



COMMONWEALTH of VIRGINIA

Office of the Governor

Glenn Youngkin
Governor

July 26, 2022

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

The Honorable Barry D. Knight
Chair
House 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 January 1, 2022 through June 30, 2022 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, appearing to read "Glenn Youngkin".

Glenn Youngkin

MJR
Enclosures

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cc: Joseph Guthrie, Commissioner, Virginia Department of Agriculture and Consumer Services

AFID Facility Grant Program

As of June 30, 2022, there were one hundred eighteen (118) 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-seven (67) unique Virginia localities. These one hundred eighteen (118) projects total \$11,119,900 in AFID grant funds and represent the creation of 3,610 new jobs, \$1,147,577,197 in new capital investment, and \$1,308,677,971 in new Virginia-grown agriculture and forestry purchases. These agribusinesses have, on average, committed to purchase from Virginia farms and forestland owners approximately 80% of the agricultural and forestry products needed to meet their new value-added processing requirements.

For the last half of FY 2022, a total of \$915,000 was committed in AFID Facility Grant funds to assist seven (7) new and expanding projects in the Commonwealth, which represents the commitment of \$103,872,824 in new capital investment, 55 new jobs and 8 FTEs, and \$157,335,493 in new Virginia-grown purchases. These companies have, on average, committed to purchase from Virginia approximately 74% 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 2022:

Phoenix Hardwoods, Inc. (announced January 11, 2022) Expansion of artisan hardwood furniture fixture producer	
Location	Floyd County
Grant amount committed from AFID	\$10,000 AFID – building improvements
Other funds committed by the Commonwealth	
How these funds will be used	
Other funds from the political subdivision and their use	\$10,000 in local matching funds – building improvements
New jobs	Eight (8) new jobs
New investment	\$100,000
Minimum purchase Virginia-grown products	\$76,035 (57,317 board feet) of Virginia-grown hardwoods (100% 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	2022 - 2024
Prevailing average wage in locality	\$32,267
Average wage of project	\$35,880
Break Even	3 rd year, 1 st quarter

Hidden Pines Meat Processing, LLC (announced March 10, 2022)	
Location of a USDA-inspected meat processing facility	
Location	Madison County
Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	\$40,000 AFID – building improvements
Other funds from the political subdivision and their use	\$40,000 in local matching funds – building improvements
New jobs	Three (3) new jobs and four (4) full-time equivalent positions (FTEs)
New investment	\$491,396
Minimum purchase Virginia-grown products	\$1,275,805 (3,250 head) of Virginia-grown livestock (100% of total expected livestock to be processed)
Projected impact on agricultural and forestal producers	This project creates an important new meat processing option for Virginia livestock producers who market directly.
Timetable for project completion	2022 - 2025
Prevailing average wage in locality	\$39,923
Average wage of project	\$40,142
Break Even	3 rd year, 4 th quarter

Perdue Agribusiness LLC (announced March, 24, 2022)	
Renovation and expansion of major soybean crushing and grain handling facility	
Location	City of Chesapeake
Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	\$450,000 AFID – building improvements
Other funds from the political subdivision and their use	\$450,000 in local matching funds – building improvements
New jobs	0
New investment	\$59,147,354
Minimum purchase Virginia-grown products	\$140,192,000 (10,784,000 bushels) of Virginia-grown soybeans (40% of total expected net new purchases)
Projected impact on agricultural and forestal producers	This project expands Virginia’s largest and most important market for soybeans and ensures the future for this facility, which is foundational to Virginia agriculture.
Timetable for project completion	2022 - 2026
Prevailing average wage in locality	\$49,824
Average wage of project	N/A
Break Even	N/A

Sandy River Distillery, Inc. (announced March 31, 2022)	
New craft distillery	
Location	Prince Edward 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	\$31,000 in local matching funds – building improvements
New jobs	Six (6) new jobs and four (4) FTEs
New investment	\$528,000
Minimum purchase Virginia-grown products	\$25,325 (40,623 lbs) of Virginia-grown corn, berries and rye (45% of total expected purchases)
Projected impact on agricultural and forestal producers	This project expands a high-profile market for Virginia-grown corn, berries, and rye.
Timetable for project completion	2021-2024
Prevailing average wage in locality	\$38,468
Average wage of project	\$30,000
Break Even	3 rd year, 1 st quarter

