



COMMONWEALTH of VIRGINIA
Office of Governor

Bettina K. Ring
Secretary of Agriculture and Forestry

July 30, 2019

The Honorable Thomas K. Norment
Co-Chair
Senate Finance Committee
Senate of Virginia

The Honorable Emmett W. Hanger, Jr.
Co-Chair
Senate Finance Committee
Senate of Virginia

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

The Honorable Brenda L. Pogge
Vice Chair
House Finance Committee
House of Delegates

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

The Honorable R. Steven Landes
Vice-Chairman
House Appropriations Committee
House of Delegates

Dear Senators and Delegates:

As required by § 3.2-309 of the Code of Virginia, enclosed is the biannual report for the Governor's Agriculture and Forestry Industries Development (AFID) fund covering January 1, 2019, through June 30, 2019. The report includes details on all new projects awarded AFID Facility and Planning grants and updates on previously awarded Facility grant projects.

Should you have any questions regarding this submission, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Bettina K. Ring". The signature is fluid and cursive, with the first name being the most prominent.

Bettina K. Ring

BKR

Enclosures

cc: Dr. Jewel Bronaugh, Commissioner, Virginia Department of Agriculture and Consumer Services

AFID Facility Grant Program

As of June 30, 2019, there were 81 active or completed AFID Facility Grants awarded since the inception of the program, supporting a variety of agriculture and forestry based economic development projects. Of these, 75 have an executed Performance Agreement between a locality and a beneficiary company, and funds have been disbursed. Progress is being made towards completing Performance Agreements and payments for the other awardees. Total AFID Facility Grant awards for these 81 projects amount to \$6,375,400. Of this amount, \$5,765,400 has been released to the applicants. Of the \$610,000 remaining balance \$570,000 will be released upon the successful execution and completion of the six outstanding Performance Agreements, and \$40,000 is committed to one applicant through an executed Performance Agreement with grant payments to be made upon achievement of specific project milestones. These 81 projects represent the creation of 2,004 new jobs and 310.4 Full-Time Equivalent positions (FTEs) across 52 unique localities; \$481,938,087 in new capital investment; and \$599,740,844 in new Virginia-grown purchases. These agribusinesses have, on average, committed to purchase from Virginia approximately 79% of the additional agricultural and forest products they will use to meet their new value-added processing needs.

For the second half of FY 2019, a total of \$295,000 was committed in AFID Facility Grant funds to assist six economic development projects in the Commonwealth, representing a commitment of \$8,499,600 in new capital investment; 48 new jobs and 24 FTEs; and \$4,144,374 in new Virginia-grown purchases. These companies have, on average, committed to purchase from Virginia approximately 90% of the additional agricultural and forest products they will use to meet their new value-added processing needs. Summaries of these projects organized by announcement date are listed below:

Announced AFID Facility Grant Projects for the period January – June 2019:

Potter’s Craft, LLC dba Potter’s Craft Cider (announced January 30, 2019) Relocation and expansion of a craft cidery	
Location	Albemarle County
Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	\$50,000 AFID Fund – building improvements
Other funds from the political subdivision and their use	\$30,000 Local Cash Grant – Albemarle County Board of Supervisors – building improvements \$20,000 Local Cash Grant – building improvements
New jobs	Five (5) new jobs and Seven (7) FTEs
New investment	\$1,560,000
Minimum purchase Virginia-grown products	\$519,794 (2,572,060 pounds) of Virginia-grown apples and other Virginia-grown fruits (99% of net new expected purchases)
Projected impact on agricultural and forestal producers	This project expands a high-profile market for Virginia-grown apples and other fruits.

Timetable for project completion	2019 – 2022
Prevailing average wage in locality	\$53,838/year
Average wage of project	\$40,583/year
Status	Performance Agreement executed; funds released to County.

Old Rappahannock Brewing Company, LLC d/b/a Old Rappahannock Brewing Company (announced February 27, 2019) New craft brewery	
Location	Town of Warsaw
Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	\$50,000 AFID Fund – building improvements
Other funds from the political subdivision and their use	\$93,000 Local Cash Grant – building improvements
New jobs	Six (6) new jobs and Five (5) FTEs
New investment	\$1,205,000
Minimum purchase Virginia-grown products	\$17,872 (35,063 pounds) of Virginia-grown oysters, wheat and fruit (91% of total expected purchases)
Projected impact on agricultural and forestal producers	This project expands a high-profile market for Virginia-grown oysters, wheat and fruit.
Timetable for project completion	2019 – 2022
Prevailing average wage in locality	\$37,305/year
Average wage of project	\$30,454/year
Status	Performance Agreement executed; funds released to the Town.

