



*VIRGINIA DEPARTMENT
OF AGRICULTURE AND
CONSUMER SERVICES*

**VIRGINIA FOOD ACCESS
INVESTMENT FUND ANNUAL REPORT**

By:

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Commissioner of Agriculture and Consumer Services

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TABLE OF CONTENTS

Executive Summary	3
Overview	4
Accomplishments	6
Appendix I - Equitable Food Oriented Development Criteria	9
Appendix II – Virginia Food Access Investment Fund Program Guidelines.....	10
Appendix III – Awardee Onboarding Timeline.....	12

EXECUTIVE SUMMARY

The purpose of this report is to highlight the activities and accomplishments of the Virginia Food Access Investment Fund (Fund) and Virginia Food Access Investment Program (Program) during Fiscal Year (FY) 2023, 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 inequality through a grant program aimed at encouraging grocery stores and other food retailers to combat 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. The first round of grants were awarded from the Fund in spring 2021. As of October 31, 2023 the balance of the Fund was \$2,173,394.23.

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

- Administered the FY 2023 grant round, conducting extensive outreach and reviewing 27 pre-proposals and nine completed applications.
- Awarded grants totaling \$175,000 in funding to four 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 reimbursement requests and reporting guidelines.

OVERVIEW

Section 36-156.6 of the Code of Virginia (Code) requires the Commissioner of the Department of Agriculture and Consumer Services (VDACS) to submit an annual report on the activities of the Fund 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 or before December 1 of each year. VDACS must annually report the number of projects funded; the geographic distribution of the projects; the costs of the Program; the outcomes, including the number and type of jobs created and health initiatives associated with the Program; and 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. “There is hereby created in the state treasury a special no reverting fund to be known as the Virginia Food Access Investment Fund. 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 [community development financial institution that provides credit and financial services for underserved communities (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] 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 Equitable Food Oriented Development (EFOD) model 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. Currently, there are likely more than 1 million Virginians who are unsure whether they will have adequate access to a sufficient supply of food.

Food insecurity goes hand in hand with health disparities. Studies have shown that food insecurity correlates with decreased nutrient intake, 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 spent at participating farmers' markets and food stores. Virginia Fresh Match helps people access healthy and affordable fruits and vegetables while supporting local farmers. Subdivision (B)(3) of § 36-156.5 requires 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

FY 2023 Grant Round

The FY 2023 grant round opened on November 1, 2022, and closed on February 22, 2023 (see Appendix II for a complete timeline). Staff made modifications to the timeline and process based on best practices learned from the previous two grant rounds, including lengthening the application timeline. Additionally, all aspects of the grant process, including the pre-proposal, were submitted through the Fondant grant portal.

During this year’s grant round, interested applicants, including farmers, small food retailers, food cooperatives, non-profits, and other small businesses, submitted 27 pre-proposals to determine their eligibility. Throughout January, the Program Coordinator provided technical assistance to interested applicants. Technical assistance is a critical aspect of the Program, as interested applicants may not have grant-writing experience. At the close of the grant period, nine complete applications had been submitted, totaling \$500,000 in funding requests.

On April 12, 2023, 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, now called Locus, is the selected CDFI that collaborates with VDACS on the administration of the Program. On May 31, 2023, four of the projects were granted awards, totaling \$175,000. The period for implementation of these projects runs from June 1, 2023, through May 31, 2025.

Deerehaven Farm		
Surry County	Small Food Retailer	\$25,000
<p>This project will support the creation of a Community Produce Stand at Deerehaven Farm, a small, minority-owned farm in Surry County. Spring Grove is identified by the U.S. Department of Agriculture (USDA) as a food desert, and the produce stand will provide an additional fresh food retail option that accepts Electronic Benefits Transfer (EBT) and Virginia Fresh Match. Deerehaven Farm is already successfully selling produce at the Portsmouth Farmers’ Market and through Community Supported Agriculture (CSA) boxes, but this project will enable more produce to be sold in Surry County. The farm also employs local residents and provides training opportunities to community youth.</p>		
Jon Henry General Store		
Town of New Market	Innovative Food Retailer	\$50,000
<p>This project will create a Plant & Produce Pavilion at the Jon Henry General Store (JHGS). JHGS is located in a historic building and, in order to increase the store’s square footage by 50 percent, the business needs to expand to an outdoor pavilion. The pavilion will enable the business to meet increased demand via an Americans with Disabilities Act accessible layout while providing dedicated space for public programming with SNAP Education, including</p>		

