

Agriculture and Forestry Industries Development (AFID) Fund Program Summary

AFID Facility Grant Program

As of December 31, 2024, there were 134 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 70 unique Virginia localities. These projects, which total over \$12.8 million in AFID grant funds awarded, represent over \$1.624 billion in new capital investment, the creation of 4,229 new jobs, and nearly \$1.5 billion in new Virginia-grown agriculture and forestry purchases. These agribusinesses have, on average, committed to purchase approximately 80 percent of the agricultural and forestry products needed to meet their new value-added processing requirements from Virginia farms and forestland owners.

For the first half of fiscal year (FY) 2025, a total of \$820,000 was committed in AFID Facility Grant funds to assist six new and expanding projects in the Commonwealth, which represents the commitment of more than \$97.7 million in new capital investment, 189 new jobs, and nearly \$44 million in new Virginia-grown purchases. These companies committed to purchase an average of 55 percent of the agricultural and forestal products needed to meet their new value-added processing needs from Virginia producers. A summary of these projects is listed below.

AFID Facility Grant Projects Announced for the period July – December 2024:

Homestead Creamery Expansion of a dairy products manufacturer	
Location	Franklin County
Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	\$20,000 AFID – building improvements
Other funds from the political subdivision and their use	\$20,000 in local matching funds – building improvements
New jobs	Two (2) new full-time jobs
New investment	\$2,526,725
Minimum purchase Virginia-grown products	\$736,513 (or 400,996 pounds) of Virginia-produced dairy (cream) – 86 percent of net new agricultural purchases
Projected impact on agricultural and forestal producers	This project supports the growth of Virginia’s dairy industry
Timetable for project completion	2024 - 2027
Prevailing average wage in locality	\$44,596
Average wage of project	\$33,280
Break Even	1 st year, 2 nd quarter

Speyside Bourbon Cooperage, Inc. Location of a new stave mill	
Location	Pittsylvania County
Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	\$250,000 AFID funds – building improvements
Other funds from the political subdivision and their use	\$1,855,500 – reduced price of publicly owned site and permit fee waivers
New jobs	Forty (40) new full-time jobs
New investment	\$16,850,000
Minimum purchase Virginia-grown products	\$7,000,000 (5,000,000 log ft) of Virginia-grown lumber (40 percent of total expected purchases)
Projected impact on agricultural and forestal producers	Project creates important new market for Virginia-grown White Oak timber
Timetable for project completion	2024-2028
Prevailing average wage in locality	\$46,062
Average wage of project	\$41,600
Break Even	5 th year, 1 st quarter

Desi Fresh Foods, LLC Location of dairy products manufacturing facility	
Location	Frederick County
Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	\$150,000 AFID – building improvements
Other funds from the political subdivision and their use	\$150,000 in local matching funds – building improvements
New jobs	Fifty-six (56) new full-time jobs
New investment	\$13,000,000
Minimum purchase Virginia-grown products	\$2,606,821 (170,187 gallons) of Virginia-produced dairy – 30 percent of new agricultural purchases
Projected impact on agricultural and forestal producers	This project supports the growth of Virginia’s dairy industry
Timetable for project completion	FY 2025 - 2028
Prevailing average wage in locality	\$57,956
Average wage of project	\$61,815
Break Even	3 rd year, 1 st quarter

Shamrock Foods Company dba Shamrock Farms Expansion of dairy products manufacturer	
Location	Augusta County
Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	\$300,000 AFID – building improvements \$600,000 Virginia Investment Performance (VIP) Grant - building improvements \$22,400 VJIP – workforce development
Other funds from the political subdivision and their use	\$300,000 in local matching funds – building improvements
New jobs	Twenty-eight (28) new full-time jobs
New investment	\$59,000,000
Minimum purchase Virginia-grown products	\$32,875,466 (16,555,000 pounds) in net-new purchases of milk from Virginia dairy cooperatives*
Projected impact on agricultural and forestal producers	This project supports the growth of Virginia’s dairy industry
Timetable for project completion	FY 2025 - 2028
Prevailing average wage in locality	\$57,351
Average wage of project	\$61,893
Break Even	3 rd year, 2 nd quarter

Carolina Structural Systems Location of a wood components manufacturer	
Location	Greensville County
Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	\$75,000 AFID – building improvements \$270,000 COF – building improvements \$41,600 VJIP – workforce development \$80,200 Enterprise Zone Job Creation Grant \$100,000 Enterprise Zone Real Property Investment Grant
Other funds from the political subdivision and their use	\$478,735 in local matching funds – building improvements
New jobs	Fifty-eight (58) new full-time jobs
New investment	\$5,500,000
Minimum purchase Virginia-grown products	\$395,000 (790,000 board feet) of Virginia-grown forestry products – 34 percent of all expected new forestry purchases
Projected impact on agricultural and forestal producers	This project supports the growth of Virginia’s forestry industry
Timetable for project completion	FY 2025 - 2027

