



*VIRGINIA DEPARTMENT
OF AGRICULTURE AND
CONSUMER SERVICES*

**VIRGINIA FOOD ACCESS
INVESTMENT FUND ANNUAL REPORT**

By:

Joseph Guthrie
Commissioner of Agriculture and Consumer Services

December 1, 2024

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) 2024, 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 address the issue of 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 third round of grants was awarded from the Fund in spring 2023. As of October 31, 2024, the balance of the Fund was \$2,013,955.

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 EFOD model to reduce food insecurity and expand access to healthy and affordable food choices. According to the U.S. Department of Agriculture (USDA), 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 OF THE FUND

Program Overview

The Program focuses on equity in local food systems by investing in new or expanding food retailers that address food access issues in the Commonwealth. The Program 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, economic sustainability, and healthier lifestyles. The Program has been developed using the EFOD model, 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;
- 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.

The Program is administered by VDACS in partnership with a Community Development Financial Institution (CDFI).

FY 2024 and Plans for FY 2025

The Program did not award any new grants during FY 2024, as a Large-Scale Retailer grant category was being developed. As of the submission of this report, there are five grants that were awarded during the FY 2023 grant round, which were detailed in last year's report, that are in the process of being closed out and expending their grant funds. The closeout of these projects will be outlined in the 2025 Program and Fund report.

As of December 1, 2024, VDACS has announced the next round of Program funding for FY 2025 along with the new category for Large-Scale Retail grant opportunities. This new category recognizes and addresses the access to fresh healthy fruits and vegetables in both urban and rural areas with little to no access to area markets. VDACS anticipates that the Program's Large - Scale Retail grant will attract grocery retailers to these low access areas.

Eligibility

The Program's Large-Scale Retailer grant opportunity is a unique grant opportunity that is focused on low-income and low-access communities. Specifically, the Program is focused on low-income, low-access communities that have been disproportionately affected by unequal investment and economic growth, including a lack of access to capital. Applicants may be individuals or organizations representing a large-scale food retailer.

Eligible projects include the business development, construction, rehabilitation, equipment upgrades, or expansion of grocery stores (exceeding 15,000 sq ft) that primarily sell meat, seafood, fruits, vegetables, dairy products, dry groceries, household products, sundries, and healthy food options.

Eligible uses of funding may include seed money or funds for implementation, such as site development or the purchase of equipment.

The Program will not fund stand-alone business entities that do not have 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, or other 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 or an equivalent incentive

Additional Considerations

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

- Purchase a significant volume or value fresh products from Virginia's small, beginning, limited resource, veteran, or socially disadvantaged farmers and ranchers (as designated by USDA/ERS ers.usda.gov)
- Demonstrate a high number of customers served by the large-scale food retailer
- Demonstrate significant employment from the community

- Integrate community culture and artistic expression in the business model 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 or efforts to leverage additional funding
- 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, or shared economic benefit

Application Process

Grant award amounts for the Program’s Large-Scale Retailer grant opportunity will range from \$100,000 to \$250,000 per project. Successful projects may apply for additional funding in subsequent years upon completion of the previous project.

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 (Coordinator), who primarily focuses on the administration of the 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 (or similar) 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 CDFI serves as a critical partner to VDACS in Program administration and implementation and in providing support to Program 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.

The Program grant in its original format will roll out in concurrent with the new Large Scale Retailer category. Due to the high demand, applicants will have an extended proposal period to prepare applications.

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

LARGE SCALE RETAILER AWARDEE ONBOARDING TIMELINE

Date	Action	Who Owns This
Monday, April 21, 2025	Deadline for VDACS to email forms to Awardees: <ul style="list-style-type: none"> • Annual Report to collect Baseline data • COV W-9 	VDACS
Thursday, May 1, 2025	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.)
Thursday June 1, 2025	Deadline for VDACS to send Memorandum of Agreement (MOA) to Awardees for signature	VDACS
Tuesday July 1, 2025	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	
Monday June 30, 2025	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	Locust Group is available to provide technical assistance throughout the Program project performance period and/or to help identify other funding sources to fulfil total project budgets. Contact Lauren as needed.	Locust

Onboarding Timeline for New Projects

Important notes:

- Project Performance Period: June 30, 2025, to July 1, 2027
- Awardees may begin incurring eligible expenses for reimbursement on or after July 1, 2025.
- 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. VDACS will review and approve the expenditure of

grant funds. State policy requires that payment will be made within thirty days of receipt of a valid invoice.

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, Locust Group lidesimone@locusimpact.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 \$10,000 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.

APPENDIX IV

VFAIF AWARDEE ONBOARDING TIMELINE

Date	Action	Who Owns This
Friday, May 16, 2025	Deadline for VDACS to email forms to Awardees: <ul style="list-style-type: none"> • Annual Report to collect Baseline data • COV W-9 	VDACS
Monday, June 2, 2025	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.)
Monday June 16, 2025	Deadline for VDACS to send Memorandum of Agreement (MOA) to Awardees for signature	VDACS
Tuesday July 1, 2025	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	
Monday June 30, 2025	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	Locust Group 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.	Locust

Onboarding Timeline for New Projects

Important notes:

- Project Performance Period: June 30, 2025, to July 1 2027
- Awardees may begin incurring eligible expenses for reimbursement on or after September 1, 2025.
- 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. VDACS will review and approve the expenditure of grant funds. State policy requires that payment will be made within thirty days of receipt of a valid invoice.

Contact information:

Document submission, reimbursement requests, and document information:
Keisha Williams, VDACS, Keisha.williams@vdacs.virginia.gov, 804-786-2776

Funding resources and technical assistance:
Lauren DeSimone, Locust Group lidesimone@locusimpact.org, 804.939.6181