cooking and health demonstrations. The pavilion will have dedicated space for plant retail in the spring and fall season, providing customers the opportunity to grow their own foods. JHGS will also use funding to invest in multi-lingual staff and continue the bus token program, to increase accessibility for individuals without personal transportation. Outside of the growing seasons, it will serve as an open-air produce farm market. JHGS has successfully implemented a previous VFAIF award that led to a doubling of its EBT and Virginia Fresh Match sales.

Market Central; Bread & Roses

City of Charlottesville	Innovative Food Retailer	\$50,000
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To address barriers to fresh food and economic opportunity, Market Central (MC) and Bread & Roses (B&R) will partner with Charlottesville’s historically marginalized residents to build wealth and health through community-led food business development and increased access to fresh food. This project will have three main components. First, MC and B&R will develop and equip a new, community-led market in a low income, low access area and will employ residents of the area to act as community ambassadors. Research shows that increasing the numbers of vendors in marginalized communities can increase the customer counts from those same communities, so the second prong of the project is in food business development and training. B&R will offer workshops on how to successfully create and operate food-based businesses. Finally, the project will fund a SNAP Coordinator to keep program service providers and clients up to date on SNAP eligibility and funding changes and expand outreach to residents experiencing food insecurity.

River Street Education

City of Petersburg	Innovative Food Retail	\$50,000
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This project will build on the success of the POP! Mobile Farm Market, a community-led enterprise providing mobile markets throughout the City of Petersburg. River Street Education, Inc. (RSE) aggregates local produce & food products and provides them to the Petersburg community via mobile farm markets located in low-income, low-access neighborhoods and the Market at Petersburg Public Library, a permanent indoor farm market. This project will allow RSE to purchase a refrigerated vehicle, as opposed to continuing to rent, which will allow those funds to support personnel to staff as many as six additional mobile markets weekly. This project will also leverage other grant funding.

As of the time of this report, the following two 2023 awardee projects have been completed:

The River Street Market has completed the purchase of the mobile market step van. While leveraging other grant funding, this project allowed RSE to purchase a refrigerated vehicle, which will allow the organizations to staff as many as six additional mobile markets weekly. RSE's market vehicle has been essential in continuing the aggregation program and Market @ Petersburg Public Library (PPL) the market vehicle has allowed the RSE aggregation program and Market @ PPL to continue providing access to local and healthy foods to the Petersburg community and supporting local food businesses and a food supply chain. In September and October (post vehicle purchase), the Market @ PPL has sold over \$8,200 in products through 730 transactions. SNAP

& Virginia Fresh Match sales were 16 percent of overall sales.

The Plant & Produce Pavilion has also been completed at the Jon Henry General Store (JHGS). The pavilion has allowed the JHGS to increase its capacity and accessibility. The space will be used by the JHGS to sell local produce and host community programming.

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 Equivalent)
- 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, four grant awardees have supplied 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.

Outreach

To ensure accessibility and create a diverse pool of applicants, the previous 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.

