



*VIRGINIA DEPARTMENT
OF AGRICULTURE AND
CONSUMER SERVICES*

**VIRGINIA FOOD ACCESS
INVESTMENT FUND ANNUAL REPORT**

By:

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EXECUTIVE SUMMARY

This report details the activities and accomplishments of the Virginia Food Access Investment Fund (Fund) and Virginia Food Access Investment Program (Program) covering the period from December 1, 2021, to November 30, 2022, as required by Chapters 956 and 957 of the 2020 Acts of Assembly. Chapters 956 and 957 established the Fund and the Program to combat food insecurity through a grant program aimed at encouraging grocery stores and other food retailers to address food deserts. Chapters 956 and 957 also required the establishment of an Equitable Food Oriented Development (EFOD) stakeholder work group to develop recommendations for design elements for the Program. A total of \$1.25 million from the general fund was allocated to VDACS in the 2020 biennial budget to operate the Program consistent with the provisions of Chapters 956 and 957, and an additional \$2 million was allocated for fiscal year (FY) 2021.

Fiscal Year (FY)	FY 2020	FY 2021
Budget Allocation	\$1,125,000	\$2,000,000

Significant activities for the Fund and Program during this reporting period include the following:

- Administered the FY 2022 grant round, conducting extensive outreach and reviewing 37 pre-proposals and 26 completed applications;
- Announced grant awards totaling \$420,000 in funding to 10 grant awardees and provided onboarding support and guidance;
- Provided ongoing technical assistance to both existing and potential grant recipients on project development and implementation;
- Created and refined systems for current grantees around reimbursement requests and reporting guidelines; and
- Opened the FY 2023 grant round and conducted pre-proposal webinars.

OVERVIEW

Section 36-156.5 of the Code of Virginia (Code) requires the Virginia Department of Agriculture and Consumer Services (VDACS), working with a selected community development financial institution that provides credit and financial services for underserved communities (CDFI), to report annually the number of projects funded; the geographic distribution of the projects; the costs of the Program; and the outcomes, including the number and type of jobs created and health initiatives associated with the Program. Additionally, § 36-156.6 of the Code requires VDACS, on or before December 1 of each year, to report to the Secretary of Commerce and Trade, the Governor, and the chairmen of the House Committee on Appropriations and the Senate Committee on Finance and Appropriations on such other matters regarding the Fund as VDACS may deem appropriate, including the amount of funding committed to projects from the Fund, or other items requested by any of the foregoing persons to whom such report is to be submitted.

The following are the requirements of the Fund and Program as established in § 36-156.3 et seq. of the Code:

- A. “The Fund shall be established on the books of the Comptroller. All funds appropriated for such purpose and any gifts, donations, grants, bequests, and other funds received on its behalf shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used solely for the purposes of establishing collaborative and cooperative projects with public and private sector partners to improve food access in Virginia. The Fund shall be used to provide funding for the construction, rehabilitation, equipment upgrades, or expansion of grocery stores, small food retailers, or innovative food retail projects in underserved communities. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the Commissioner of the Department of Agriculture and Consumer Services.”

- B. “[VDACS] shall establish a Program to provide grants funding the construction, rehabilitation, equipment upgrades, or expansion of grocery stores, small food retailers, or innovative food retail projects in underserved communities. [VDACS] shall select and work in collaboration with a CDFI to assist in administering the Program and carrying out the purposes of the Fund. The CDFI selected by [VDACS] shall have (i) a statewide presence in Virginia, (ii) experience in food-based lending, (iii) a proven track record of leveraging private and philanthropic funding, and (iv) the capability to dedicate sufficient staff to manage the Program. Working with the selected CDFI, [VDACS] shall establish monitoring and accountability mechanisms for projects receiving funding and shall report annually the number of projects funded; the geographic distribution of the projects; the costs of the Program; and the outcomes, including the number and type of jobs created and health initiatives associated with the Program.”

- C. “The Program shall:

1. Identify food access projects that include grocery stores, small food retailers, and innovative food retail projects;
2. Provide grants for the purposes described in [paragraph B above];
3. Require that grant recipients (i) accept expenditures of benefits provided under the supplemental nutrition assistance program in accordance with the federal Food Stamp Act (7 U.S.C. § 2011 et seq.) and (ii) participate in a program that matches or supplements the benefits identified in clause (i), such as Virginia Fresh Match;
4. Provide technical assistance; and
5. Bring together community partners to sustain the Program.”