Area 2 Farms, PCB (announced April 15, 2022)	
New indoor farm	
Location	Arlington County
Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	\$40,000 AFID – building improvements
Other funds from the political subdivision and their use	\$40,000 in local matching funds – building improvements
New jobs	Thirty (30) new jobs
New investment	\$1,810,287
Minimum purchase Virginia-grown products	\$3,576,991 (3,416,336 ounces) of Virginia-grown leafy greens and herbs, root vegetables, alliums, and fruits (100% of total expected purchases)
Projected impact on agricultural and forestal producers	This project supports urban agriculture and creates a market for Virginia-grown leafy greens and other produce.
Timetable for project completion	2022 - 2024
Prevailing average wage in locality	\$100,743
Average wage of project	\$132,000
Break Even	1 st year, 4 th quarter

Birdsong Corporation (announced May 24, 2022)	
Major renovation and improvement of a peanut shelling operation	
	City of Suffolk
Grant amount committed from AFID	\$250,000 AFID – building improvements
Other funds committed by the Commonwealth	\$250,000 VIP – building improvements
How these funds will be used	
Other funds from the political subdivision and their use	\$600,000 in local matching funds – building improvements
New jobs	0
New investment	\$25,095,200
Minimum purchase Virginia-grown products	Commitment to contract 462 net new acres (or \$544,236 in net new purchases) from Virginia peanut growers
Projected impact on agricultural and forestal producers	This project supports and secures the presence of Virginia’s largest peanut buyer.
Timetable for project completion	2022 - 2025
Prevailing average wage in locality	\$56,546
Average wage of project	N/A
Break Even	N/A

Rockingham Co-Operative Farm Bureau, Inc. dba Rockingham Cooperative (announced June 14, 2022)	
Expansion and renovation of feed mill	
Location	Rockingham County
Grant amount committed from AFID	\$100,000 AFID – building improvements
Other funds committed by the Commonwealth	
How these funds will be used	
Other funds from the political subdivision and their use	\$100,000 in local matching funds – building improvements
New jobs	Eight (8) new jobs
New investment	\$16,700,587
Minimum purchase Virginia-grown products	\$11,645,101 (30,902 tons) of Virginia-grown grains (100% of total expected net new purchases)
Projected impact on agricultural and forestal producers	This project expands grain and feed grain infrastructure critical to Virginia ag community.
Timetable for project completion	2022 - 2025
Prevailing average wage in locality	\$42,289
Average wage of project	\$40,935
Break Even	1 st year, 2 nd 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 second half of FY 2022.

AFID Infrastructure Grant Program

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. In FY 2022, the AFID Infrastructure Grant's inaugural year, there were two grant rounds resulting in 19 active grants totaling \$373,887 across 17 unique Virginia localities.

On June 13, 2022, Governor Youngkin announced eleven (11) AFID Infrastructure Grant awards totaling \$214,000. A summary of each project is listed below.

Announced AFID Infrastructure Grant Projects for the period January 1 – June 30, 2022:

Project Description: Commercial Kitchen Expansion

Applicant: **Bedford County**

Amount Funded: **\$9,000**

Summary: Bedford County is requesting funding to expand the commercial kitchen facility located at Bramble Hollow Farm, a member of a small, sustainable food-focused farming collective known as Edible Goose Creek. Few commercial kitchen facilities exist in the area, so this facility is serving a local community need for producing value-added products. The funding request is for the purchase of a commercial tilt kettle for producing Bramble Hollow Farm's popular chicken stock and other members' products.

Project Description: Farmers Market Improvements

Applicant: **Fauquier County**

Amount Funded: **\$7,500**

Summary: The County of Fauquier recently completed a Farmers Market Feasibility Study in 2021 and is requesting funding to implement recommendations from the study to increase both consumer and producer participation. Funding will be used to purchase signage and infrastructure upgrades, including tables, tents, and a sound system, as well as the purchase of two cold storage units.

