



REPORT ON THE VIRGINIA BEEHIVE GRANT PROGRAM

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Legislative Mandate

Item 93(A) of the 2017 Appropriation Act

Executive Summary

Chapters 412 and 473 of the 2012 Acts of Assembly established the Virginia Beehive Grant (BHG) program and fund (Va. Code § 3.2-4415 through § 3.2-4416) in an effort to improve honey bee populations in the Commonwealth. The BHG program has provided grant funding to individuals for the purchase of a new honey bee hive or materials or supplies to construct a new honey bee hive. The Virginia Department of Agriculture and Consumer Services (VDACS) has administered the BHG program and the disbursement of BHG funds.

Item 93 of the 2017 Appropriation Act eliminates funding for the BHG program in fiscal year 2018. The Item directs VDACS to discontinue accepting BHG applications if support is not appropriated for the BHG fund. The Item further requires that VDACS report to the Chairmen of the House Appropriations and Senate Finance Committees the amount and number of grants distributed each fiscal year, the impacts to the bee populations in the Commonwealth, and efficiency recommendations regarding the Beehive Grant Program.

BACKGROUND AND OVERVIEW

Chapters 412 and 473 of the 2012 Acts of Assembly established the BHG fund and provided that, beginning January 1, 2013, any individual who either purchased a new hive or purchased materials or supplies to construct a new hive may apply for a grant from the fund. The 2012 Acts of Assembly required that these grants be in the amount of \$200 per new hive, not to exceed \$2,400 per individual per year. In order to qualify to receive a BHG, the grant applicant is required to register as a beekeeper with VDACS.

Chapters 412 and 473 of the 2012 Acts of Assembly further provided that grant funding must be issued to individuals in the order in which each completed eligible application is received. In the event that the amount of eligible grants requested in a fiscal year exceeded the funds available in the BHG fund, such eligible grants were to be paid in the next fiscal year in which monies were available.

DISTRIBUTION OF BEEHIVE GRANTS

VDACS established eligibility requirements and developed associated guidelines for participation in the BHG program. In addition, an online application and registration system was developed for grant applicants.

Individuals applying for a grant were required to verify the purchase of qualifying items through the submission of receipts for a new beehive or materials for the construction of a beehive. A qualifying purchase included a honey bee hive box or boxes along with frames and comb foundation for each purchased hive box. In addition, a hive bottom board, inner and outer covers, and entrance reducer were qualifying items. The BHG guidelines required that the grant recipient establish the new honey bee colony within one year of the date the qualifying items were purchased.

Since the beginning of the BHG program, VDACS has received 2,124 grant applications and issued 730 grants. VDACS distributed a total of \$343,999.22 in grant funding. The average grant payment was \$471.23, with payments ranging from \$66.72 to \$2,400 per individual. Grant recipients used the funds to establish 2,244 honey bee colonies, and, on average, each grant recipient established 3.1 beehives. Of the remaining grant applications, 660 have been reviewed and are eligible for reimbursement should funds become available in the future and approximately 735 applications were reviewed and determined to be ineligible or incomplete.

Grant recipients were located throughout the Commonwealth, with the greatest number located in the Northern Region and the lowest number in the Eastern Region (see Figure 1). Grant recipient locations coincided with the location of beekeeping classes and workshops provided through local beekeeper organizations.

