



*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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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) 2025, 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 fourth round of grants was awarded from the Fund to 10 applicants in summer 2025 for a total of \$1,040,718. As of October 31, 2025, the balance of the Fund is \$944,509.

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 non 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.”

The Program is a distinctive grant opportunity focused on addressing disparities in low-income, low-access communities across the Commonwealth. In partnership with the EFOD framework, the Program aims to tackle systemic inequities by supporting food retail projects in areas that have faced historic underinvestment and limited access to capital.

Food retail projects that increase fresh food access in low-income, low-access communities are also eligible. This year, the Program was expanded to include a large-scale retailer category. The new VFAIF Fund Large Scale Retailer program allows for reimbursable grant awards of up to \$250,000. This statewide initiative aims to promote equity within local food systems by supporting the development or expansion of large-scale food retailers, particularly those committed to improving food access across the Commonwealth through business development, expansion, or infrastructure improvements. Eligible applicants include individuals or organizations representing grocery stores over 15,000 square feet that primarily offer healthy, essential food items such as meat, seafood, produce, dairy, dry goods, and household staples.

In addition to large-scale retailers, this new category also includes support for smaller food retailers—such as neighborhood stores, small groceries, farmers’ markets, and corner stores—that are seeking to expand their operations. These projects must align with, though are not limited to, the same mandatory guidelines as the original Program.

By strategically investing in food retail infrastructure, the Program aims to promote equitable economic development and improve food access in communities most affected by systemic barriers.

PROGRAM BUDGET AND ACTIVITIES

The following chart shows the amount disbursed by VFAIF since FY 2021. No grants were distributed in FY 2024 because the Program paused new awards while developing the new Large-Scale Retailer category, with existing FY 2023 projects continuing to close out and expend funds during this period.

Fiscal Year (FY)	FY 2021	FY 2022	FY 2023	FY 2025
Budget Allocation	\$1,125,000	\$125,000	\$175,000	\$1,040,718

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

- Administered the FY 2025 grant round, conducting extensive outreach and reviewing 57 pre-proposals and 48 completed applications, totaling \$2.45 million in funding requests
- Introduced a large-scale retailer funding category track, up to \$250,000, for full service grocery stores that exceed 15,000 square feet.

- Awarded grants totaling \$1,040,718 in funding to 10 grant awardees and provided onboarding support and implementation guidance.
- Provided ongoing technical assistance to both existing and potential grant recipients on project development and implementation.
- Fostered awareness and facilitated programmatic partnerships among awardees.
- Provided blended capital support by leveraging VDACS's CDFI-implementation partnership with Locus, which completed the following activities:
 - Provided education on additional funding opportunities and project financing.
 - Raised additional private funding to support zero-cost financing for awardees.
 - Closed \$950,000 in zero-cost bridge financing to all three large-scale awardees.
 - Engaged four of the standard-award grantees to explore financing solutions.

FY 2025 GRANT ROUND SUMMARY

The FY 2025 grant round opened on December 1, 2024, and closed on January 6, 2025.

VDACS and Locus collaborated to promote the funding opportunity and foster a diverse pool of applicants. Information on the Program was 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, and Virginia Cooperative Extension. Locus promoted the funding opportunity on its social media pages.

To apply for funding, interested applicants were required to complete a pre-proposal and schedule a consultation with VDACS and Locus staff prior to submitting a full application. This two-step process ensured that applicants understood Program goals and eligibility criteria before advancing to the full proposal stage. Fifty-seven pre-proposals were submitted by farmers, small food retailers, food cooperatives, non-profit organizations, and other small businesses to determine eligibility.

Successful applications demonstrated a clear vision and implementation plan, which included defined timelines and deliverables, a comprehensive and well-supported budget that prioritized one-time investments in infrastructure or equipment, and a viable path toward financial sustainability or profitability.

Throughout January, the Program Coordinator, in partnership with Locus, provided individualized technical assistance to interested applicants. This support remains a cornerstone of the Program, helping ensure equitable access to funding opportunities for organizations and entrepreneurs who may have limited grant writing experience. VDACS and Locus were able to make programmatic recommendations, suggest partnerships, and help explore grant expenditures, such as equipment or infrastructure, that would deliver ongoing returns.

