

OFFICE OF AGRICULTURE AND FORESTRY DEVELOPMENT

Agriculture and Forestry Industries Development (AFID) Fund Program Summary

AFID Facility Grant Program

As of June 30, 2025, there have been 136 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 70 unique Virginia localities. These projects, which total nearly \$13.1 million in AFID grant funds awarded, represent over \$1.729 billion in new capital investment, the creation of more than 6,020 new jobs, and over \$1.6 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 second half of fiscal year (FY) 2025 a total of \$260,000 was committed in AFID Facility Grant funds to assist two new and expanding projects in the Commonwealth, which represents the commitment of more than \$105 million in new capital investment, 124 new jobs, and over \$110 million in new Virginia-grown purchases. These companies committed to purchase 100 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 January – June 2025:

Oasthouse Ventures Ltd (DBA Credo Site 1 LLC) Location of a CEA greenhouse operation with biomass facility	
Location	Carroll County
Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	\$250,000 AFID – building improvements \$550,000 COF \$200,000 VTAP \$456,000 EZ JCG \$200,000 EZ RPIG
Other funds from the political subdivision and their use	\$1,480,117 in local matching funds - a combination of discounted land purchase price and local enterprise Zone funds
New jobs	118 new full-time jobs
New investment	\$104,806,271
Minimum purchase Virginia-grown products	\$110,179,646 (or 147,050,979 pounds) of Virginia-grown agriculture and forestry products (100 percent of all expected agriculture production and forestry purchases)
Projected impact on agricultural and forestal producers	This project grows both Virginia's indoor-farming industry and Virginia's forestry industry

Timetable for project completion	2025 - 2027
Prevailing average wage in locality	\$39,852
Average wage of project	Over \$50,000 annual average wage
Break Even	3 rd year, 1 st quarter

Stone Ledge Cider, LLC Location of a new craft hard cider processing facility and tasting room	
Location	Augusta County
Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	\$10,000 AFID – building constructions and renovation
Other funds from the political subdivision and their use	\$10,000 in local matching funds to offset costs of building improvements
New jobs	3 new jobs, 3 full time equivalents (FTEs)
New investment	\$330,195
Minimum purchase Virginia-grown products	\$166,858 (or 4,920 bushels of apples and 1,065 pounds of honey) of Virginia-grown apples and honey – 100 percent of all expected agriculture and forestry purchases
Projected impact on agricultural and forestal producers	This project expands the market for Virginia-grown apples and honey
Timetable for project completion	2025-2027
Prevailing average wage in locality	\$57,354
Average wage of project	\$25,067
Break Even	2 nd year, 4 th quarter

Multiple projects of various sizes have been slower than expected to be announced due to longer than normal timing to secure project financing.

As of this report, there are nine AFID Facilities Grant projects in the pipeline. If awarded, these projects could represent more than \$2 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 their grant projects.

Work to approve one new AFID Planning Grant project was completed during the second half of FY 2025, with an award totaling \$20,000. This project was not officially announced until after

the end of this reporting period and will be included in the next report. As of this report, AFID staff is currently reviewing one other application for a Planning Grant requesting \$34,910.

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, \$1,985,991.33 has been awarded to 60 active or completed projects, directly impacting 45 unique localities.

The Spring 2025 grant round opened on April 1, 2025, with applications due by April 30. Staff received 17 applications from 14 different localities with a total request of \$747,578.86. Of the 17 applications received, 12 were recommended for funding totaling \$497,704. The Governor's office announced the recipients of the Infrastructure Grants on June 26.

AFID Infrastructure Projects Awarded Grant Funding				
Title	Locality	AFID Award	Local Match	Other Match
The Marketplace: Move to Main	Town of Pulaski	\$50,000	\$162,996	
Historic Roanoke City Market Awning Replacement	City of Roanoke	\$50,000	\$39,505	
Clinch River Pavilion and Farmer's Market	Town of Tazewell	\$28,244	\$268,255	\$296,500 VA Tobacco Region Revitalization Commission
Fluvanna County Commercial Kitchen	Fluvanna County	\$7,374	\$7,374	
Meat and Greet Food Hub	Town of Crewe	\$50,000	\$63,500	\$2,800 Private Donor, Crewe Garden Club
Spotsylvania Meats LLC Abattoir Construction Project	Spotsylvania County	\$50,000	\$25,000	
Crossroads Commissary Kitchen	Town of New Market	\$45,100	\$50,100	
Mountain View Farm: Advancing Local	Pulaski County	\$19,540	\$9,770	

Meat Processing Capacity				
Co-packing Equipment for BEACON Shared-Use Commercial Kitchen	City of Charlottesville	\$50,000	\$50,000	\$150,000 Private Pledges, Other Grants
Christina's LLC Commissary Kitchen	City of Winchester	\$47,900	\$23,950	
Existing Commercial Kitchen Expansion	Shenandoah County	\$50,000	\$25,000	\$28,000 Local Business Contribution
Cumberland County Grocery Store	Cumberland County	\$49,546	\$122,609	

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.

As of this time, both the 2023 and 2024 awardees have successfully completed their projects, and the AFID program hopes to see an impact on the industry in the near future. There has been significant interest in the upcoming 2025 grant round that is anticipated to be open mid-to-late September.

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 that 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 remains steady primarily with project leads representing sawmills. A steady interest also 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 pending projects across nine unique localities. These projects, which cover the agricultural processing, CEA, forestry, and meat processing industries, represent nearly \$423 million in new capital investment, the creation of 701 new jobs, and commitments to purchase more than \$72 million Virginia-grown agriculture and forestry products. If awarded, these projects could represent more than \$2.2 million in AFID funds.

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

Industry	Purpose	Capital Investment	New Jobs	Virginia-Grown Purchases	Percent Virginia-Grown
Meat Processing	Expansion of existing meat processing business	\$1,220,000	9	\$306,334	79%
Forestry	Re-establish existing sawmill operation by new company	\$7,900,000	74	\$51,258,627	80%
Meat Processing	Location of new meat processing facility	\$1,212,000	15	\$1,194,000	90%
Meat Processing	Location of new meat processing facility	\$9,132,000	35	TBD	TBD
CEA	Location of new indoor grower	\$281,700,000	530	TBD	100%
CEA	Expansion of existing indoor grower	\$22,652,248	21	\$19,303,704	100%
Ag Processing	Expansion of existing large processing facility	TBD	TBD	TBD	TBD
Ag Processing	Location of new anerobic digester facility	\$76,459,000	17	TBD	100%
CEA	Location of new indoor grower	\$22,652,248	TBD	TBD	100%

As of this report, while staff is beginning to see a positive trend in lead generation, which is expected to bring a few more new projects to the pipeline in the second half of calendar year 2025, staff is also working on outreach to localities across the state to further promote the program.