Prevailing average wage in locality	\$55,032
Average wage of project	\$49,052
Break Even	4th year, 3rd quarter

Duchess Farm Products, LLC dba Duchess Dairy Expansion of a dairy products manufacturer	
Location	Wythe 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	\$25,000 in local matching funds – building improvements
New jobs	Four (4) new full-time equivalents (FTEs)
New investment	\$895,000
Minimum purchase Virginia-grown products	\$375,000 (1.5 million pounds) of Virginia-produced dairy – 100 percent of all expected net new agricultural purchases
Projected impact on agricultural and forestal producers	This project supports the growth of Virginia’s dairy industry
Timetable for project completion	FY 2025 - 2027
Prevailing average wage in locality	\$33,105
Average wage of project	\$31,212
Break Even	4th year, 2nd quarter

As of this report, there are nine 9 AFID Facilities Grant projects in the pipeline. If awarded, these projects could represent more than \$1.36 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 58 active or completed projects, directly impacting 67 unique localities. Of the funded projects, 53, approximately 90 percent, have successfully completed the grant.

Two new AFID Planning Grant projects were announced during the first half of FY 2025, with an award totaling \$29,800.

AFID Planning Grant Projects Announced for the period July – December 2024:

FLX Abattoir Project Support and Continuation Scopes	
Location	Fauquier County
Grant amount and objective	\$ 9,800 – Facilitate structured discussions and decision making among the FLX board members regarding the operation management of the abattoir.

Cumberland County Agricultural Economic Development Plan	
Location	Cumberland County
Grant amount and objective	\$20,000 – Creation of an economic development plan that will preserve the rural landscape, grow the agricultural economy, and expand food access in the county.

As of this report, staff has received several 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.

The fall 2024 grant round opened on October 1, with applications due by November 15. Staff received eight applications from eight different localities with a total request of \$ 364,071. These applications are currently being reviewed, and announcements are expected by the end of February.

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. Unlike other AFID grants, this is the only grant that does not require local matching funds. It is also the only AFID grant specifically dedicated to a particular industry and eographic portion of the Commonwealth.

The 2024 grant round opened in October and ran through the end of November. Three applications were received with requests totaling \$750,000. A single applicant, Amory Seafood of Hampton, Virginia, was selected to receive the full \$247,000 award. Several localities have expressed interest in applying for future grant rounds but were unable to complete the application before this round closed.

The summary of this project is listed below:

Expansion of Facilities and Addition of Equipment to Amory Seafood. (Announced October 30, 2024)	
Location	
Grant amount and objective	\$ 247,000 – Assist with the purchase of additional processing equipment to increase sales of local wild-caught blue catfish.

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, craft beverage, and forestry products. Indoor farming project leads continue to be steady as Virginia continues to be a leader in CEA. Food and meat processing also continue to have strong interest, with projects spanning from small local producers to large industry leaders. Forestry has also seen an uptick in project leads representing sawmills and bio char operations. A steady interest remains in the program from the craft beverage industry representing hard cider, wine, and distilled spirits.

Agricultural technology companies continue to have strong interest in the AFID program. However, these companies do not meet the AFID program requirements for consideration. Staff recommends review and consideration for expanding the AFID program to allow support of the growing ag-tech sector.

The AFID Facility Grant project pipeline currently has nine active projects across eight unique localities. These projects, which represent CEA, forestry, craft beverage, and meat processing industries, represent over \$619 million in new capital investment, the creation of 1,030 new jobs, and commitments to purchase nearly \$140 million Virginia-grown agriculture and forestry products. If awarded, these projects could represent more than \$1.36 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
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Forestry	Expansion project	\$1,50500	27	TBD	TBD
Craft Beverage	New craft beverage producer	\$380,195	6	\$166,858	100%
CEA	Expansion of existing indoor grower	\$22,652,248	21	\$19,303,70	100%
CEA	New indoor grower	\$14,938,722	61	\$11,833,14	100%
CEA	New site/major expansion of indoor grower	\$193,923,288	192	\$66,207,579	100%
CEA	New indoor grower	\$281,700,000	530	TBD	100%
Meat Processor	New meat processing operation	\$3,029,938	18	\$3,071,444	100%
Meat Processor	New meat processing operation	\$1,212,000	15	\$1,194,000	90%
CEA	New greenhouse facility	\$99,705,268	160	TBD	100%

Several of these large projects have announced slower than expected due to longer than normal timing to finalize project financing, which staff believes is due to the current economic climate. As of this report, staff is beginning to see a positive trend in lead generation, which is expected to bring several new active projects to the pipeline in the first quarter of 2025.