

Agriculture and Forestry Industries Development (AFID) Facility Grant Program

As of June 30, 2024, there were 128 active or completed AFID Facility Grants successfully awarded since the inception of the program, supporting a variety of agriculture- and forestry-based economic development projects across 69 unique Virginia localities. These projects, which total over \$11.98 million in AFID grant funds awarded, represent over \$1.526 billion in new capital investment, the creation of 4,040 new jobs, and more than \$1.45 billion in new Virginia-grown agriculture and forestry purchases. These agribusinesses have, on average, committed to purchase approximately 81 percent of the agricultural and forestry products needed to meet their new value-added processing requirements from Virginia farms and forestland owners.

For the second half of fiscal year (FY) 2024, a total of \$100,000 was committed in AFID Facility Grant funds to assist one new and expanding project in the Commonwealth, which represents the commitment of more than \$4.1 million in new capital investment, 18 new jobs, and \$13 million in new Virginia-grown purchases. This company committed to purchase approximately 100 percent of the agricultural and forestal products needed to meet its new value-added processing needs from Virginia producers. A summary of this project is listed below.

Two additional projects with significant regional and industry importance to the dairy and poultry industries were announced during this reporting period. These projects, which represent an additional \$123.5 million in new capital investment, were initially considered for AFID Facility Grant funds but ultimately did not meet the program’s requirements. Instead, these projects were determined to best be supported through the AFID Infrastructure Grant program. A summary of each of these projects is listed below in the AFID Infrastructure Grant program section. (HP Hood, LLC, and Central Virginia Poultry Cooperative)

Announced AFID Facility Grant Projects for the period January – June 2024:

Beanstalk Farms, Inc. dba Beanstalk Expansion and location of a controlled-environment agriculture greenhouse operation	
Location	Prince William 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	\$100,000 in local matching funds – building improvements
New jobs	18 new full-time jobs
New investment	\$4,100,000
Minimum purchase Virginia-grown products	\$13,000,000 (2.1 million pounds) of Virginia-grown leafy greens and fresh cut herbs (100 percent of all expected production)
Projected impact on agricultural and forestal producers	This project grows Virginia’s indoor-growing industry and supports urban agriculture.
Timetable for project completion	2024 - 2027
Prevailing average wage in locality	\$61,128

Average wage of project	\$77,611
Break Even	3 rd year, 2 nd quarter

As of this report, there are 13 AFID Facilities Grant projects in the pipeline. If awarded, these projects could represent more than \$1.12 million in AFID funds. Additional details on these projects can be found below under Future Trends.

AFID Planning Grant Program

Since the inception of the AFID Planning Grant program, \$1.1 million has been awarded to 55 active or completed projects, directly impacting 66 unique localities. Of the funded projects, 51, approximately 90 percent, have successfully completed the grant.

One new AFID Planning Grant project was announced during the second half of FY 2024, with an award totaling \$30,000.

The summary of this project is listed below:

Roadmap to Urban Agriculture (Announced June 28, 2024)	
Location	Fairfax County
Grant amount and objective	\$30,000 – Creation of a roadmap to urban agriculture, a partnership between the Northern Virginia Soil and Water Conservation District, the City of Fairfax, and the County of Fairfax, to address critical issues in food system resilience.

As of this report, staff has received five AFID Planning Grant program project inquiries that could potentially lead to approximately \$130,000 of funds being awarded.

AFID Infrastructure Grant Program

The AFID Infrastructure Grant offers reimbursable grants of up to \$50,000 to political subdivisions to fund community infrastructure development projects that support local food production and sustainable agriculture. Since the inception of the AFID Infrastructure Grant program in 2021, \$1,224,216 has been awarded to 42 active or completed projects, directly impacting 33 unique localities.

Ten new AFID Infrastructure Grant projects were announced during the second half of FY 2024. A total of \$100,000 was awarded to two off-cycle applicants of regional significance. A total of \$253,950 was awarded to eight localities from the spring 2024 grant round for the expansion of two farmer’s markets, two community canneries, a commercial kitchen, a dairy, a meat processor, and a honey processor.

Summaries of these projects organized by announcement date are listed below:

Central Virginia Poultry Cooperative Project (Announced February 23, 2024)	
Location	Counties of Amelia, Buckingham, Charlotte, Cumberland, Lunenburg, Nottoway, and Prince Edward
Grant amount and objective	\$50,000 – Assist with the purchase of an egg washer system to support the newly formed Central Virginia Poultry Cooperative.

Expansion of a Major Dairy Processing Facility (Announced April 9, 2024)	
Location	Frederick County
Grant amount and objective	\$50,000 – Expand a major dairy processing facility by HP Hood, LLC, in Frederick County.

Meat Processing Expansion (Announced June 28, 2024)	
Location	Washington County
Grant amount and objective	\$50,000 – Expand Anderson and Sons Meat Processing. Additional equipment purchased will increase the processing capacity of the plant.

Farmer’s Market Pavilion (Announced June 28, 2024)	
Location	Shenandoah County
Grant amount and objective	\$12,300 – Expand existing market to provide additional space for local producers to market and sell their products.

Dairy Processing Room and Creamery (Announced June 28, 2024)	
Location	Smyth County
Grant amount and objective	\$20,000 – Expand Waller Dairy, a Grade-A permitted dairy processing plant, and create a creamery to increase production capacity.