Project Description: Grain Milling Upgrades

Applicant: **Franklin County**

Amount Funded: **\$10,000**

Summary: Franklin County is requesting funding to support Green Sprig Ag (GSA), a grain milling operation run by a 5th generation farmer and a member of the Common Grain Alliance, a mid-Atlantic network of grain farmers. GSA produces both feed and food-grade grains and needs to make facility upgrades to more efficiently process grains that are entering the food system. Funds will be used to renovate an existing building to meet food grade standards for the purpose of cleaning, storing, and processing grain for members of the Common Grain Alliance.

Project Description: Sheep Wool Baler

Applicant: **Grayson County**

Amount Funded: **\$20,000**

Summary: Grayson County is partnering with the New River Valley Sheep & Goat Club to purchase a baler in support of regional sheep wool production. The discrepancy in the value of baled wool versus non-baled wool is extreme, and the purchase of the baler will allow producers to sell directly to the end buyer and see as much as a 400% increase in profit. This project is also receiving grant funding from the Tobacco Region Revitalization Commission.

Project Description: Grain Milling Upgrades

Applicant: **Nelson County**

Amount Funded: **\$22,500**

Summary: Nelson County has requested funding to help Deep Roots Milling (DRM), a founding member of the Common Grain Alliance and a leader in regional grain processing, grow both retail and wholesale sales. DRM operates at Woodson's Mill, c. 1794, the only water-powered mill still in operation in Virginia. Funding will be used to upgrade the mill's third floor to create a sifting room and to purchase new bagging equipment.

Project Description: Oyster Processing

Applicant: **Northampton County**

Amount Funded: **\$25,000**

Summary: Northampton County is requesting funding to support the Ruby Salts Oyster Cooperative, a collective of five oyster farms. Funding will be used to purchase a pontoon barge to act as a mobile processing facility that will efficiently perform all farming and oyster husbandry activities, from seed to harvest. Customizable attachments will streamline production, and the use of on-site solar power will reduce the Cooperative's environmental impact.

Project Description: Meat Processing Upgrades

Applicant: **Orange County**

Amount Funded: **\$25,000**

Summary: Orange County seeks funding to increase Piedmont Processing's meat processing capacity, helping both Piedmont Processing and the 75 to 100 local producers that rely on the facility to process their meat locally. Piedmont Processing's growth is currently limited by insufficient cooler space for aging beef. Funding will be used to purchase a walk-in freezer that will increase Piedmont Processing's cooler space by 40%.

Project Description: Mobile Market

Applicant: **City of Richmond**

Amount Funded: **\$20,000**

Summary: The City of Richmond requests funding to support RVA Street Foodies, an Urban Social Enterprise Mobile Market that provides SNAP-eligible foods using a food cart model. This Mobile Market model creates employment and entrepreneurship opportunities and strengthens the local food system by increasing access to healthy food options. Funding will be used to purchase additional food carts that will be used to reach targeted underserved communities to offer fresh fruits and vegetables sourced from Virginia farmers.

Project Description: Farmers' Market Construction

Applicant: **Scott County**

Amount Funded: **\$25,000**

Summary: Scott County seeks funding to construct a farmers market within the town of Nickelsville. Currently, Nickelsville residents must travel a minimum of 20 miles to access the nearest grocery store or farmers market, a burden for consumers and farmers alike. Funds will be used to design and construct the facility in Nickelsville.

Project Description: Oil Tank Installation

Applicant: **Shenandoah County**

Amount Funded: **\$25,000**

Summary: Shenandoah County is requesting funding to support Route 11 Potato Chips' urgent need for oil storage, as global supply chain disruptions have threatened the reliability of sunflower oil delivery. Route 11 has been in operation for over 25 years and purchases more than one million pounds of Virginia-grown potatoes each year. Funding will be used to purchase and install four oil tanks, enabling Route 11 to purchase in bulk and guarantee a continuous, lower cost supply of oil.

Project Description: Craft Beverage Support

Applicant: **Westmoreland County**

Amount Funded: **\$25,000**

Summary: Westmoreland County is pursuing the tourism- and local food-focused community development strategy of recruiting a new brewery and pub to downtown Montross. A vacant, former retail facility will be renovated into the new home of Northern Neck Brewing Company with the goal of creating a family-friendly destination for tourists and residents alike. Funding will be used to purchase brewery equipment and will leverage nearly \$250,000 in additional investment to create a new brewery and pub focused on locally sourced produce, meat, and seafood.

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