and Forestry, Todd Haymore.

Sincerely,



Terence R. McAuliffe

TRM  
Enclosures

cc: The Honorable Todd P. Haymore, Secretary of Agriculture and Forestry  
The Honorable R. Steven Landes, 25<sup>th</sup> House District  
The Honorable John C. Watkins, 10<sup>th</sup> Senate District  
Jason Powell, Senate Finance Committee Staff  
Anne Oman, House Appropriations Staff  
Sandra J. Adams, Commissioner, Virginia Department of Agriculture and Consumer Services