



COMMONWEALTH of VIRGINIA

Office of the Governor

Ralph S. Northam
Governor

January 14, 2022

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

The Honorable Barry D. Knight
Chair
House of Appropriations Committee
House of Delegates

The Honorable Vivian E. Watts
Chair
House of Finance Committee
House of Delegates

Dear Delegates and Senators:

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, 2021 through December 31, 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, Planning and Infrastructure 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

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RSN
Enclosures

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

AFID Facility Grant Program

As of December 31, 2021, there were one hundred eleven (111) 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-three (63) unique Virginia localities. These one hundred eleven (111) projects total \$10,204,900 in AFID grant funds and represent the creation of 3,547 new jobs, \$1,043,704,373 in new capital investment, and \$1,151,342,478 in new Virginia-grown agriculture and forestry purchases. Through these projects agribusinesses have, on average, committed to purchase from Virginia farms and forestland owners approximately 85% of the agricultural and forestry products needed to meet their new value-added processing requirements.

For the first half of FY 2022, a total of \$1,790,000 was committed in AFID Facility Grant funds to assist seven (7) new and expanding projects in the Commonwealth, which represents the commitment of \$354,177,644 in new capital investment, 606 new jobs and 48 FTEs, and \$220,857,724 in new Virginia-grown purchases. These companies have, on average, committed to purchase from Virginia approximately 63% 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 2021:

The Gerard Group, Inc. dba Virginia Diner (announced July 27, 2021) Expansion of peanut processing operation	
Location	Sussex 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	\$70,000 in local matching funds – building improvements \$30,000 value of site improvements
New jobs	Two (2) new jobs and fourteen (14) FTEs
New investment	\$4,547,446
Minimum purchase Virginia-grown products	\$702,080 (763,400 pounds) of Virginia-grown peanuts (20% of total expected purchases)
Projected impact on agricultural and forestal producers	This project increases the market for Virginia-grown peanuts.
Timetable for project completion	2021 - 2025
Prevailing average wage in locality	\$42,445
Average wage of project	\$26,437 (average based on 2 new jobs at \$57,500 and 14 FTEs at \$22,000)
Break Even	3 rd year, 1 st quarter

Woodgrain, Inc. (announced August 20, 2021) Expansion of millwork manufacturing facility	
Location	Smyth County
Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	\$250,000 AFID – building improvements \$64,000 VJIP – job training \$284,000 EZ JCG – any lawful purpose \$100,000 EZ RPIG – any lawful purpose
Other funds from the political subdivision and their use	\$250,000 – building improvements
New jobs	Eighty (80) new jobs
New investment	\$7,500,000
Minimum purchase Virginia-grown products	\$11,088,969 (16,937,581 board feet) of Virginia-grown Eastern White Pine lumber (100% of total expected purchases)
Projected impact on agricultural and forestal producers	This project increases the market for Virginia-grown forest products.
Timetable for project completion	2021 - 2024
Prevailing average wage in locality	\$36,071
Average wage of project	\$39,200
Break Even	5 th year, 2 nd quarter

Woodgrain, Inc. (announced August 20, 2021) Purchase and expansion of sawmill	
Location	Grayson 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	\$25,000 – building improvements
New jobs	Twenty (20) new jobs and ninety (90) saved jobs
New investment	\$3,823,680
Minimum purchase Virginia-grown products	\$2,666,626 (7,810,320 board feet) of Virginia-grown hardwood and Eastern White Pine logs (84% of total expected purchases)
Projected impact on agricultural and forestal producers	This project increases the market for Virginia-grown forest products.
Timetable for project completion	2021 - 2024
Prevailing average wage in locality	\$29,418
Average wage of project	\$39,500
Break Even	1 st year, 1 st quarter

Tyson Foods, Inc. (announced August 23, 2021) New prepared foods production facility	
Location	Pittsylvania County
Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	\$500,000 AFID – building improvements \$3,048,000 COF – building improvements \$3,000,000 VIP – any lawful purpose \$563,000 VTAP – workforce training \$486,300 EZ JCG – any lawful purpose \$200,000 EZ RPIG– building improvements
Other funds from the political subdivision and their use	\$1,500,000 TROF – building improvements \$9,600,000 in-kind land contribution \$240,500 local EZ incentives – any lawful purpose \$10,300,000 Danville-Pittsylvania RIFA – any lawful purpose \$150,000 – local permit fee waivers
New jobs	Three hundred, seventy-six (376) new jobs
New investment	\$295,452,718
Minimum purchase Virginia-grown products	\$63,900,000 (60 million pounds) of Virginia-grown chickens (30% of total expected purchases)
Projected impact on agricultural and forestal producers	This project significantly expands a major market for Virginia poultry producers.
Timetable for project completion	2021 - 2024
Prevailing average wage in locality	\$38,882
Average wage of project	\$41,668
Break Even	5 th year, 1 st quarter

