



COMMONWEALTH of VIRGINIA

Office of the Governor

Ralph S. Northam
Governor

September 29, 2021

The Honorable Janet D. Howell
Chair
Senate Finance and Appropriations Committee
Senate of Virginia

The Honorable Luke E. Torian
Chair
House of Appropriations Committee
House of Delegates

The Honorable Vivian E. watts
Chair
House Finance 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, 2021 through June 30, 2021 for the Governor to provide to the Chairmen of the House Committees on Appropriations and Finance and the Senate Committee on Finance. The report includes summaries on all new projects awarded AFID Facility and Planning grants. Information and updates on previously awarded projects are available by request.

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 "Ralph S. Northam".

Ralph S. Northam

The Honorable Ralph Northam
September 29, 2021
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Enclosures

cc: Bradley Copenhaver, Commissioner, Virginia Department of Agriculture and Consumer Services

AFID Facility Grant Program

As of June 30, 2021, there were one hundred five (105) active or completed AFID Facility Grants awarded since the inception of the program, supporting a variety of agriculture- and forestry-based economic development projects across sixty-two (62) unique Virginia localities. These one hundred five (105) projects total \$8,464,900 in AFID grant funds and represent the creation of 2,901 new jobs, \$690,336,729 in new capital investment, and \$931,481,054 in new Virginia-grown purchases. Through these projects agribusinesses have, on average, committed to purchase from Virginia farms and forestland owners approximately 87% of the agricultural and forestry products needed to meet their new value-added processing requirements.

For the second half of FY 2021, a total of \$725,000.00 was committed in AFID Facility Grant funds to assist eight (8) new and expanding projects in the Commonwealth, which represents the commitment of \$34,960,568.00 in new capital investment, 193 new jobs and 15 FTEs, and \$78,330,523.00 in new Virginia-grown purchases. These companies have, on average, committed to purchase from Virginia approximately 90% of the new 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 2021:

Rambler Stave, LLC (announced January 15, 2021) New manufactured wood products facility	
Location	Russell County
Grant amount committed from AFID	\$300,000 AFID – building improvements
Other funds committed by the Commonwealth	\$58,400 VJIP – job training
How these funds will be used	
Other funds from the political subdivision and their use	\$1,500,000 – building improvements
New jobs	Seventy-three (73)
New investment	\$7,565,000
Minimum purchase Virginia-grown products	\$22,298,646 (13,116,850 board feet) of Virginia-grown timber (55% of all anticipated purchases)
Projected impact on agricultural and forestal producers	This project increases markets for Virginia-grown forest products
Timetable for project completion	2021-2024
Prevailing average wage in locality	\$40,421
Average wage of project	\$41,623
Break Even	3 rd year, 2 nd quarter
Status	In Progress

Smiley’s Ice Cream (announced January 29, 2021) New ice cream manufacturing facility and retail store	
Location	Rockingham County
Grant amount committed from AFID	\$20,000 AFID – for building improvements

Other funds committed by the Commonwealth How these funds will be used	
Other funds from the political subdivision and their use	\$20,000 in local matching funds – for building improvements
New jobs	Eight (8) FTEs
New investment	\$1,154,268
Minimum purchase Virginia-grown products	\$141,752 (18,057 gallons of Virginia-grown dairy and 2,580 pounds of Virginia-grown fruit) - 99% of total expected net new agricultural purchases
Projected impact on agricultural and forestal producers	This project expands a high-profile market for Virginia-grown dairy and fruit
Timetable for project completion	2021-2024
Prevailing average wage in locality	\$45,838
Average wage of project	\$19,320
Break Even	1 st yr., 2 nd qtr.
Status	In Progress

Fresh Impact Farms, LLC (announced March 1, 2021) Hydroponic greenhouse expansion	
Location	Arlington 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 – building improvements
New jobs	Two (2) new jobs and four (4) FTEs
New investment	\$137,500
Minimum purchase Virginia-grown products	\$850,000 (10,500 lbs) of Virginia-grown leafy greens, herbs and edible flowers (100% of total expected purchases)
Projected impact on agricultural and forestal producers	This project increases markets for Virginia-grown leafy greens, herbs and edible flowers
Timetable for project completion	2021-2024
Prevailing average wage in locality	\$95,932
Average wage of project	\$38,333
Break Even	3 rd year, 3 rd quarter
Status	Active

