



COMMONWEALTH of VIRGINIA

Office of the Governor

Ralph S. Northam
Governor

October 20, 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, 2020 through June 30, 2020 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 that reads "Ralph S. Northam".

Ralph S. Northam

The Honorable Ralph Northam
October 20, 2021
Page 2

BKR
Enclosures

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

AFID Facility Grant Program

As of June 30, 2020, there were ninety-two (92) 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, eighty-one (81) have executed Performance Agreements between the localities and the companies, and funds have been disbursed. Progress is being made in completing the Performance Agreements and payments for the other awardees. Total AFID Facility Grant awards for these ninety-two (92) projects amount to \$7,059,900.00. Of this amount, \$5,779,900.00 has been released to the applicants, while the balance of \$1,280,000.00 will be released upon the successful execution and completion of the five (5) outstanding Performance Agreements and the completion of performance requirements for six (6) projects. These (ninety-two) 92 projects represent the creation of 2,211 new jobs and 337.4 Full-Time Equivalents positions (FTEs) across (fifty-nine) 59 unique localities, \$559,127,939.00 in new capital investment, and \$783,054,812.00 in new Virginia-grown purchases. These agribusinesses have, on average, committed to purchase from Virginia approximately 80% of the additional agricultural and forest products they will use to meet their new value-added processing needs.

For the second half of FY 2020, a total of \$290,000.00 was committed in AFID Facility Grant funds to assist four (4) new and expanding projects in the Commonwealth, which represents the commitment of \$14,672,352.00 in new capital investment, 42 new jobs and 12 FTEs, and \$77,762,451.00 in new Virginia-grown purchases. These companies have, on average, committed to purchase from Virginia approximately 96% 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 2020:

| | |
|---|--|
| Sage Bird, LLC dba Sage Bird Ciderworks (announced January 28, 2020) New craft hard cidery | |
| Location | City of Harrisonburg |
| 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 match – building improvements |
| New jobs | Three (3) new jobs and three (3) FTEs |
| New investment | \$154,852 |
| Minimum purchase Virginia-grown products | \$53,271 (193,717 pounds) of Virginia-grown apples, honey, and miscellaneous fruit and herbs |
| Projected impact on agricultural and forestal producers | This project grows the market for Virginia-grown apples, honey, and miscellaneous fruit and herbs (100% of total expected purchases) |
| Timetable for project completion | 2020 – 2023 |
| Prevailing average wage in locality | \$38,721 |
| Average wage of project | \$20,144 |
| Break Even | 2 nd year, 3 rd quarter |

| | |
|--------|--------|
| Status | Active |
|--------|--------|

| | |
|---|--|
| River City Cider, LLC dba Bryant’s Small Batch Cider (announced February 26, 2020) New hard cider production facility and tasting room | |
| Location | City of Richmond |
| Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used | \$25,000 AFID – building improvements |
| Other funds from the political subdivision and their use | \$8,000 Enterprise Zone – any lawful purpose \$17,000 CARE program – any lawful purpose |
| New jobs | Seven (7) new jobs and one (1) FTE |
| New investment | \$257,500 |
| Minimum purchase Virginia-grown products | \$260,400 (24,490 bushels) of Virginia-grown apples (100% of total expected purchases) |
| Projected impact on agricultural and forestal producers | This project creates a new market for Virginia-grown apples. |
| Timetable for project completion | 2020 – 2023 |
| Prevailing average wage in locality | \$62,259 |
| Average wage of project | \$41,250 |
| Break Even | 2 nd year, 4 th quarter |
| Status | In Progress |

| | |
|---|---|
| BRD Extraction, LLC d/b/a Blue Ribbon Extraction (announced June 18, 2020) Location of a new industrial hemp processing and Cannabidiol (CBD) oil facility | |
| Location | Halifax County |
| Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used | \$200,000 AFID – building improvements \$64,000 EZ Jobs Creation Grant – any lawful purpose \$14,000 VJIP funds – job training |
| Other funds from the political subdivision and their use | \$85,000 Local EZ Incentives – any lawful purpose \$150,000 Local Cash Grant – any lawful purpose \$250,000 Virginia Tobacco Region Revitalization Commission grant – building improvements |
| New jobs | Fourteen (14) new jobs and eight (8) FTEs |
| New investment | \$3,260,000 |
| Minimum purchase Virginia-grown products | \$71,675,123 (3,079,415 pounds) of Virginia-grown industrial hemp (93% of total expected purchases) |
| Projected impact on agricultural and forestal producers | This project increases market opportunities for Virginia producers of industrial hemp. |
| Timetable for project completion | 2020 – 2023 |
| Prevailing average wage in locality | \$37,703 |
| Average wage of project | \$47,891 |
| Break Even | 2022 |
| Status | In Progress |

| | |
|---|---|
| Ashton Lewis Lumber Company (announced June 28, 2020) New pine sawmill | |
| Location | Caroline County |
| Grant amount committed from AFID | \$50,000 AFID – building improvements |
| Other funds committed by the Commonwealth | \$9,000 VJIP – job training |
| How these funds will be used | |
| Other funds from the political subdivision and their use | \$50,000 – building improvements |
| New jobs | Eighteen (18) new jobs |
| New investment | \$11,000,000 |
| Minimum purchase Virginia-grown products | \$5,773,657 (189,000 tons) of Virginia-grown pine (90% of total expected purchases) |
| Projected impact on agricultural and forestal producers | This project increases markets for Virginia-grown pine |
| Timetable for project completion | 2020 – 2023 |
| Prevailing average wage in locality | \$38,567 |
| Average wage of project | \$31,966 |
| Break Even | 1 st year, 2 nd quarter |
| Status | In progress |

AFID Planning Grant Program

In the most recent session, the General Assembly passed H.B.1002, a bill codifying the AFID Planning Grant. Governor Northam approved an emergency clause to the legislation, enabling the legislation to be enacted prior to July 1 so as to make it available to communities to help mitigate impacts on agriculture and forestry producers resulting from the COVID-19 pandemic. In April, new guidelines for the program were approved that reduced the match requirement for economically distressed localities and expanded the list of approved sources of matching funds. As of June 30, VDACS has received three completed applications which are expected to be announced later this year.

Since the inception of the AFID Planning Grant, \$816,232 has been awarded to forty (40) active or completed projects, directly impacting 59 unique localities. Of these funded projects, thirty-eight (38) have successfully completed the grant.

During the second half of FY 2020, Governor Northam announced no new AFID Planning Grant awards.