S.J. Brandon, LLC dba Old Dominion Organic Farms (announced September 23, 2021) New produce processing facility	
Location	Brunswick County
Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	\$400,000 AFID – building improvements
Other funds from the political subdivision and their use	\$500,000 grant from Tobacco Commission \$400,000 in-kind land contribution \$90,000 IDA cash grant
New jobs	Six (6) new jobs and thirty-four (34) FTEs
New investment	\$4,200,000
Minimum purchase Virginia-grown products	\$23,773,995 (1,227,118 cases) of Virginia-grown produce (70% of total expected purchases)
Projected impact on agricultural and forestal producers	This project creates a major new market for Virginia-grown conventional and organic produce, providing many former tobacco farmers a viable new crop.
Timetable for project completion	2022 - 2025
Prevailing average wage in locality	\$37,776
Average wage of project	\$30,625
Break Even	5 th year, 2 nd quarter

TFC Poultry, LLC (announced December 2, 2021) Location of a new secondary poultry processing plant	
Location	City of Winchester
Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	\$400,000 AFID – building improvements \$500,000 COF – building improvements \$147,000 VTAP – workforce training \$200,000 EZ RPIG – building improvements \$338,600 EZ JCG – any lawful purpose
Other funds from the political subdivision and their use	\$25,000 Local EZ Professional Job Creation Grant – workforce development \$10,000 Local EZ Exterior Improvement Grant – building improvements \$700,000 Local EZ Business Development Grant for Vacant Properties – building improvements
New jobs	One Hundred Eleven (111) new jobs
New investment	\$29,355,000
Minimum purchase Virginia-grown products	\$100,428,554 (100,529,083 pounds) of Virginia-grown poultry (74% of total expected purchases)
Projected impact on agricultural and forestal producers	This project increases the market for Virginia-grown poultry.
Timetable for project completion	2021 - 2025
Prevailing average wage in locality	\$54,464
Average wage of project	\$51,315
Break Even	4 th year, 4 th quarter

Ten Oaks, LLC (announced December 8, 2021) Expansion of a residential hardwood floor manufacturer	
Location	Patrick County
Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	\$40,000 AFID – building improvements \$8,250 VJIP – workforce training
Other funds from the political subdivision and their use	\$205,277 in local matching funds – building improvements
New jobs	Eleven (11) new jobs
New investment	\$9,298,800
Minimum purchase Virginia-grown products	\$18,297,500 (27,300,000 board feet) of Virginia-grown hardwoods (65% of total expected purchases)
Projected impact on agricultural and forestal producers	This project increases the market for Virginia-grown hardwoods.
Timetable for project completion	2021 - 2024
Prevailing average wage in locality	\$31,642
Average wage of project	\$42,182
Break Even	4 th year, 1 st quarter

AFID Planning Grant Program

Since the inception of the AFID Planning Grant, \$1,043,232 has been awarded to fifty-one (51) active or completed projects, directly impacting sixty-three (63) unique localities. Of these funded projects, forty (40) have successfully completed the grant. There were no new AFID Planning Grants announced during the first half of FY 2022.

AFID Infrastructure Grant Program

The 2021 General Assembly, through Delegate Sam Rasoul's HB 2068, established the Local Food and Farming Infrastructure Grant Program, now referred to as the AFID Infrastructure Grant. The purpose of the program is to award "...grants to political subdivisions for projects that include the establishment or maintenance of farmers markets; businesses or organizations that manage the aggregation, distribution, and marketing of food products primarily from local and regional producers; and primarily locally owned processing facilities."

The AFID Infrastructure Grant offers reimbursable grants of up to \$25,000 to political subdivisions to fund community infrastructure development projects that support local food production and sustainable agriculture. The inaugural AFID Infrastructure Grant funding round was opened on October 1, 2021, and closed on November 15, 2021. A second grant round will open on April 1, 2022, and close on May 15, 2022, with award announcements made by June 30, 2022.