Overlook Farms and Produce, LLC dba Overlook Produce & Farm Adventures (announced April 14, 2021) New produce sorting and packing facility and retail market pavilion	
Location	Rockingham 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 in local matching funds – building improvements
New jobs	Three (3) new jobs and Three (3) FTEs
New investment	\$850,800
Minimum purchase Virginia-grown products	\$201,270 (157,447 pounds) of Virginia-grown produce, fruit, seafood, beef and pork (100% of total expected net new agricultural purchases)
Projected impact on agricultural and forestal producers	This project increases market opportunities for Virginia producers of produce, fruit, seafood, beef and pork.
Timetable for project completion	2021-2024
Prevailing average wage in locality	\$45,838
Average wage of project	\$31,000
Break Even	1 st year, 3 rd qtr.
Status	In progress

Sunny Farms, LLC (announced April 20, 2021) New greenhouse operation	
Location	City of Virginia Beach
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 match – building improvements
New jobs	Thirteen (13) new jobs
New investment	\$7,400,000
Minimum purchase Virginia-grown products	\$10,345,500 (9,900,000 lbs) of Virginia-grown leafy greens (100% of total expected purchases)
Projected impact on agricultural and forestal producers	This project grows Virginia’s hydroponic greenhouse industry and builds its workforce
Timetable for project completion	2021 - 2024
Prevailing average wage in locality	\$44,729
Average wage of project	\$58,077
Break Even	2022
Status	In progress

Traeger Pellet Grills, LLC (announced April 28, 2021) New pellet mill facility	
Location	Wythe County
Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	\$75,000 AFID – building improvements
Other funds from the political subdivision and their use	\$75,000 – building improvements
New jobs	Fifteen (15) new jobs

New investment	\$2,968,000
Minimum purchase Virginia-grown products	\$15,596,250 (92,500 tons) of dried Virginia hardwood residual products (100 percent of all expected purchases)
Projected impact on agricultural and forestal producers	This project increases markets for Virginia-grown hardwood forest products.
Timetable for project completion	2021 - 2024
Prevailing average wage in locality	\$35,801
Average wage of project	\$36,942
Break Even	3 rd year, 4 th quarter
Status	In progress

Beanstalk Farms, Inc. dba Beanstalk (announced May 24, 2021) Relocation and expansion of a hydroponic greenhouse operation	
Location	Fairfax County
Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	\$100,000 AFID – building improvements \$12,750 VJIP – workforce training
Other funds from the political subdivision and their use	\$100,000 in local matching funds – building improvements
New jobs	twenty-nine (29) new jobs
New investment	\$2,085,000
Minimum purchase Virginia-grown products	\$8,357,105 (922,125 pounds) of Virginia-grown leafy greens and fresh cut herbs (100% of all expected production)
Projected impact on agricultural and forestal producers	This project grows Virginia’s indoor-growing industry and supports urban agriculture.
Timetable for project completion	2021 - 2024
Prevailing average wage in locality	\$92,014
Average wage of project	\$68,621
Break Even	2 nd year, 3 rd quarter
Status	In progress

Prolam, LLC (announced June 30, 2021) Location of a new trailer floor manufacturing facility	
Location	Patrick County
Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	\$100,000 AFID – building improvements \$43,500 VJIP – workforce training
Other funds from the political subdivision and their use	\$383,651 in local matching funds – building improvements
New jobs	fifty-eight (58) new jobs
New investment	\$12,800,000

Minimum purchase Virginia-grown products	\$20,540,000 (41,080,000 board feet) of Virginia-grown hardwoods (65% of total expected purchases)
Projected impact on agricultural and forestal producers	This project expands a high-profile market for Virginia-grown hardwoods.
Timetable for project completion	2021-2024
Prevailing average wage in locality	\$30,839
Average wage of project	\$38,931
Break Even	4 th year, 4 th quarter
Status	In progress

AFID Planning Grant Program

Since the inception of the AFID Planning Grant, \$1,043,232 has been awarded to 51 active or completed projects, directly impacting 63 unique localities. Of these funded projects, thirty-nine (39) have successfully completed the grant.

During the first half of FY 2021, Governor Northam announced six (6) new AFID Planning Grant awards totaling \$127,000, covering seven (7) localities. A summary of each project is listed below.