Locus recruited six field leaders with diverse work history and expertise to serve as application evaluators alongside VDACS and Locus. As the program managers, VDACS and Locus collected the scoring rubrics and assessed each project based on evaluator recommendations as well as alignment with the program priorities. After thorough review and adjustment with the VDACS Commissioner and Deputy Commissioner, 10 projects—seven standard and three large—were selected and approved for funding.

VDACS’s CDFI implementation partnership with Locus proved effective in boosting project success by offering additional, integrated capital solutions and technical assistance. Following the announcement of the award, Locus conducted outreach to grantees to identify support needs and offer zero-cost bridge financing, both of which are backed by private funding. All large-scale awardees chose to pursue bridge financing, noting that the reimbursable structure of public grants can make capital expenditure difficult without financing. Two of the large-scale retailers have also been paired with small business coaching services that will continue throughout the two-year grant period.

Moving forward, Locus recommends that VDACS examine opportunities to integrate state food-funding programs (including AFID, VFAIF, VFAP, LFPA, and RFSI) with mission-aligned private capital sources and financing vehicles. Such integration would help secure and sustain both public and mission-aligned private investments while enhancing coordination and maximizing overall impact.

The FY 2025 grant cycle reflects the Program’s ongoing commitment to increasing access to fresh, healthy foods and building community wealth in low-income, low-access communities.

The following projects were awarded VFAIF grants during this funding round:

Pamplin Community Market		
Appomattox County	Small Food Retailer	\$21.660.00
<p>Pamplin Community Market (PMC) is a 501(c)(3) nonprofit driven by a mission to enhance the physical and social health of its rural, economically diverse community. Over the past two years, PMC has provided fresh, locally grown produce in a USDA-designated low-income, low-access area. Through participation in programs such as SNAP, Virginia Fresh Match, Farm Market Fresh, WIC, and Sun Bucks, PMC expands access to fresh food while creating economic opportunities for local farmers. All produce is sourced within a 30-mile radius, supporting both community health and the region’s agricultural economy.</p>		

Browntown Farms		
Brunswick County	Innovative Food Retailer	\$41,785.00
<p>Browntown Farms, a historic farming operation in Brunswick County, is seeking to establish a produce distribution hub that will enhance food access for underserved communities in Southside and Central Virginia. As a prior VFAIF grantee, Browntown Farms is building upon its previous project and pursuing additional funding to install retail coolers and refrigeration in its storefront and incorporate technology to improve operational efficiency. The project aims to increase the availability of fresh fruits and vegetables while creating a sustainable business model that benefits local farmers, consumers, and the broader community. By developing retail infrastructure and a distribution network, Browntown Farms plans to address food access challenges while promoting economic opportunities throughout the region.</p>		
Esther Manor Farms		
Hanover County	Innovative Food Retailer	\$48,000.00
<p>Esther Global Foundation, in partnership with Esther Manor Farm, is seeking to enhance cold storage capacity and increase access to fresh produce in food deserts across the Commonwealth of Virginia. The farm specializes in growing crops that meet the dietary needs of African Diaspora communities that face significant barriers in accessing fresh, culturally relevant foods. The project will improve access to these foods for vulnerable populations across Virginia, many of whom lack nearby options for purchasing such produce. The effort focuses on urban areas with high concentrations of low-income neighborhoods, elderly individuals, single-parent households, and people with disabilities.</p>		
Mighty Thundercloud Forest		
Northampton County	Innovative Food Retailer	\$50,000.00
<p>Mighty Thundercloud Edible Forest, a Black-owned regenerative farm in Northampton County, is seeking \$50,000 to expand its infrastructure and improve access to culturally significant crops for low-income, low-access communities on the Eastern Shore. The expansion will enable the farm to scale operations, support farm employment, and strengthen its role as a sustainable, community-focused business. This project serves nearby residents of Exmore, which is classified as low-income, low access, with the nearest large grocery store located more than 20 miles away. Through its SNAP and Virginia Fresh Match programs, the farm will increase the availability and affordability of fresh, culturally significant fruits, vegetables, and value-added products.</p>		