On December 20, 2021, Governor Northam announced eight (8) AFID Infrastructure Grant awards totaling \$159,887. A summary of each project is listed below.

Announced AFID Infrastructure Grant Projects for the period July – December 31, 2021:

Project Description: Meat Processor Improvements

Applicant: City of Harrisonburg

Amount Requested \$25,000

Summary: The City of Harrisonburg seeks funding to make necessary infrastructure improvements to T&E Meats, a small, USDA-inspected red meat slaughterhouse and meat packing facility that has been in operation since 1940 and serves roughly 300 producers each year. Funding for this project will be used to replace the packing room's outdated cooling system and purchase a new patty-making machine.

Project Description: Equipment for New Meat Processor

Applicant: Floyd County

Amount Requested \$23,124

Summary: The Economic Development Authority of Floyd County is collaborating with Firehouse Farms to establish a new meat processing facility for local livestock farmers. The facility will open as a custom-exempt facility later this winter and will become a USDA-inspected facility in two to three years. Funding will be used to purchase needed equipment for the facility, including meat saws, a meat grinder, and a vacuum sealer.

Project Description: New Boilers for Community Canneries

Applicant: Franklin County

Amount Requested \$25,000

Summary: Funding for this project will support infrastructure improvements for the Callaway Cannery and Glade Hill Community Canneries. The canneries allow for community members and local producers to support each other and preserve their harvests. Funds will go toward replacing the boilers at the facilities, which have been in operation for 80 years.

Project Description: Farmers' Market Improvements

Applicant: Henrico County

Amount Requested \$16,000

Summary: The County of Henrico seeks funding to support the Dorey Park Farmers' Market (DPFM). DPFM recently completed their fourth year in operation, hosting 25-30 vendors, 17 of whom are producers or create value-added agriculture products from Virginia-grown products. DPFM offers SNAP benefits and a SNAP Match program for purchases of fresh food. Funding will be used to add electricity for vendors, landscaping to outline the market space, signage, and a structure to house market management and SNAP benefits.

Project Description: Processing Equipment for Goat Dairies

Applicant: King William County

Amount Requested \$16,675

Summary: King William and King & Queen Counties collaborated to apply for funding for new equipment that will serve three goat dairies (Bees Knees Farm, River watch Farm, and Cardinal Lane Farm). The farms practice sustainable agriculture, source local hay, and sell their products to local retailers and wineries. Funding will be utilized to purchase a commercial milking system, cheese processing equipment, and milk house expansion.

Project Description: Farmers’ Market Improvements

Applicant: City of Martinsville

Amount Requested \$4,088

Summary: This project will assist the City of Martinsville in improving the Uptown Martinsville Farmers’ Market. Funds will be used to purchase shades to protect produce and vendors from the sun, new commercial grade scales to speed transactions, and a storage shed. In addition to securing valuable items when the market is closed, it will serve as an office for the market manager and provide an easily identifiable location for customers to go to take advantage of SNAP benefits.

Project Description: New Boiler for Community Cannery

Applicant: Prince Edward County

Amount Requested \$25,000

Summary: Prince Edward County seeks funds to replace the nearly 50-year-old boiler system at the Prince Edward County Cannery, which has been unable to keep pace with growing demand. As an FDA-registered Food Canning Establishment and VDACS-inspected commercial kitchen, the facility serves both public and commercial clients through an innovative partnership with the non-profit Virginia Food Works.

Project Description: Produce Aggregation Infrastructure

Applicant: Shenandoah County

Amount Requested \$25,000

Summary: Shenandoah County requests funding to enable local produce aggregator Jon Henry General Store to flash-freeze high volumes of Virginia-grown fruits and vegetables from producers in the Shenandoah Valley region and then package the frozen produce into retail-ready bags for wholesale distribution to local retailers. Funds will be used to offset the cost of the purchase and installation of a new flash freezing unit and walk-in freezer.

Acronyms Used in this Report

COF	Commonwealth Opportunity Fund
EZ	Enterprise Zone
EZ JCG	Enterprise Zone Job Creation Grant
EZ RPIG	Enterprise Zone Real Property Investment Grant
RIFA	Regional Industrial Facility Authority grant
TROF	Tobacco Region Opportunity Fund
VIP	Virginia Investment Performance
VJIP	Virginia Jobs Investment Program
VTAP	Virginia Talent Accelerator Program