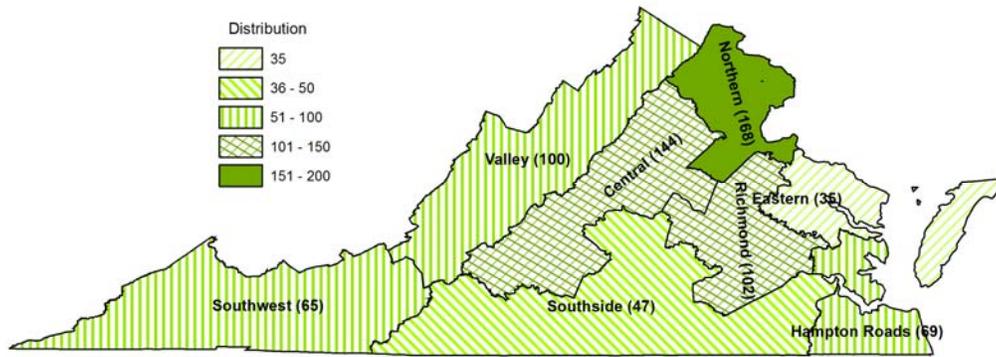


Figure 1: Regional Distribution of Beehive Grants¹

The BHG program received an appropriation of \$125,000 per year from fiscal year (FY) 2013 through FY 2017. Additionally, the BHG fund earned interest in the amount of approximately \$4,800 during this time period. The number of grants and amount of grant funds distributed each fiscal year is highlighted in Table 1. A total of \$252,000 was transferred from the BHG fund to the general fund as part of state budget reductions in FY 2015 and FY 2017. As a result, the BHG program experienced delays in distribution of grants during those years in which these cash transfers occurred. In FY 2017, \$16,302 of the BHG fund was used for administrative expenses related to the review and processing of BHG applications. Currently there are 660 pending applications, requesting a total of \$237,575 in grant funding, that have been reviewed by VDACS staff and are eligible for reimbursement but cannot be processed due to elimination of funding in the Appropriation Act. As of October 1, 2017, approximately \$17,500 remained in the BHG fund with disbursement to BHG applicants contingent on administrative appropriation of the BHG fund balance.

Table 1: Number Grants and Amount of Monies Distributed Through the Beehive Grant Fund.

Fiscal Year	Grants	Amount Distributed
FY2013	0	\$0.00
FY2014	274	\$153,030.98
FY2015	100	\$46,178.32
FY2016	324	\$134,979.36
FY2017	18	\$5,505.81
FY2018	14	\$4,304.75
Total	730	\$343,999.22

¹ Regions from Weldon Cooper Center for Public Service based on proximity and geography as well as distinct inter-regional variations including regional history, demographic characteristics, and shared socioeconomic conditions.

IMPACT OF THE BEEHIVE GRANT PROGRAM ON HONEY BEE POPULATIONS

VDACS conducted a survey of grant recipients during the summer of 2017 to determine the impact of the BHG program on honey bee populations in Virginia and the beekeeping community. VDACS received responses from 475 BHG recipients.

Of the 475 respondents, 85 percent indicated that they used BHG funds to construct beehives intended for personal use for honey production and pollination (see Table 2). The remaining respondents utilized the BHG funds to construct hives for commercial purposes to pollinate crops, sell honey, or produce honey bee queens and bees. One individual stated that the primary purpose for constructing his beehives was educational purposes.

Table 2: Purpose for Constructing New Beehives

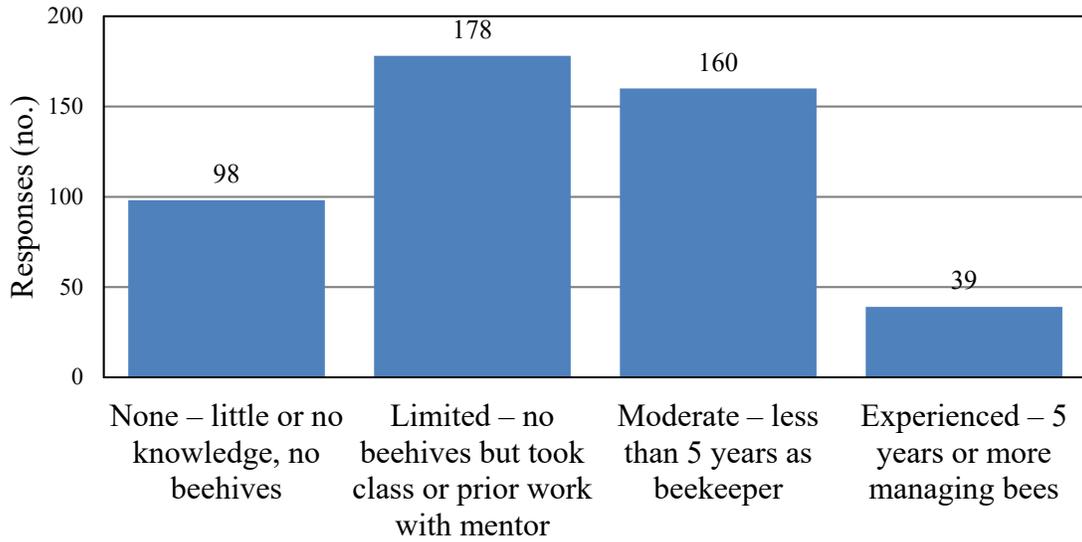
Purpose	Number
Education	1
Sale of bees, nucs or queens*	7
Crop pollination for self or others	19
Sale of honey and/or wax products	44
Personal use	403

*Note: "Nucs" refers to nucleus bees sold by beekeepers as a starter honey bee colony.

