



# 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 July 1, 2020 through December 31, 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,

Ralph S. Northam

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BKR  
Enclosures

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

**AFID Facility Grant Program**

As of December 31, 2020, there were ninety-eight (98) 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-four (84) 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-eight (98) projects amount to \$7,779,200.00. Of this amount, \$5,834,900 has been released to the applicants, while the balance of \$1,945,000.00 will be released upon the successful execution and completion of the eight (8) outstanding Performance Agreements and the completion of performance requirements for six (6) projects. These (ninety-eight) 98 projects represent the creation of 2,373 new jobs and 341.4 Full-Time Equivalents positions (FTEs) across (fifty-nine) 59 unique localities, \$656,241,161.00 in new capital investment, and \$860,278,531.00 in new Virginia-grown purchases. These agribusinesses have, on average, committed to purchase from Virginia approximately 81% 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 \$820,000.00 was committed in AFID Facility Grant funds to assist seven (7) new and expansion projects in the Commonwealth, which represent a commitment of \$88,124,222.00 in new capital investment, 171 new jobs and 15 FTEs, and \$77,816,427.00 in new Virginia-grown purchases. These companies have, on average, committed to purchase from Virginia approximately 87% 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 July – December 2020:**

Shore Breeze Farms, LLC (announced July 3, 2020) Hydroponic greenhouse expansion	
Location	Northampton 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 one (1) FTE
New investment	\$211,000
Minimum purchase Virginia-grown products	\$60,000 (30,000 heads) of Virginia-grown lettuce (100% of total expected purchases)
Projected impact on agricultural and forestal producers	This project increases markets for Virginia-grown lettuce and leafy greens
Timetable for project completion	2020-2023
Prevailing average wage in locality	\$31,793
Average wage of project	\$31,101
Break Even	4 <sup>th</sup> year, 2 <sup>nd</sup> quarter
Status	Active

Greenswell Growers, Inc. (announced August 11, 2020) New hydroponic greenhouse operation	
Location	Goochland County
Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	\$130,000 AFID – building improvements
Other funds from the political subdivision and their use	\$130,000 local match – building improvements
New jobs	Twenty-seven (27)
New investment	\$17,416,772
Minimum purchase Virginia-grown products	\$23,445,957 (3,686,471 pounds) of Virginia-grown leafy greens (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	2021-2024
Prevailing average wage in locality	\$98,081
Average wage of project	\$49,222
Break Even	1 <sup>st</sup> year, 1 <sup>st</sup> quarter
Status	Active

Musser Lumber, Inc. (announced August 12, 2020) Expansion of chips/sawdust drying 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	Twelve (12) new jobs
New investment	\$2,400,000
Minimum purchase Virginia-grown products	\$8,625,000 (215,625 tons) of Virginia hardwood sawdust (100% of total expected purchases)
Projected impact on agricultural and forestal producers	This project increases markets for Virginia-grown hardwood forest products
Timetable for project completion	2020-2023
Prevailing average wage in locality	\$35,143
Average wage of project	\$37,916.67
Break Even	3 <sup>rd</sup> year, 2 <sup>nd</sup> quarter
Status	In Progress

Om Lassi, LLC dba OmMade Peanut Butter (announced September 30, 2020) New peanut butter manufacturing operation	
Location	Fairfax County

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	\$25,000 local match – building improvements
New jobs	Two (2) new jobs and three (3) Full-time equivalent positions (FTEs)
New investment	\$248,250
Minimum purchase Virginia-grown products	\$48,000 (30,000 pounds) of Virginia-grown peanuts (33% of total expected purchases)
Projected impact on agricultural and forestal producers	This project increases market opportunities for Virginia-grown peanuts
Timetable for project completion	2021 - 2024
Prevailing average wage in locality	\$88,584
Average wage of project	\$69,000
Break Even	2nd yr., 3rd qtr.
Status	In progress

Moiseiwitsch-Seillier Holdings Inc. dba Revalation Vineyards (announced October 29, 2020) New farm winery	
Location	Madison County
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	\$25,000 local match – building improvements
New jobs	Four (4) new jobs and one (1) Full-time Equivalent position (FTE)
New investment	\$2,316,200
Minimum purchase Virginia-grown products	\$164,970 (58.9 tons) of Virginia-grown grapes (100% of total expected purchases)
Projected impact on agricultural and forestal producers	This project grows the market for Virginia-grown grapes
Timetable for project completion	2021 - 2024
Prevailing average wage in locality	\$36,809
Average wage of project	\$40,184
Break Even	1st yr., 1st qtr.
Status	In progress

Shenandoah Valley Organic, LLC (announced November 24, 2020) New value-added organic poultry processing facility	
Location	City of Harrisonburg
Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	\$500,000 AFID – building improvements

	\$500,000 COF-- building improvements \$800,000 VIP – any lawful purpose \$82,500 VJIP – workforce training
Other funds from the political subdivision and their use	\$800,000 local match – building improvements \$300,000 local sewer line extension
New jobs	One-hundred and ten (110) new jobs
New investment	\$62,250,000
Minimum purchase Virginia-grown products	\$40,540,500 (8,250,000 each) of Virginia-grown chickens (75% of total expected purchases)
Projected impact on agricultural and forestal producers	This project significantly expands a major market for Virginia organic poultry producers
Timetable for project completion	2021 - 2025
Prevailing average wage in locality	\$40,895
Average wage of project	\$44,300
Break Even	3rd yr., 3rd qtr.
Status	In progress