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

AWARDEE ONBOARDING TIMELINE

Date	Action	Who Owns This
Friday, June 2, 2023	Deadline for VDACS to email forms to Awardees: <ul style="list-style-type: none"> • Annual Report to collect Baseline data • COV W-9 	VDACS
Friday, June 9, 2023	Deadline for Awardees to return required documents to VDACS: <ul style="list-style-type: none"> • Updated budget completed by Awardee, if applicable • Updated workplan completed by Awardee, if applicable • Baseline data on Annual Report form • COV W-9 If you believe you may have trouble meeting this deadline, contact VDACS immediately.	Awardee (Updates to budget and/or workplan must be discussed w VDACS.)
Friday, June 16, 2023	Deadline for VDACS to send Memorandum of Agreement (MOA) to Awardees for signature	VDACS
July 1, 2023	Beginning of Performance Period; Awardees may begin incurring eligible project expenses; note that reimbursement funds will not be distributed until the MOA is fully executed	
July 15, 2023	Deadline for Awardees to submit the signed MOA to VDACS If MOA and all required documents are not received by this date, the project award will be nullified, and Applicants will be encouraged to apply for the next VFAIF grant round. If you believe you may have trouble meeting this deadline, contact VDACS immediately.	Awardee
TBD	VDACS Commissioner to sign the MOA VDACS will send the fully executed MOA to Awardees; reimbursement of funds may begin at this time.	VDACS
Ongoing	VCC is available to provide technical assistance throughout the VFAIF project performance period and/or to help identify other funding sources to fulfil total project budgets. Contact Lauren as needed.	VCC

Onboarding Timeline for New Projects

Important notes:

- Project Performance Period: July 1, 2023, to May 31, 2025
- Awardees may begin incurring eligible expenses for reimbursement on or after July 1, 2023.
- Eligible expenses will not be reimbursed until the MOA is fully executed which means it is signed by VDACS Commissioner and returned to Awardees.
- Awardees may submit one reimbursement request each month; reimbursement funds are distributed up to 30 days after submitted requests.

Contact information:

1. Document submission, reimbursement requests, and document information:
Keisha Williams, VDACS, Keisha.williams@vdacs.virginia.gov, 804-786-2776
2. Funding resources and technical assistance:
Lauren DeSimone, Virginia Community Capital (VCC), ldesimone@vccva.org, 804.939.6181

APENDIX III

Virginia Food Access Investment Fund Grant Guidelines

Program Overview

The Virginia Food Access Investment Fund (VFAIF) is a statewide program that focuses on equity and justice in local food systems by investing in new or expanding food retailers that address food access issues in the Commonwealth. VFAIF offers grants and loans to fund the business development, construction, rehabilitation, equipment upgrades, and expansion of grocery stores, small food retailers, and innovative food retail projects in low-income communities that experience low-access to fresh food.

Food acts as a common thread between history and culture, neighborhood empowerment and economic sustainability, and healthier lifestyles. The VFAIF program has been developed using the Equitable Food-Oriented Development model (EFOD), a development strategy that uses food and agriculture to create economic opportunities and healthy neighborhoods and that explicitly seeks to build community assets, pride, and power by and with low-income and low-access communities.

The USDA Economic Research Service (ERS) defines low-income and low-access as: census tracts where a significant number (at least 500 people) or share (at least 33 percent) of the population is greater than 1.0 mile from the nearest supermarket, supercenter, or large grocery store for an urban area or greater than 20 miles for a rural area.

Under this measure, an estimated 17.3 million people, or 5.6 percent of the U.S. population, live in low-income and low-access tracts and are more than 1 mile or 20 miles from a supermarket. More information can be found here: <https://www.ers.usda.gov/data-products/food-access-research-atlas/>

In these communities, the objectives of this program are to:

- improve access to fresh foods and reduce food deserts across the Commonwealth;
- create wealth and leadership in low-income and low-access communities;
- improve access to private capital in low-income, low-access, and vulnerable communities, including for Black, Indigenous, and People of Color;
- assess, support, and transform existing or potential businesses into sustainable community-informed businesses;
- foster innovative solutions that uplift and share successful food business models; and
- reduce food insecurity, strengthen food systems, and improve health outcomes for low-income and low-access communities.

VFAIF is administered by the Virginia Department of Agriculture and Consumer Services (VDACS) in partnership with a Community Development Financial Institution (CDFI).

Eligibility

The VFAIF program is a unique grant opportunity that is focused on low-income and low-access communities. Specifically, VFAIF and EFOD are focused on low-income, low-access communities which have been disproportionately affected by unequal investment and growth, including a lack of access to capital.

Applicants may be individuals, farms, nonprofits, organizations (faith-based or others), or for-profit businesses.