Of the individuals who submitted a BHG application, 59 percent indicated that they did not own any beehives prior to submitting their application. Only four individuals stated on their grant application that they possessed a sufficient number of hives to conduct commercial beekeeping endeavors, such as the sale of honey or hive rental for crop pollination. This closely coincided with the reported level of beekeeping experience by the survey respondents, as 58 percent of those respondents reported they had limited or no previous experience managing a honey bee colony (see Graph 1). However, two-thirds of these individuals had received training in honey bee management prior to constructing their beehives either through a class or working with a mentor. Of the remaining respondents, only 8 percent reported possessing five years or more of experience in beekeeping.

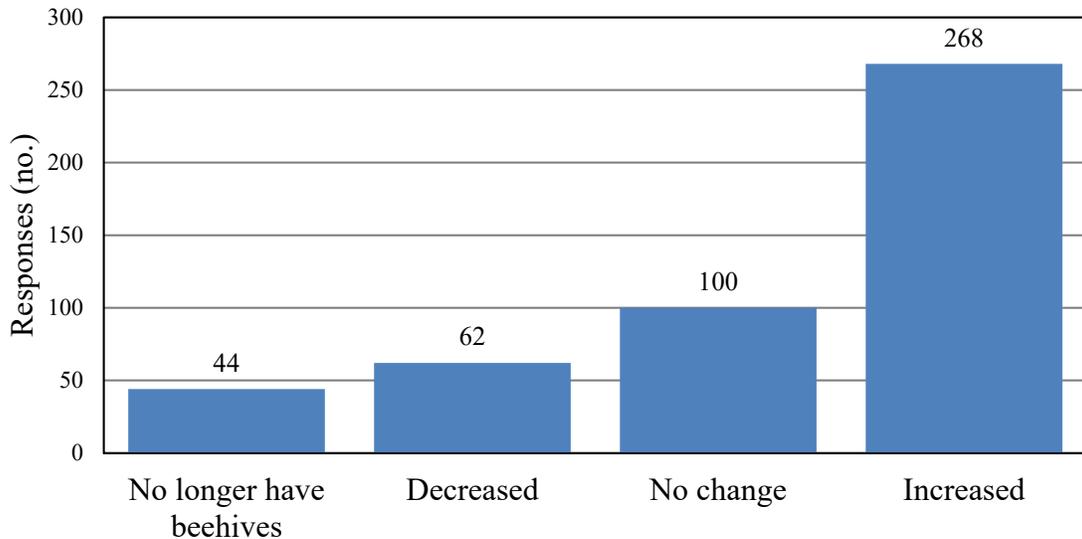
Management of a beehive requires a high degree of physical labor and knowledge of honey bee behavior. Hive boxes filled with honey can weigh in excess of 60 pounds. Disturbance of a beehive can result in defensive behavior, including stinging, by worker bees in the colony. Introduction of honey bee pests and diseases into North America over the past three decades requires closer monitoring of honey bee health and an understanding of these maladies. The more information and training an individual receives in beekeeping, the greater the individual's satisfaction and experience and the more likely this person will continue keeping bees.