D. “[VDACS] shall develop guidelines to carry out the Program to meet the intent of the Fund. Up to 10 percent of the moneys in the Fund may be designated for the CDFI's administrative and operations costs to assist in administering and managing the Program, unless those costs are provided for in other budgets or in-kind resources.”

In addition, Chapters 956 and 957 of the 2020 Acts of Assembly included an enactment clause that requires:

“That [VDACS] shall establish an Equitable Food Oriented Development stakeholder work group to develop recommendations for design elements for the Virginia Food Access Investment Program created by this act.”

In establishing the Program and Fund, the General Assembly created a program with a specific focus on historically underserved and minority communities using the EFOD model (see Appendix I) to reduce food insecurity and expand access to healthy and affordable food. According to the U.S. Department of Agriculture, food insecurity is defined as inconsistent and insufficient access to food. In Virginia, Feeding America’s Map the Meal Gap estimates that approximately 658,470 adults and children experienced food insecurity in 2020, representing 7.7 percent of the population.

Food insecurity is directly tied to health disparities. Studies have shown that food insecurity correlates with decreased nutrient intake and increased mental health problems, diabetes, and hypertension. Nutrition programs can help overcome some of these issues by offering affordable access to fresh, healthy foods. The federal Supplemental Nutrition Assistance Program (SNAP) provides food-purchasing assistance for low- and no-income people. In addition, Virginia has the Virginia Fresh Match nutrition incentives program that doubles the value of SNAP vouchers that are spent at participating farmers’ markets and food stores. Virginia Fresh Match helps people access healthy and affordable fruits and vegetables while also supporting local farmers. Chapters 956 and 957 require that the Fund’s grant recipients (i) accept expenditures of benefits provided under SNAP in accordance with the federal Food Stamp Act (7 U.S.C. § 2011 et seq.) and (ii) participate in a program that matches or supplements SNAP benefits, such as Virginia Fresh Match.

ACTIVITIES

The following describes the activities of the Fund and Program from December 1, 2021, to November 30, 2022:

VFAIF GRANT ROUNDS

FY 2022 Grant Round

The FY 2022 grant round opened on December 1, 2021, and closed on February 22, 2022. During this period, interested applicants, including farmers, small food retailers, food cooperatives, non-profits, and other small businesses, submitted 37 pre-proposals to determine eligibility. Throughout January, the Program Coordinator provided technical assistance to interested applicants. Technical assistance is a critical aspect of the Program, as the intentions of the grant are to increase fresh food access and build community wealth in low-income, low-access communities and interested applicants may not have grant writing experience. At the close of the grant period, 26 complete applications had been submitted, totaling \$1.2 million in funding requests.

On April 12, 2022, an evaluation committee comprised of staff from VDACS, the Virginia Department of Health, the Department of Housing and Community Development, and Virginia Community Capital (VCC) convened to evaluate the grant applications. VCC is the selected CDFI that collaborates with VDACS on the administration of the Program. The committee ultimately recommended funding 10 projects. On May 31, 2022, six of the recommended awards were announced, totaling \$300,000. The remaining four awardees worked with the Program Coordinator and VCC over the summer to refine their budgets and workplans and, on October 11, 2022, these projects were announced, totaling an additional \$120,000 in grant awards.

2022 Awardees

<i>Locality</i>	<i>Project Type</i>	<i>Grant Award</i>
Broad Rock Farmers' Market		
City of Richmond	Small Food Retailer	\$32,000
<p>The non-profit Caring and Sharing Foundation will receive funding to expand an existing farmers' market in the Broad Rock neighborhood of Richmond. Through this project, the Broad Rock Farmers' Market, which launched in May 2021 with two local produce farmers averaging 100 weekly visitors, will expand to 15 vendors and more than 1,000 weekly visitors from the surrounding neighborhoods. Funds will support a part-time market manager and provide produce vendors with minimum sales guarantees, with purchased produce made available for sale to community residents throughout the week.</p>		
Feeding Southwest Virginia		

