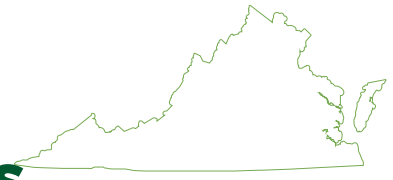


Agriculture and Forestry Industry Development Grants



LANCE CHEUNG/USDA

Some states and the federal government provide grants, low interest loans, loan guarantees, and other incentives to support farmers and invest in agricultural infrastructure to expand their marketing opportunities. For example, USDA's Local Food Promotion Program (LFPP) supports the development, coordination, and expansion of local and regional food business enterprises that engage as intermediaries in indirect producer-to-consumer marketing to increase access to and availability of locally and regionally produced agricultural products.

Virginia Program Description

PURPOSE

The Governor's *Agriculture and Forestry Industries Development (AFID)* Fund is a discretionary, performance-based economic development incentive specifically for agriculture and forestry value-added or processing projects. Its purpose is to support agribusiness development at all scales, but it prioritizes controlled environment agriculture (indoor farming), meat processing, aquaculture and forestry, which have been identified as target growth opportunities. Some AFID grants also support planning efforts to enhance the economic viability of agriculture and forestry.

HOW IT WORKS

AFID grants are awarded to a political subdivision—such as a town or county—for the benefit of a company or shared-use facility. Funding is awarded with a match requirement (generally 1:1) and based on the expectation that the grant is necessary to the success of the new or expanding facility and thus critical to supporting the local agricultural community. The grant amount and terms are determined by the Secretary of Agriculture and Forestry and approved by the Governor.

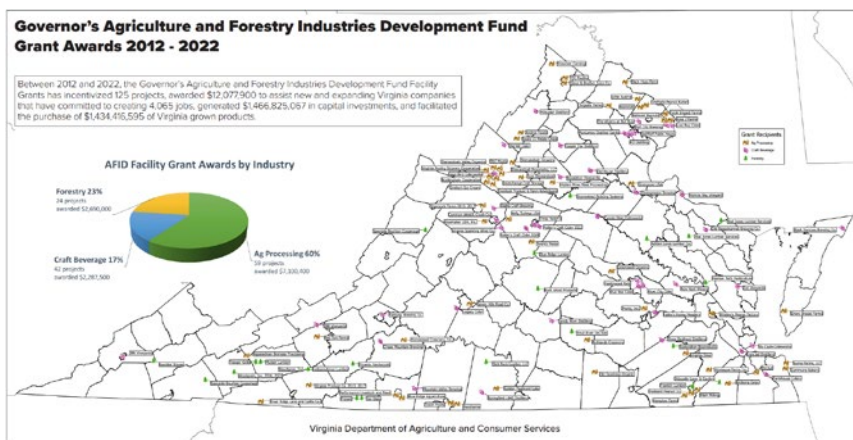
AFID grants have four tracks:

- ▶ “AFID Facility” grants incentivize new and expanding agribusinesses. The maximum grant allowed to any one project is capped at \$500,000. In unique circumstances, this limit may be exceeded for projects that are determined to be of statewide or regional importance. Facility grants require localities to contribute a dollar for dollar (1:1) match in cash or in-kind.
- ▶ “AFID Planning” grants support innovative local efforts to assist agriculture and forestry-based businesses and encourage local governments and the ag/forestry community to work together to integrate

working land industries into their community economic development activities. These grants can support planning for agriculture and the development of local policies and programs to support agriculture and protect farmland. A single locality can apply for up to \$20,000 and a multi-locality applicant can apply for up to \$35,000 per grant. Planning grants usually require a 1:1 match, but economically distressed localities may be eligible for a reduced 2:1 match. Reduced match for multi-locality applicants may be considered under special circumstances. At least 50% of the match must be in cash and newly committed to the project. Up to 50% may be in-kind or composed of other funds.

- » “AFID Infrastructure” grants support large capital projects for community infrastructure that supports local food production and sustainable agriculture. The maximum award per grant is \$50,000 and requires a 1:1 match. At least 50% of the match must be in cash and newly committed to the project. The rest may be in kind or composed of other funds. Localities are encouraged to work with small farmers, food producers, local food systems advocates, and others interested in building their community’s local food and farming infrastructure. This competitive grant requires an equal cash match from the locality, with reduced match available for economically distressed localities.
- » “AFID Blue Catfish” grants support the processing, flash freezing, and infrastructure of invasive blue catfish species. The maximum award is \$250,000 and at least 50% of the total project costs must come from non-federal matching funds.

Program administration varies based on the grant award. The Facility grant provides capital for new or expanding agriculture and forestry value-added or processing facilities. While the funding is provided up-front, businesses must meet performance metrics. Both the Infrastructure and Planning grant programs award reimbursable grants primarily for capital projects at new and existing food hubs, farmers’ markets, commercial kitchens, and other value-added facilities such as those used for processing and packaging meats, dairy products, produce, or other Virginia-grown products.



According to the Virginia Department of Agriculture and Consumer Services, between 2012 and 2022, over \$12 million of AFID grants were awarded to incentivize 125 projects to assist new and expanding Virginia companies that have committed to creating 4,065 jobs, generated \$1,466,825,067 in capital investments, and facilitated the purchase of \$1,434,416,595 of Virginia grown products.

CONSIDERATIONS

Local governments can take advantage of AFID grants to develop and expand businesses to invest in infrastructure to support agriculture, create jobs, and facilitate marketing opportunities. They also can create their own agricultural development and marketing programs and team up with neighboring counties to develop regional programs that address economies of scale.

To Learn More

- » [VDACS: “Governor’s Agriculture and Forestry Industries Development Fund Infrastructure Grants”](#)
- » [VDACS: “Governor’s Agriculture and Forestry Industries Development Fund Planning Grants”](#)
- » [VDACS: AFID Facility Grants](#)
- » [VDACS: AFID Planning Grants](#)
- » [VDACS: AFID Infrastructure Grants](#)
- » [VDACS: AFID Blue Catfish Grants](#)
- » [USDA: Infrastructure Grants and Opportunities](#)