Graph 1: Beekeeping Experience of Beehive Grant Recipients

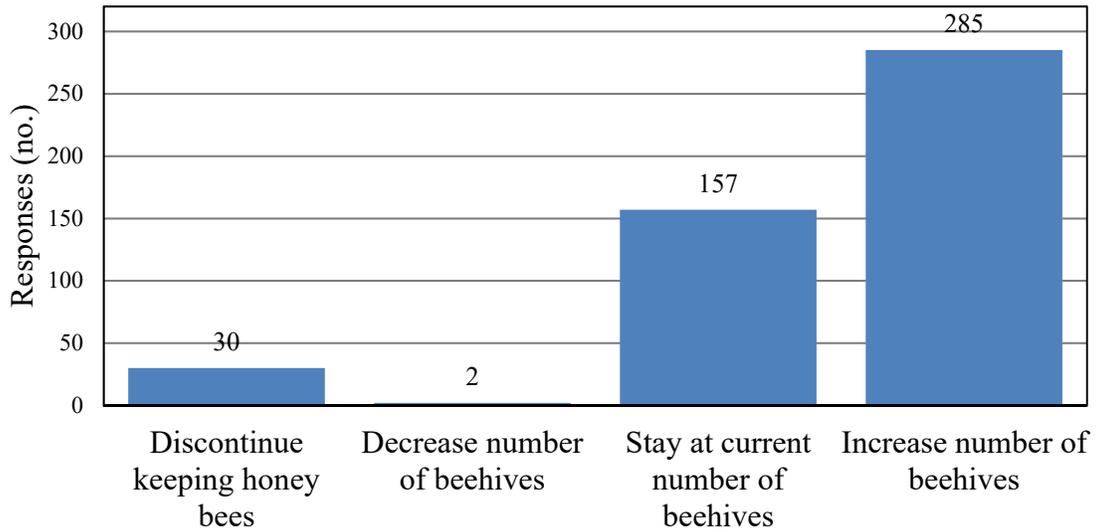


The BHG program resulted in the establishment of 2,244 beehives in the Commonwealth. More than half of grant recipients, or 56 percent, reported that they increased their number of beehives since receiving a grant (see Graph 2). Only 9 percent of grant recipients reported that they no longer manage beehives. The level of satisfaction in beekeeping was further demonstrated, as 60 percent of grant recipients plan to increase the number of beehives in the future (see Graph 3). Only 6 percent plan to decrease or discontinue beekeeping activities.