Cook’s Corner Partners LLC (announced March 25, 2019) New commissary kitchen and brewery	
Location	Middlesex County
Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	\$100,000 AFID – building improvements
Other funds from the political subdivision and their use	\$100,000 Local Cash Grant – building improvements
New jobs	Ten (10) new jobs and Ten (10) FTEs
New investment	\$2,000,000
Minimum purchase Virginia-grown products	\$592,708 (101,059 pounds) of Virginia-grown seafood, meat, produce, hops, honey, wheat, pumpkins, fruit and oysters (51% of total expected purchases)
Projected impact on agricultural and forestal producers	This project expands a high-profile market for Virginia-grown seafood, meat, produce hops, honey, wheat, pumpkins, fruit and oysters.
Timetable for project completion	2019 – 2021
Prevailing average wage in locality	\$34,214/year

Average wage of project	\$27,550/year
Status	Performance Agreement under development.

Dombroski Vineyards, LLC dba New Kent Winery (announced April 29, 2019) Winery expansion	
Location	New Kent County
Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	\$15,000 AFID – building improvements
Other funds from the political subdivision and their use	\$15,000 Local Cash Grant – building improvements
New jobs	Seven (7)
New investment	\$715,000
Minimum purchase Virginia-grown products	\$360,000 (120 tons) of Virginia-grown grapes (100% of total expected purchases)
Projected impact on agricultural and forestal producers	This project expands the market for Virginia-grown grapes.
Timetable for project completion	2019 – 2021
Prevailing average wage in locality	\$37,193/year
Average wage of project	\$40,000/year
Status	Performance Agreement sent to the County for signature.

Virginia Ciderworks Company, LLC dba Lost Boy Cider (announced May 15, 2019) New craft hard cidery	
Location	City of Alexandria
Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	\$30,000 AFID Fund – building improvements
Other funds from the political subdivision and their use	\$30,000 Local Cash Grant – building improvements
New jobs	Five (5) new jobs and Two (2) FTEs
New investment	\$668,800
Minimum purchase Virginia-grown products	\$354,000 (1,280,000 pounds) of Virginia-grown apples (99% of total expected purchases)
Projected impact on agricultural and forestal producers	This project expands a high-profile market for Virginia-grown apples
Timetable for project completion	2019 – 2022
Prevailing average wage in locality	\$76,409/year
Average wage of project	\$44,301/year
Status	Performance Agreement sent to the City for review.

M&M Milling at Franklin LLC (announced June 28, 2019) New milling operation	
Location	Isle of Wight County

Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	\$50,000 AFID – building improvements \$39,800 Department of Housing and Community Development (DHCD) Enterprise Zone Real Property Investment Grant – building improvements \$35,200 DHCD Enterprise Zone Job Creation Grant – any lawful purpose \$12,000 Virginia Job Investment Program (VJIP) – job training
Other funds from the political subdivision and their use	\$7,500 Local Enterprise Zone Job Creation Grant – any lawful purpose \$7,900 Local Enterprise Zone Machine and Tools Tax Rebate – incentivize job creation \$43,900 Local In-Kind - water service upgrades
New jobs	Fifteen (15) new jobs
New investment	\$2,350,800
Minimum purchase Virginia-grown products	\$2,300,000 (575,000 bushels) of Virginia-grown shelled corn (100% of total expected purchases)
Projected impact on agricultural and forestal producers	This project creates a new local market for Virginia corn producers.
Timetable for project completion	2019 – 2021
Prevailing average wage in locality	\$46,943/year
Average wage of project	\$46,200/year
Status	Performance Agreement sent to the County for review.

AFID Planning Grant Program

Since the inception of the AFID Planning Grant, \$807,482 has been awarded to 39 active or completed projects, directly impacting 58 unique localities. Of these funded projects, 35 have successfully completed the grant, the remaining four are in progress.

During the second half of FY 2019, one AFID Planning Grant was awarded totaling \$11,885, covering three localities. A summary of the project is listed below:

Announced AFID Planning Grant Projects for the period January – June 2019:

Project Title: Vendor Training and Local Foods Tradeshow Toolkit
Applicant: Shenandoah County on behalf of Augusta County and Rockingham County
Amount Requested: \$11,885

Summary: Agriculture is a key industry in Virginia and the Shenandoah Valley is a key area for agricultural production. Many of the farms producing in the Valley are small and medium sized, meaning they often lack the resources to compete with larger farms in getting their products to market and are not equipped to market directly to consumers. To address this need, fourteen localities in the Shenandoah Valley have developed a regional agriculture-based networking and tradeshow event known as the Shenandoah Valley Farm2Fork Affair to increase agricultural sales and build the capacity of the region's farms and food producers. This year's event took place on March 5, 2019, with future plans to be held biennially to complement the Virginia's Finest Food & Beverage Expo. The applicants are seeking funding to capitalize on an existing event to further help farmers and localities throughout the Commonwealth. The AFID award will be used to fund regional trainings designed to prepare producers for marketing directly to wholesale buyers, with a focus on how best to take advantage of this networking opportunity; the funds will also be used to develop a toolkit on conducting these events and pre-event trainings that can be used by other localities wishing to host their own trade events.