City of Salem	Innovative Food Retailer	\$50,000
<p>Feeding Southwest Virginia’s Mobile Marketplace is a “grocery store on wheels” that delivers fresh, convenient, and affordable groceries to more than 20 underserved rural communities in Southwest Virginia. The Mobile Marketplace augments the program’s food donation program by offering additional grocery items, such as locally grown produce, for purchase. The program also conducts SNAP outreach and education to build consumer spending power. Funding will be used to support the Mobile Marketplace’s operations, including staff, fuel costs, and food purchase costs, to help the program continue to reach food insecure and underserved communities.</p>		
FRESHFARM		
Fairfax County	Innovative Food Retailer	\$50,000
<p>FRESHFARM is a non-profit that promotes sustainable agriculture and improves food access in the Mid-Atlantic region via Pop-Up Food Hubs (PUFH), a local produce distribution program that helps deliver healthy produce to consumers and generates additional revenue for local farms. In 2021, FRESHFARM used VFAIF funding to partner with 11 community organizations, distribute over 15,000 units of wholesale produce to over 2,332 Virginians, and generate nearly \$200,000 of revenue for six Virginia farms. Renewed funding will support PUFH expansion into Northern Virginia through at least four more community partnerships, expanding access for SNAP customers to purchase local produce and sales opportunities for area farmers.</p>		
Hampton Roads Urban Agriculture		
City of Newport News	Small Food Retailer	\$20,000
<p>Hampton Roads Urban Agriculture (HRUA) operates an urban farm at the Zion Baptist Church in Newport News and offers a weekly SNAP-enabled farmers’ market. Additionally, HRUA offers multiple programs to engage youth and adult community members in its efforts to increase access to fresh food. VFAIF funding will help purchase a cooler for produce storage and aggregation, enabling the sale of fresh foods from the farm to community members throughout the week.</p>		
Local Environmental Agriculture Project (LEAP)		
City of Roanoke	Small Food Retailer	\$50,000
<p>The Local Environmental Agriculture Project (LEAP) is a food and agriculture nonprofit based in Roanoke. In 2021, LEAP received COVID-response funds to expand and enhance Roanoke’s local food system and purchase a building in an underserved neighborhood that will become the West End Hub retail store. LEAP will aggregate food on-site from farm and food hub partners and will accept SNAP, Virginia Fresh Match, Medicaid, and WIC participants. VFAIF funding will support produce sales and processing infrastructure for the store.</p>		
Lee District Community Farm Market		

Fairfax County	Innovative Food Retailer	\$50,000
<p>Arcadia is a nonprofit organization dedicated to creating a more equitable and sustainable local food system in the Washington, D.C., area. With VFAIF funding, Arcadia will establish a weekly community farm market on the site of a new community center that serves low-income communities in Fairfax County. The farm market will be stocked by Arcadia’s working farm and provide a retail outlet for farmers that are veterans. VFAIF funding will support the new farm market and veteran farmer outreach and grow customer buying power through increased SNAP redemption and use of the Virginia Fresh Match program.</p>		
Norfolk Food Ecosystem		
City of Norfolk	Small Food Retailer	\$38,000
<p>The St. Paul’s Community Development Corporation established the Norfolk Food Ecosystem in 2021 to bring fresh food to a Norfolk food desert through the Park Avenue Market. This innovative retail model will supply fresh products to a number of stores in the city via a small urban warehouse, which was supported by a VFAIF grant in 2021. The current round of funding furthers its implementation through the support of the Fresh Food Pharmacy Program and investments into retail infrastructure.</p>		
River City Market		
City of Richmond	Small Food Retail	\$50,000
<p>River City Market, a small food retailer in Richmond’s Brookland Park neighborhood, serves over 10,000 residents in the surrounding neighborhoods that suffer from poor access to fresh foods. Funding will support the market’s “Fresh Start” initiative, which includes a major expansion of produce sales and weekly mobile markets.</p>		
Slade Naturals		
Surry County	Innovative Food Retailer	\$30,000
<p>Slade Naturals is a food retailer in Surry County that was established by a member of Slade Family Farms. VFAIF funding will support improvements to the retail store and outreach efforts to better connect the underserved community of Surry County with the locally grown food sold at the market. VFAIF funds will allow the business to add cold storage capacity, expand produce aggregation, purchase a new point-of-sale system to handle the increased SNAP and Virginia Fresh Match transactions, and extend store operating hours.</p>		
Wakefield Great Valu		
Sussex County	Grocery Store	\$50,000

Wakefield Great Valu is the only full-service grocery store in Sussex and Surry counties. The VFAIF funding will be used for the full replacement and expansion of the store's produce cases. This equipment overhaul will increase the variety of fresh fruits and vegetables available to its customers and increase the store's ability to source of local produce. Wakefield Great Valu accepts SNAP and Virginia Fresh Match, with over one-third of its monthly sales coming through SNAP purchases.

FY 2023 Grant Round

The FY 2023 grant round opened on November 1, 2022, and will close on February 22, 2023 (see Appendix II for complete timeline). Staff made some modifications to the timeline and process based on best practices learned from the previous two grant rounds, including a shortened timeline and greater clarity around the project period dates. Additionally, all aspects of the grant process, including the pre-proposal, will be submitted through the Foundant grant portal.

