

Agriculture and Forestry Industries Development Fund (AFID) Infrastructure Grant Program Guidelines

Overview

The Governor's Agriculture and Forestry Industries Development Fund Infrastructure Grant Program (AFID Infrastructure Program) provides grants of up to \$50,000 per grant to political subdivisions for community infrastructure development projects¹ that support local food production and sustainable agriculture².

The grants are awarded competitively, paid out as reimbursements, and require matching funds. Applications will be accepted and awards made through semi-annual funding rounds.

1. "community infrastructure" means a facility that serves (i) smaller, newer or limited-resource farmers, ranchers or food entrepreneurs; (ii) farmers or ranchers using sustainable agriculture practices; or (iii) startup farms and food enterprises
2. "sustainable agriculture" means an integrated system of plant and animal production practices having a site-specific application that will over the long term (i) satisfy human food and fiber needs; (ii) enhance environmental quality and the natural resource base upon which the agricultural economy depends; (iii) make the most efficient use of nonrenewable resources and on-farm resources and integrate, where appropriate, natural biological cycles and controls; (iv) sustain the economic viability of farm operations and (v) enhance the quality of life for farmers and society as a whole.

Project Types

Projects receiving funding through the AFID Infrastructure Program must be infrastructure development projects that directly support local food production and sustainable agriculture/forestry and demonstrate a broad community benefit. Grant funds should be used primarily for capital expenditures.

Priority Project Types

Consideration will be given to the following project types:

- Processing facilities that are primarily locally owned, including commercial kitchens, packaging and labeling facilities, animal slaughtering facilities, or other facilities, and that are primarily utilized for the processing of meats, dairy products, produce, or other products
- Farmers markets
- Food hubs and other agricultural aggregation facilities

Additional consideration will be given to projects benefiting multiple small-scale agricultural producers and to projects located in economically distressed communities.

Eligibility

Applications must be made by a political subdivision of the Commonwealth, typically Counties and Cities, but also Towns, Industrial and Economic Development Authorities, or Planning District Commissions ('localities').

Applications may be made on behalf of more than one locality, provided each applicant contributes matching funds and a single political subdivision serves as the lead applicant and grant administrator.

Applicants are permitted to have multiple active AFID Infrastructure Program grants but will only be eligible for one grant award per grant round. Applicants must be in good standing with any other awards from the AFID program.

Match Requirements

The AFID Infrastructure Program generally requires that the applicant provide a dollar-for-dollar match (1:1). However, Economically Distressed Localities and/or projects benefiting multiple small-scale agriculture producers are eligible for a reduced 2:1 match.

Up to 50% of the applicant's match may be in-kind or composed of Other Match³ funds, should they become available. Please reach out to the VDACS team for more information.

3. "Other Match" refers to both in-kind match from locality and outside contributions to the project by the following sources: federal grant awards, non-profit organizations, and funds from the Virginia Tobacco Region Revitalization Commission.

Grant Administration

The Secretary of Agriculture and Forestry shall make funding recommendations to the Governor and will determine how and when grant applications are reviewed and awards made.

AFID Infrastructure Program Funding Rounds

There will be two funding rounds in each fiscal year. The first round will have an open application period in the Fall, with a target award announcement date made no later than December 31. The second round will have an open application period in the Spring, with a target award announcement date made by June 30. In special circumstances, the Secretary may recommend projects for funding outside of these grant rounds.

Project Evaluation and Award Criteria

Awards will be made on a competitive basis based upon the strength of a candidate's application. Applicants must follow the AFID Infrastructure Program Application format and submit a grant budget form. Budget items must adhere to the Allowable/Unallowable Costs List (Appendix A)

The following criteria will be used to evaluate applications and make award decisions:

- Project purpose

- Priority area/importance
- Benefit to agricultural producers
- Demonstrated support
- Quality and completeness
- Likelihood of success in achieving deliverables

Grant Awards and Reporting Requirements

An AFID Infrastructure Program award is a reimbursable grant. Once the funds are awarded, each grantee will receive a Memorandum of Agreement outlining the grant period and reporting requirements. Grant awardees have two years from the award announcement to complete their deliverables; they may request an extension from the Secretary of Agriculture and Forestry for up to one additional year. Extension requests must include an explanation regarding the source of the delay and be made at least 90 days before the end of the grant period.