Announced AFID Planning Grant Projects for the period January – July 2021:

Project Title: Southside Virginia Fruit and Vegetable Producers Association
(Announced February 23, 2021)

Applicant: Charlotte County

Amount Requested: \$20,000

Summary: Charlotte County has a diversifying agriculture sector, an example of which is the growing Southside Virginia Fruit and Vegetable Producers Association (“Association”). The Association is a cooperative (co-op) of 23 member farms that collectively market and sell their produce. With the help of a \$176,000 grant from the Tobacco Region Revitalization Commission, the Association will be investing in a distribution warehouse in 2021. In order to capitalize on the success of the Association and to further invest in its growth, this project will: 1) provide funding for a part-time employee to manage produce inventory and accounting; and 2) partially fund the purchase of a forklift to increase efficiency at the new facility.

Project Title: Specific Pathogen Free Sheep Production (Announced February 23, 2021)

Applicant: Grayson County

Amount Requested: \$20,000

Summary: Grayson County will leverage its federal Opportunity Zone designation, an investment from Opportunity Appalachia, and support from LOCUS Impact Investing to help make the county a hub for specialized livestock production. This grant will be used to provide professional investor recruitment services needed to bring the production of high-value, pathogen-free sheep for biomedical research and associated applications to Grayson County.

Project Title: Fresh Food Project (Announced February 21, 2021)

Applicant: Page County

Amount Requested: \$12,000

Summary: The Fresh Food Project has two primary goals: to identify methods to establish a supply chain for locally grown foods, thus creating a market for mid-sized producers; and to identify opportunities for consumers, tourists, and regional partners to build a community that is focused on health and wellness. Funding is requested to build on the GO Virginia-funded Agricultural Enterprise Center Feasibility Study in Region 8 by identifying ways to establish a supply chain for locally-grown foods and to develop a plan to implement recommendations, including identifying partners, funding sources, budgets, and timelines.

Project Title: Brunswick County Produce Processing Facility Study (Announced June 28, 2021)

Applicant: Brunswick/Lunenburg County

Amount Requested: \$35,000

Summary: Brunswick and Lunenburg Counties submitted a joint application to fund architectural and engineering plans for a proposed large-scale produce processing facility. To be operated by Southside Virginia Vegetable Packing, LLC (SVVP), the facility will provide needed infrastructure that allows the region's former tobacco producers to transition to vegetable production. Organic and conventional vegetable crops offer former tobacco farmers a stable and growing market opportunity that leverages existing farmland, labor and production equipment so they can maintain and grow their operations. SVVP, which is currently engaged in fruit and vegetable production, aggregation and distribution, has seen tremendous growth and is need of a large-scale produce processing facility to meet growing demand.

Project Title: Produce Auction for Lee County Planning Initiative (Announced June 28, 2021)

Applicant: Lee County

Amount Requested: \$20,000

Summary: Lee County and the surrounding region has an established agricultural history. As tobacco markets continue to contract, many Lee County burley tobacco producers are shifting to growing produce. This growth in local fruit and vegetable production has created an opportunity where a wholesale product auction could be successful. Lee County is situated with close proximity to markets in Virginia, Kentucky, Tennessee, and North Carolina. This grant will fund a feasibility study for locating a produce auction to Lee County and will include development of a business and marketing plan, identification of a suitable site, and a design for the proposed produce auction building.

Project Title: Feasibility Study for an Anaerobic Digester Facility in Rockingham County (Announced June 28, 2021)

Applicant: Rockingham County

Amount Requested: \$20,000

Summary: Rockingham County is the Virginia locality with the highest value of agricultural production, with poultry and dairy being the primary outputs. Rockingham is also the location of a significant number of food and beverage manufacturing companies. These agribusiness sectors generate organics waste, so Rockingham County is looking into a long-term, sustainable waste management solution. Anaerobic digesters are an established technology that accepts organic wastes and processes them into useful soil amendments and fertilizers, while also producing a methane bio-gas that could be used locally or sold back to a gas utility. This funding will allow Rockingham County to hire a consultant to: analyze existing waste sources; identify ideal locations for an anaerobic digester facility; create an operations plan; analyze economic feasibility; investigate permitting and regulation; identify potential adverse impacts; and recommend next steps for bringing such a facility to the county.