From November 1 through December 16, any interested party may submit a pre-proposal. The pre-proposals will be reviewed by VDACS and VCC staff and, on December 21, 2022, selected applicants will be invited to submit a complete application. VDACS and VCC staff will provide technical assistance throughout January and February to assist applicants to create the strongest proposal possible. Grants will be evaluated and announced in the spring, with the project period running from June 1, 2023, through May 31, 2025.

A complete list of all grant awardees can be found in Appendix III.

METRICS AND REPORTING

The Memorandum of Agreement between VDACS and VFAIF awardees requires awardees to provide yearly data on:

- Total sales of fresh food (produce, meat, milk, eggs, and honey)
- Purchases of fresh food from Virginia farmers
- SNAP/EBT Sales
- Virginia Fresh Match usage (if active in the program)
- Total employees (sum of individuals working >1,680 hr/yr and Full-Time Equivalents)
- New capital investments (equipment, building improvements, business personal property)

Although the pool of awardees is still small, annual reporting numbers indicate that the program is achieving its goals. At the time of this report, nine grant awardees have supplied annual reporting data that shows increases in all the reporting categories. Some significant findings are: a 26 percent increase in purchase of food from Virginia farmers; a 47 percent increase in SNAP/EBT sales; and a 147 percent increase in Fresh Match sales (see Appendix IV).

PROGRAM COORDINATOR

The \$2,125,000 appropriated by the General Assembly to the Fund for FY 2020 and FY 2021 includes \$125,000 each fiscal year to fund a full-time Program Coordinator position. The Program Coordinator (i) provides technical assistance to applicants, both during the application process and when applying for SNAP benefits; (ii) conducts extensive outreach and marketing to historically underserved communities; (iii) acts as grant administrator, tracking applications and ensuring that funding proposals meet their stated goals; (iv) and promotes healthy eating practices throughout

the Commonwealth. As of August 2022, the Program Coordinator position is vacant. Staff from the Office of Agriculture and Forestry Development have been temporarily filling this role. The Program Coordinator position is expected to be advertised after January 24, 2023, when the Commonwealth launches its new recruitment system.

Outreach

To ensure accessibility and create a diverse pool of applicants, the Program Coordinator conducted extensive outreach over the course of the year. Communications were shared with the Virginia Agricultural Development Officers network, economic development agencies, the Virginia Fresh Match Network, the Virginia CDFI Coalition, the Black Church Food Security Network, the Virginia Tech Center for Food Systems and Community Transformation, Virginia Cooperative Extension, and community foundations across the Commonwealth. The Program Coordinator also attended the Food and Nutrition Security Roundtable and the Virginia Nutrition Security and Health Summit and presented on the Program at the 23rd annual Future Harvest conference. Additionally, the Program Coordinator was an active member of the Virginia Food Access Coalition.

To increase the diversity of applicants for the FY 2023 grant round, staff coordinated with the VDACS Office of Communications to implement a paid social media campaign announcing the new grant round. The campaign ran for two weeks both statewide and in three targeted markets: Newport News, Richmond, and Woodbridge (including the surrounding environs). The campaign reached 49,076 social media users and resulted in 830 people opening the link.

CDFI PARTNERSHIP

Chapters 956 and 957 require that VDACS select and work in collaboration with a Community Development Financial Institution (CDFI) that provides credit and financial services for underserved communities. Up to 10 percent of the moneys in the Fund may be designated for the CDFI's administrative and operations costs to assist in administering and managing the Program. Virginia Community Capital was selected to serve as the partner CDFI for the Program for one year in 2021 and provided support with grant program administration and implementation, as well as support of the Fund's grant recipients. VCC assists grant recipients with business development resources and connects them with financial resources, such as low-interest or no-interest loans, to provide additional sources of funding.

In January 2022, VDACS prepared a new Request for Proposal (RFP) to which CDFIs could apply for the FY 2021 appropriation. In order to meet the statutory requirements, any CDFI applying for a role in the Program must have: (i) a statewide presence in Virginia, (ii) experience in food-based lending, (iii) a proven track record of leveraging private and philanthropic funding, and (iv) the capability to dedicate sufficient staff to manage the Program. After review by an evaluation committee, VCC was again selected to partner with the agency, and a two-year contract was signed.