Shenandoah Valley Hemp, LLC dba Pure Shenandoah (announced December 28, 2020) New industrial hemp processing and cannibiol (CBD) oil extraction facility	
Location	Rockingham County
Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	\$50,000 AFID – building improvements \$9,800 VJIP – workforce training
Other funds from the political subdivision and their use	\$50,000 local match – building improvements
New jobs	Fourteen (14) new jobs and ten (10) Full-time Equivalent positions (FTEs)
New investment	\$3,282,000
Minimum purchase Virginia-grown products	\$4,932,000 (10,204 tons) of Virginia-grown industrial hemp (100% of total expected purchases)
Projected impact on agricultural and forestal producers	This project increases market opportunities for Virginia-grown industrial hemp
Timetable for project completion	2021 - 2024
Prevailing average wage in locality	\$44,424
Average wage of project	\$36,041
Break Even	3rd yr., 1st qtr.
Status	In progress

### **AFID Planning Grant Program**

Since the inception of the AFID Planning Grant, \$916,232 has been awarded to forty-five (45) 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 five (5) new AFID Planning Grant awards totaling \$100,000, covering five (5) localities. A summary of each project is listed below.

#### **Announced AFID Planning Grant Projects for the period July – December 2020:**

**Project Title:**            **Floyd Grown 2: Supporting our Ag and Forestry Related Businesses (Announced August 28, 2020)**

**Applicant:**                Floyd County

**Amount Requested:**    \$20,000

Summary: Floyd County has a vibrant and growing economy of farm, food, and forestry-related businesses and the County is invested in their success. Floyd County successfully executed a previous AFID Planning grant-funded initiative called Floyd Grown, which the activities of this project will build upon. This project is focused on both the short-term and long-term needs of county producers with the goal to make them more adaptable and resilient. The project has three major components: 1) helping the Floyd Farmers' Market through a new e-commerce platform, cold storage equipment and staff support; 2) conducting a feasibility study on new, larger-scale cold storage facilities; and 3) providing a toolkit for local agribusinesses.

**Project Title:**            **Loudoun Made, Loudoun Grown Virtual Marketplace (Announced August 28, 2020)**

**Applicant:**                Loudoun County

**Amount Requested:**    \$20,000

Summary: Loudoun County has a flourishing agricultural economy that generates \$44 million in sales annually. The majority of independent farms in the County are small and mid-sized and, while there are a number of farmers' markets and farm stands throughout the area, producers still face challenges when it comes to making direct sales to consumers. This project focuses on both the short-term and long-term needs of producers by providing: 1) free access to an online e-commerce platform; 2) marketing support; and 3) technical assistance in setting up profiles and coordinating pickup locations.

**Project Title:**            **Lena Huckstep Community Kitchen Planning (Announced December 4, 2020)**

**Applicant:**                Pulaski County

**Amount Requested:**    \$20,000

Summary: The Lena Huckstep Community Kitchen will be a local, community-based food business enterprise that (1) increases local consumption of and access to locally and regionally produced agricultural products in Pulaski County and the surrounding New River Valley; (2) develops new market opportunities for farm and ranch operations servicing local markets; and (3) prepares Pulaski County to be more resilient in the face of future emergency situations like the COVID19 pandemic through a healthy food distribution program that will be made possible through a stronger local food economy. Funding is requested to identify the Community Kitchen's target markets and their product/service needs in order to develop a sustainable business model and appropriate kitchen design.

**Project Title:**           **Supporting Forest Farmers and Meeting COVID-related Medicinal Plant Demand in Western Virginia (Announced December 4, 2020)**

Applicant:               Roanoke County

Amount Requested:   \$20,000

Summary: Farming native medicinal and edible plants under a forest canopy provides supplemental income for landowners and helps conserve forests and species at risk from habitat loss and overharvesting in the wild. COVID-19 increases the need for additional income streams for farmers and landowners, and has also boosted an already growing demand for sustainably produced herbal medicines such as goldenseal (*Hydrastis canadensis*). Interest in forest farming is growing, but there is a limited amount of quality planting stock, and certifying sustainable practices can be complicated and costly. To meet Covid-related demand and diversify landowner income, this project will provide free site assessment, help create management plans, and cover certification costs for the first two years of production under the Forest Grown Verified Label. This will allow for some sustainable harvest of existing populations in Year 1, and provide planting stock to establish new populations for future harvests. The project will collaborate with the USDA-funded Appalachian Beginning Forest Farmers Coalition to identify and help establish 15 producers in the region, including five producers who can grow and share planting stock. Regional markets for forest-grown medicinal plants will also be identified in an effort to keep as much value as possible in the state.

**Project Title:**           **Fauquier County Farmers Market Feasibility Study (Announced December 4, 2020)**

Applicant:               Fauquier County

Amount Requested:   \$20,000

Summary: Fauquier County has an established farming community, including two established and successful farmers markets. This project is focused on building on the markets by: analyzing both farmer and consumer interest and support for a new farmers market; examining possible enhancements to the existing farmers markets; and analyzing the potential success of a year-round market. Fauquier County is committed to helping the agricultural community and in expanding citizen's access to locally grown products. To that end, this project will involve hiring a consultant to study the feasibility of expanding and enhancing farmers markets in the county. The consultant will determine if there is a satisfactory supply and demand for a new market by



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surveying both consumers and producers to determine the level of commitment to a new market and to identify the location with the greatest likelihood of success.