Cannery Equipment Upgrades (Announced June 28, 2024)	
Location	Prince Edward County
Grant amount and objective	\$28,000 – Replace and modernize essential food processing equipment in a local shared use facility benefiting small scale producers.

Century Farm Market Equipment Upgrades (Announced June 28, 2024)	
Location	Louisa County
Grant amount and objective	\$17,650 – Expand the cooler/freezer capacity of a local farm market, The Century Farm Market.

Mobile Honey Processing Vessel (Announced June 28, 2024)	
Location	Albemarle County and Fluvanna County
Grant amount and objective	\$26,000 – Create a compliant food manufacturing facility, a “mobile honey processing vessel” to assist local honey producers and agribusinesses.

Equipment Replacement Community Canneries (Announced June 28, 2024)	
Location	Franklin County
Grant amount and objective	\$50,000 – Replace essential canning equipment and make repairs to two local community canneries in Franklin County, serving many local producers.

Commercial Kitchen Equipment Upgrades (Announced June 28, 2024)	
Location	City of Buena Vista
Grant amount and objective	\$50,000 – Purchase essential equipment for a mixed-use agribusiness incubator. The shared-use facility will allow many small to mid-sized agricultural producers to create and sustain their value-added product companies.

The spring 2024 grant round opened on March 25, with applications due by May 6. Staff received 12 applications, with a total request of \$430,300.

AFID Blue Catfish Processing, Flash Freezing, and Infrastructure Grant Program

The AFID Blue Catfish Processing, Flash Freezing, and Infrastructure Grant Fund was established by legislation enacted during the 2023 Session of the General Assembly authorizing the Governor to award grants from the Fund to encourage efforts by political subdivisions to support the processing, flash freezing, and infrastructure of invasive blue catfish species. Any funds awarded by the Governor must be awarded as reimbursable grants of no more than \$250,000 per grant to political subdivisions to support blue catfish processing, flash freezing, and infrastructure projects.

The 2023 grant round opened in October and ran through the end of November. Seven applications were received with requests totaling \$1.7 million. A single applicant, Sea Farms, Inc of Gloucester, Virginia, was selected to receive the full \$250,000 award.

The summary of this project is listed below:

Expansion of Facilities and Addition of Equipment to Sea Farms, Inc. (Announced January 29, 2024)	
Location	Gloucester County
Grant amount and objective	\$250,000 – Assist with the purchase of additional freezing equipment to increase the purchasing,

	processing, and sales of local wild-caught blue catfish.
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Future Trends

The AFID program is a critical economic development tool in supporting new and expanding agriculture- and forestry-based businesses, oftentimes supporting small businesses who would not otherwise qualify for state discretionary incentives. The program continues to receive strong interest from businesses representing controlled-environment agriculture (CEA), specialty foods and dairy manufacturing, meat processing, and forestry products. New indoor farming project leads continue to increase as Virginia becomes the clear leader in CEA. Food and meat processing also continue to have strong interest, with projects spanning from small local producers to large industry leaders. The AFID program has seen an increase in dairy projects for both Facility Grant and Infrastructure Grant projects. Forestry has also seen an uptick in project leads representing stave mills, sawmills, and bio char operations. A steady interest remains in the program from the craft beverage industry representing hard cider, wine, and distilled spirits. There is also strong interest in the next round of Blue Catfish Processing, Flash Freezing, and Infrastructure Grants.

Agricultural technology companies continue to have strong interest in the AFID program. However, these companies do not meet the AFID program requirements for consideration.

The AFID Facility Grant project pipeline currently has 13 active projects across 13 unique localities. These projects, which represent CEA, forestry, dairy, and meat processing industries, represent nearly \$479 million in new capital investment, the creation of over 753 new jobs, and commitments to purchase more than \$140 million Virginia-grown agriculture and forestry products. If awarded, these projects could represent more than \$1.12 million in AFID funds.

A breakdown of these projects as of this report are listed below.

Industry	Purpose	Capital Expenditure	New Jobs	Virginia Grown	Percent VA Grown
Dairy	Expansion of existing dairy processor	\$2,526,725	2	\$1,897,519	100%
Forestry	Location of new stave mill	\$16,850,000	40	\$7,000,000	50%
Dairy	Expansion of existing dairy processor	\$895,000	5	\$375,000	100%
CEA	New indoor grower of leafy greens	\$14,938,722	61	\$11,833,144	100%
Dairy	New dairy yogurt manufacturer	\$13,000,000	56	\$2,606,821	30%
Forestry	Location of new housing components manufacturer	\$5,500,000	58	\$1,175,000	32%

CEA	Expansion of existing indoor grower	\$22,652,248	21	\$19,303,704	100%
CEA	New site/ major expansion of existing indoor grower	\$239,313,372	131	\$92,203,650	100%
Craft Beverage	New farm winery and tasting room	\$250,000	7	TBD	100%
Dairy	Expansion of existing dairy products manufacturer	\$59,000,000	39	TBD	TBD
Meat Processing	New meat processing operation	\$3,029,938	18	\$3,071,444	100%
Meat Processing	New meat slaughter/ processing facility	\$1,212,000	15	\$1,194,000	90%
CEA	Large new greenhouse facility	\$99,705,268	300 (160 new jobs; 140 H2A jobs)	TBD	100%