APPENDIX I

EFOD CRITERIA

**EFOD
Criteria**

	INDICATORS OF EFOD	CONTRADICTION OF EFOD
Equity- and justice-first	Equity & justice are part of mission, unapologetically represent a historically marginalized community, clearly working on systems change, power change & accountability in operations; ongoing commitment to teaching/including larger transformation; involved in other organizing, advocacy, or policy work – it's not just about food	Language and mission is general or just development or food related (i.e. "all lives matter"); community transformation is an intention but not yet in practice
Place- and People-based	Embedded in a community or regional network with strong community identity; prioritize culture and artistic and cultural expression; a history of work in this community; leadership has historical connection to social justice in that community	Not connected to community; national or regional without accountability to particular community with distinct identity
Use market-based/ business strategies	Developing new markets and enterprises, creating real economic opportunities, sustainable	Exclusively education, policy, or awareness building; no direct service programming; solely community gardens, no sales or marketing aspect
Community leadership development/ community organizing	Board of Directors and top leadership is representative of the community organization serves, often People of Color-led; work is by & for community members; critical convener role in development projects, serving to maintain community sovereignty, local/county planning involvement	Community served has no real power, decision-making, living-wage jobs in organization
Community ownership	Building community-member assets, equity, often uses alternative economic structures and decision-making processes so community members can have ownership (i.e. co-ops); representative board membership	Outside capital, business owned by outside institutions or people; primarily job creation or training

EFOD.ORG

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APPENDIX II

FY 2023 GRANT TIMELINE

November 1, 2022	Pre-proposal window is open through December 16
November 17, 2022	Informational webinar (optional)
December 2, 2022	Informational webinar (optional)
December 16, 2022	Pre-proposal window closes
December 21, 2022	VDACS staff will notify applicants if they have been selected to submit a full application.
January 1 – February 10, 2023	Activities during the application window: <ul style="list-style-type: none"> • Technical assistance calls • Webinars/Q&A on the application process
February 10, 2023	Deadline to submit an application
March, 2023	Evaluation committee meets to review applications and recommend awards. VDACS staff will follow up with applicants, as needed, to clarify budgets and workplans or to request additional information.
May, 2023	Awards are announced
June 1, 2023	Project period begins

APPENDIX III

VFAIF GRANT AWARDEES

The VFAIF Program has made 25 grant awards totaling \$1,040,688 in 18 unique localities across the Commonwealth.

Recipient	Locality	Award
Beans and Rice	Pulaski	\$ 50,000.00
Broad Rock Farmers Market	Richmond	\$ 32,000.00
Browntown Farms	Warfield	\$ 50,000.00
Dona Fer	Harrisonburg	\$ 22,046.00
Feeding SWVA	Salem	\$ 50,000.00
FRESHFARM	Arlington	\$ 50,000.00
FRESHFARM	Arlington	\$ 50,000.00
Hampton Roads Urban Ag	Newport News	\$ 20,000.00
Henry's Marketplace	Duffield	\$ 25,000.00
Honaker Wholesale	Honaker	\$ 25,000.00
Jon Henry General Store	New Market	\$ 25,000.00
LEAP	Roanoke	\$ 50,000.00
Lee District Community Farm	Alexandria	\$ 50,000.00
Norfolk Food Ecosystem/SPCDC	Norfolk	\$ 50,000.00
Norfolk Food Ecosystem/SPCDC	Norfolk	\$ 38,000.00
Northside Food Access	Richmond	\$ 50,000.00
Project GROWS	Staunton	\$ 49,642.00
River City Market	Richmond	\$ 50,000.00
River Street Market Ed	Petersburg	\$ 50,000.00
Shalom Farms/RFJA	Richmond	\$ 49,000.00
Slade Naturals	Surry	\$ 30,000.00
Surry Marketplace	Surry	\$ 50,000.00
Tommy T's	Lawrenceville	\$ 25,000.00
Wakefield Great Valu	Wakefield	\$ 50,000.00
Youth Earn and Learn	Norfolk	\$ 50,000.00
Total:		\$ 1,040,688.00

APPENDIX IV

ANNUAL REPORT METRICS

	Baseline 8/1/20-7/31/21	Year 1 of Grant 8/1/21-7/31/22	Percentage Change
Total sales of fresh food (produce, meat, milk, eggs, and honey)	\$ 656,614.17	\$ 814,265.68	24%
Purchase of fresh food from Virginia farmers	\$ 350,740.76	\$ 442,242.09	26%
SNAP/EBT Sales	\$ 134,211.03	\$ 197,754.80	47%
Virginia Fresh Match usage (if active in the program)	\$ 18,011.34	\$ 44,567.54	147%
Total Employees (sum of individuals working >1,680 hr/yr and Full-Time Equivalents)	21.5	38.25	78%
New Capital Investment in Business (equipment, building improvements, business personal property)	\$ 308,758.00	\$ 361,938.94	17%