Graph 2: Change in Number of Beehives Since Receiving a Beehive Grant

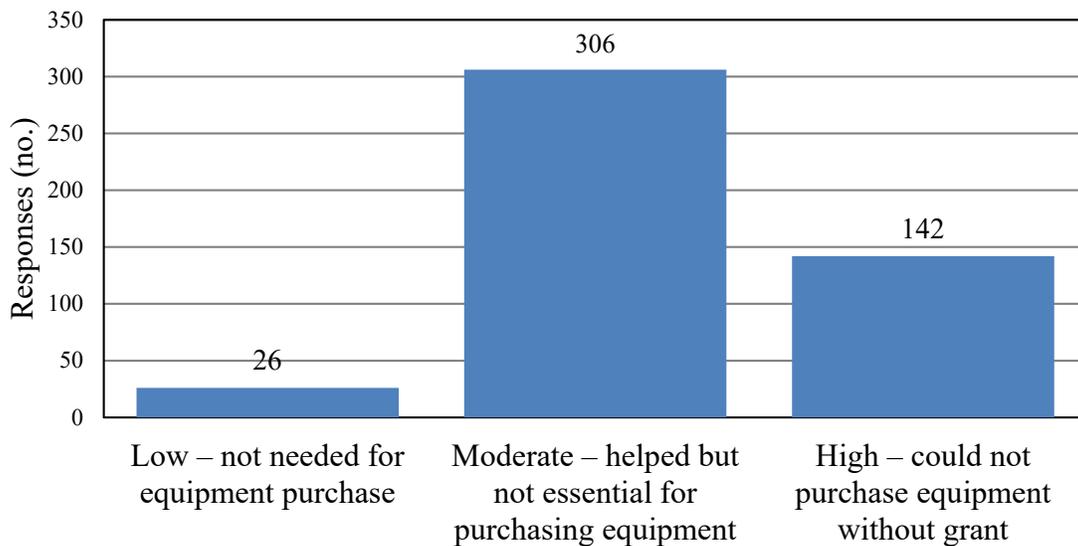


Graph 3: Future Plans Regarding Beekeeping Activities



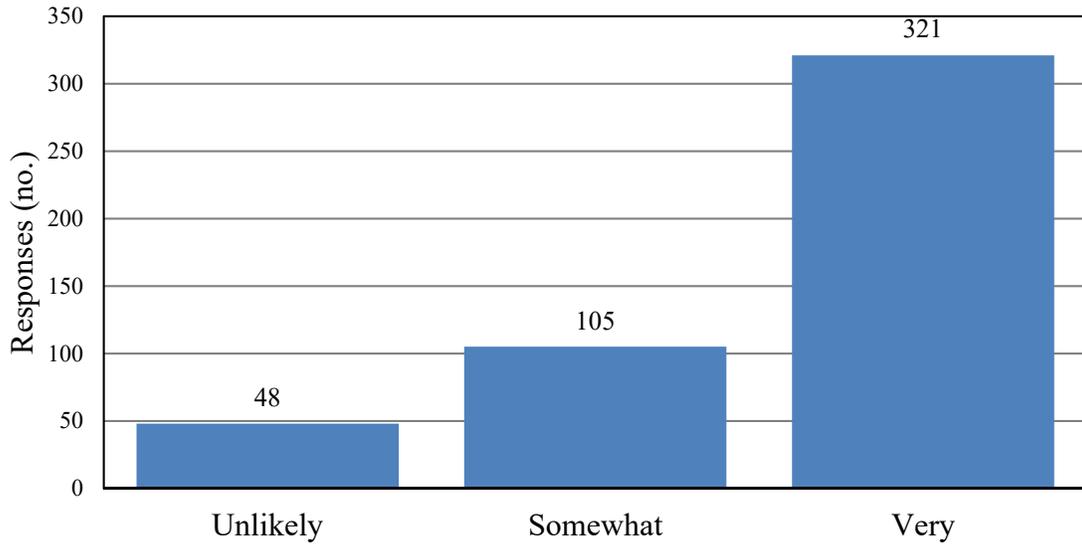
Overall, grant recipients found the BHG program beneficial to their beekeeping activities (see Graph 4). Of the grant recipients, 94 percent reported that the grant was moderately to highly helpful in their decision to construct new beehives.

Graph 4: Importance of Beehive Grant Program in Decision to Construct New Beehives.



Future participation in the BHG program is highly likely. Only 10 percent of recipients reported that they were unlikely to apply for another grant should funding be available in the future (see Graph 5).

Graph 5: Likelihood Individual Would Apply for Another Beehive Grant



RECOMMENDATIONS

Grant recipients were asked to provide comments and suggestions regarding the BHG program. Comments were generally supportive of the program. A number of individuals requested the program continue with additional funds appropriated for the distribution of grants. A common complaint was the time required to receive a grant. This was a result of the delay in distribution of funds to grant recipients during years in which cash transfers occurred as well as the time required for staff to review and approve applications. Suggestions for improving the program focused on including additional items eligible for reimbursement, particularly the purchase of honey bees or nucleus colonies. Other suggestions included (i) simplifying the application process, (ii) using funds to provide training and research, including disease and pest control measures, (iii) limiting grants to new beekeepers, (iv) limiting grants to experienced beekeepers and commercial operations, (v) increasing advertisement of the grant program, (vi) changing the grant to a tax credit, and (vii) supplying equipment rather than grant funds.

Management of the BHG program and distribution of the BHG funds was impacted by other duties and responsibilities of VDACS staff. Providing assistance to individuals applying for a grant, processing applications, and follow-up communications to ensure individuals accurately completed their application required extensive staff time. While there were 730 applications that were approved and 660 applications currently pending approval, VDACS received 700 applications that did not qualify but required staff time for review and follow-up. Maintaining information technology support for the online application and registration software are additional expenses incurred by VDACS related to administration of the BHG program.

Section 3.2-4416 of the Code of Virginia requires the agency to issue grants in the order in which they are received and continue accepting grant applications even when funds are not available. This provision resulted in a backlog of applications during times when grant funding was unavailable as grant applications continued to be submitted. In addition, the processing and review of each application required extensive staff time. These factors resulted in the distribution of grant funds to some individuals more than a year after they had applied.

The survey demonstrated support for a BHG program; however, the agency recommends more efficient methods for the disbursement of beehive equipment. In 2008, VDACS cooperated with Virginia Cooperative Extension (VCE) to distribute basic beehive units to individuals across the Commonwealth. Distribution of these beehives was coordinated with VCE and beekeeper organizations to ensure beehive equipment was made available to beekeepers throughout the Commonwealth. Bulk purchase of equipment for constructing beehives reduced the per unit cost. VDACS estimates that the cost for a basic beehive unit is approximately \$240 per hive, and a bulk purchase can reduce the cost to approximately \$120 per hive. VDACS recommends continuation of a BHG program using an approach similar to the 2008 collaboration with VCE, as this will reduce VDACS expenses and beehive costs as well as increase the number of beehives made available to individual beekeepers. In addition, funds for administration of the BHG program should continue to be made available for VDACS and VCE. VDACS estimates that administration costs for VDACS and VCE would be approximately \$10,000 per year. Such a program should be considered as a modification to the current BHG program.