Darnell's Garden Patch		
Orange County	Small Food Retailer	\$49,000.00
<p>Darnell's Garden Patch has been family-owned for over 40 years and prioritizes accessibility, affordability, and sustainability. As the only produce supplier in the region accepting SNAP/EBT and Virginia Fresh Match, the organization ensures that fresh, nutritious food remains affordable and accessible. VFAIF funding will be instrumental in expanding capacity and efficiency by supporting the purchase of a forklift to enhance product handling, a new freezer to increase cold storage for local meats, and other critical infrastructure upgrades. These investments will enable the business to serve more customers efficiently while maintaining product quality and freshness. Darnell's Garden Patch currently collaborates with SNAP, VA Fresh Match, and the local HCAT to increase food accessibility and affordability. With VFAIF support, the organization will be able to strengthen these partnerships and expand its reach, ensuring that more families benefit from fresh, nutritious food. The improved infrastructure will also enhance the business's ability to support local farmers and food producers, strengthening the regional food system.</p>		
Mor Industries LLC		
Halifax County	Innovative Food Retailer	\$45,000.00
<p>Mor-Industries LLC is committed to improving access to fresh, nutritious food in low-income and low-access communities in Halifax County. With support from VFAIF, the business plans to expand operations through the purchase of a cold storage unit and the redesign of its website to streamline fresh produce sales, pickup services, and agritourism activities. The project is intended to ensure that high-quality, locally grown produce remains accessible year-round to underserved populations. The addition of cold storage will help maintain the freshness and quality of fruits and vegetables, extending their availability.</p>		
Black Swan Youth Venture Hub		
Mecklenburg County	Innovative Food Retailer	\$47,503.00
<p>Black Swan Center of Excellence is dedicated to uplifting historically marginalized communities in Mecklenburg, Halifax, and Lunenburg counties. Funding for this project will support the creation of a Youth Venture Hub that will serve as a training facility. The program's objectives include improving access to fresh food and providing participants with knowledge and hands-on experience to grow, raise, and sell food, directly addressing food insecurity while empowering youth to contribute to their communities. The Youth Venture Hub will also host farmers market stalls where participants can sell their products, all of which will be sourced from the program and produced in Virginia. The stalls will accept SNAP/EBT, increasing access to healthy foods for the surrounding community.</p>		

Wakefield Market		
Sussex County	Large Food Retailer	\$245,000.00
Wakefield Market is a small retail grocery store located in Wakefield within a low-income, low-access food desert. As the only grocery store serving three counties, the business has provided fresh food to the community for more than 30 years. Increased storage capacity will enable the market to capitalize on each growing season's final harvest and purchase a greater volume of local products. VFAIF funding will allow Wakefield Market to serve this low-income, low-access area at a significantly higher capacity by offering fresh, local produce well beyond the end of the harvest season. The expanded infrastructure will also provide farmers with a nearby, reliable, and higher-paying outlet for their products.		
E. Palmer Supermarket		
City of Norfolk	Large Food Retailer	\$237,500.00
Founded in 2021, E. Palmer Supermarket serves the Berkley community in Norfolk, a food desert with limited access to nearby sources of fresh, healthy foods. VFAIF funding will enable the supermarket to purchase additional electric carts for seniors and maintain the quality of fresh food by replacing defective refrigeration and grab-and-go cooler equipment. The project will also support improvements to the point-of-sale systems that process Virginia Fresh Match incentives, SNAP/EBT benefits, and health insurance benefit cards for grocery purchases. This funding will help the store continue providing healthy food options to the surrounding community.		
Mid-Atlantic Black Farmers Caucus		
City of Newport News	Large Innovative Retailer	\$250,000.00
The Mid-Atlantic Black Farmers Caucus (MABFC) is launching a scaled-down version of its Floating Food Hub to improve food access and support historically disadvantaged farmers. The project will establish four storage and processing units for aggregation, washing, packing, and cold or frozen storage, which will first be tested landside before transitioning to a barge-based system. This initiative is part of a broader effort to strengthen regional food resilience through partnerships with community stakeholders. The Southeastern Food Bank and local farmers from the Eastern Shore and Surry will contribute to sourcing and distribution, helping ensure sustainable food access for underserved communities.		

Metrics and Reporting

The Memorandum of Agreement between VDACS and Program awardees requires the annual submission of data on the following metrics: 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; total employees (calculated as individuals working more than 1,680 hours per year plus full-time equivalents); and new capital investments, including equipment, building improvements, and business personal property.