Eligible projects include the business development, construction, rehabilitation, equipment upgrades, or expansion of:

- Grocery stores that primarily sell meat, seafood, fruits, vegetables, dairy products, dry groceries, household products, sundries, and healthy food options
- Innovative food retail projects such as mobile markets or delivery models, including food trucks
- Small food retailers, such as small-scale stores, neighborhood stores, small groceries, farmers' markets, or corner stores
- Small, limited resource or socially disadvantaged farmers and ranchers; small, limited resource or socially disadvantaged farm co-ops, community gardens, restaurants or cafes with a direct food retail component or in partnership with a qualified food retailer, food hub, Supplemental Nutrition Assistance Program (SNAP) Community Supported Agriculture (CSA), and/or farm stand

Eligible uses of funding may include, but are not limited to, seed money or funds for implementation, such as site development or the purchase of equipment.

VFAIF will not fund stand-alone business entities without a food retail component or food retail partner, traditional food banks/food pantries, farm/production equipment or expenses, or the purchase of land.

Mandatory Requirements

Projects must meet the following requirements to be considered for funding:

- Be located in the Commonwealth of Virginia
- Have a retail component where consumers can purchase fresh meats, seafood, dairy, produce, and/or healthy food options
- Directly serve residents within low-income, low-access communities
- Demonstrate a history of community engagement, work in the community, and community support for the project
- Accept SNAP benefits and offer Virginia Fresh Match incentives
- Purchase a minimum of 25% of fresh products from Virginia's small, beginning, limited resource, Veteran, and/or socially disadvantaged farmers and ranchers (as designated by USDA/ERS ers.usda.gov)

Additional Considerations

Prioritization will be given to projects that meet the following criteria:

- The entity receiving funds is owned or substantially led by individuals from low-income, low-access communities, or is working in an active, ongoing partnership with these individuals, which must include shared leadership, decision-making, resources, and/or shared economic benefit
- Integrate community culture and artistic expression in the business model and/or customer

experience

- Provide a path for financial sustainability and positive outcomes to the community, including education, leadership and youth development, employment of community residents, job training, or workforce development
- Demonstrate success in creating partnerships and/or efforts to leverage additional funding.

Application Process

The VFAIF application period will be announced annually. Grant award amounts will range from \$5,000 to \$50,000 per project, per year. Successful projects may apply for additional funding in subsequent years upon completion of the previous project (for instance, an applicant could receive \$10,000 to purchase refrigeration in year one and then apply for \$50,000 to expand processing capability in year two).

To apply, applicants must first complete the pre-proposal and schedule a call with VDACS program staff, followed by completion of the application. Successful applications will show a clear vision and plan, including a timeline and deliverables; will have a comprehensive budget; and will demonstrate a path to financial sustainability or profitability.

Grant Resources and Support:

The VDACS Food Access Program Coordinator, who primarily focuses on the administration of the Virginia Food Access Investment Fund and Program, will provide technical assistance and outreach to grant applicants to assist with the application process and grant implementation. The Coordinator will serve as the main point of contact for questions regarding how to complete the grant application, prepare the proposal, and participate in the grant interview process. The Coordinator will work alongside successful grant recipients to assist them in identifying and partnering with other potential financial resources and to ensure they have or are able to accept SNAP benefits and the Virginia Fresh Match incentive. In addition, the Coordinator will work with partner food-based organizations to develop one-time and ongoing educational workshops and technical assistance to aid grant recipients in becoming sustainable and successful.

The Community Development Financial Institution (CDFI) serves as a critical partner to VDACS in grant program administration and implementation in support of VFAIF grant recipients. The CDFI will assist grant recipients with business development resources and connect them with financial resources, such as low-interest or no-interest loans, to provide additional sources of funding.

Please visit the [VDACS website](#) for information and services that can help you successfully develop and sustain your community-based business.

If you have any questions about the process or need help completing the application, please contact:

Keisha Williams, Grant Specialist
Office of Agriculture Forestry and Development
Keisha.williams@vdacs.virginia.gov