Grantees are required to complete an interim grant report one year into the grant. Reimbursements may be requested periodically throughout the grant period; up to 75 percent of the grant funds may be allocated prior to the end of the grant period. Upon completion of the grant period, grantees are required to submit a final grant report, including any grant deliverables, along with a budget close-out form including all receipts, invoices, and backup documentation. The final reimbursement payment will be made upon verification of the final grant documents.

Contacts

Applications and inquiries may be sent to:

Rachel Meyers, Program Manager

Phone: 804.786.6911

Email: rachel.meyers@vdacs.virginia.gov

Appendix A: Infrastructure Grant Allowable/Unallowable Costs List

Cost Category	Description, Guidance, and Exceptions
Buildings and Land—Construction and/or Renovation	<p>Allowable: Additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, alterations, or construction on an existing building or facility. The construction of new buildings at an existing facility and of wastewater management structures. This also includes construction and construction-related materials, which may include, but are not limited to, the purchase of building materials such as wood, nails, concrete, asphalt, roofing, gravel, sand, paint, insulation, drywall, or plumbing.</p>
Compensation for Damage	<p>Unallowable: Compensation for injuries or damage to property arising from project activities.</p>
Contractual Expenses (Installation, etc)	<p>Allowable provided that the services are explicitly relevant to the project, outlined clearly in the work plan, and are documented in accordance with generally accepted practices.</p>
Equipment, Supplies, and Materials	<p>Special purpose equipment purchases are allowable when provided in the approved budget or with prior written approval for acquisitions costs and rental costs of special purpose equipment provided the following criteria are met:</p> <p>Allowable:</p> <ul style="list-style-type: none"> • Purchases of special purpose equipment (such as, canners, hulling processors, reverse osmosis systems, egg packing machines, flotation tanks, roasters, or other processing equipment, packing and labeling equipment, or delivery vehicles) are allowable when approved in the agreement budget or with prior written approval. <p>All equipment purchases must meet the following criteria:</p> <ul style="list-style-type: none"> • Equipment is necessary for the technical activities of the agreement and is not otherwise reasonably available and accessible. • Equipment is normally charged as a direct cost by the organization and is acquired in accordance with organizational practices. • Equipment must be used solely to meet the purpose of the program and objectives of the agreement. <p>Unallowable:</p> <ul style="list-style-type: none"> • Purchases of general-purpose equipment (e.g., general use motor vehicles, office furniture, office air conditioners, printers, and copiers) or lease agreements to own (i.e., lease-to-own or rent-to-own).

<p>General Costs of Government (Personnel)</p>	<p>Allowable subject to work plan and budget approval. These costs must fall under the “Personnel” budget category and may include salaries and expenses of the local government body as they relate to the project activities.</p>
<p>Marketing Costs</p>	<p>Unallowable: Recipients to use funds for marketing their product(s)/services(s) or organization.</p>
<p>Purchases of Land, Buildings, and Facilities</p>	<p>Unallowable: Purchase of land, new buildings, and new facilities.</p>
<p>Salaries and Wages</p>	<p>Allowable as part of employee compensation for personnel services in proportion to the amount of time or effort an employee devotes to the grant project during the grant period under the award, including salaries, wages, and fringe benefits.</p> <p>Such costs must be incurred under formally established policies of the organization, be consistently applied, be reasonable for the services rendered, and be supported with adequate documentation.</p> <p>Unallowable for salaries, wages and fringe benefits for project staff that devote time and effort to activities that do not meet the legislated purpose of the grant program.</p> <p>Unallowable for administrative, severance or termination or other overhead costs without prior written approval.</p> <p>Unallowable for tuition or other educational expenses.</p>
<p>Travel - Foreign and Domestic</p>	<p>Allowable for travel, with prior approval and when costs are limited to those allowed by formal organizational policy and the purpose aligns with the legislated purpose of the program.</p>