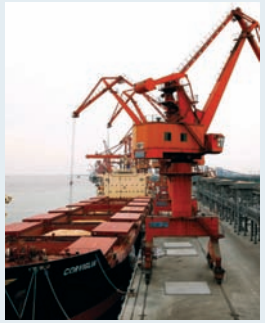
Economic Impact of Agriculture in Virginia

Agriculture is Virginia's largest industry by far, with nothing else coming a close second. **The industry has an economic impact of $52 billion annually and provides nearly 311,000 jobs in the Commonwealth.** The industries of agriculture and forestry together have a total economic impact of $70 billion and provide more than 400,000 jobs in the Commonwealth. Every job in agriculture and forestry supports 1.6 jobs elsewhere in Virginia's economy.



According to a 2013 economic impact study, production agriculture employs nearly 55,000 farmers and workers in Virginia and generates approximately $3.3 billion in total output. In addition, value-added industries, those that depend on farm commodities, employ more than 67,000 workers. When the employment and value-added impact of agriculture and forestry are considered together, they make up 8.1 percent of the state's total gross domestic product.

In addition to its tangible benefits such as farm cash receipts and jobs, agriculture and forestry provide many intangible benefits. These include recreation, tourism, wildlife habitat, biodiversity, flood mitigation, improved water quality and soil stabilization.

Source: The Economic Impact of Agriculture and Forestry on the Commonwealth of Virginia, Weldon Cooper Center for Public Service, University of Virginia, 2013

What our Partners are Saying

"At Relay Foods, our goal is to strengthen the local food economy in every community we serve, and we have been able to grow and thrive in Virginia based on our strong partnerships with producers across the state. We look forward to using this AFID grant to continue exploring innovative ways to connect our customers with the fresh and local foods produced by Virginia growers and artisans."
~ Zach Buckner, Co-founder and CEO of Charlottesville-based Relay Foods

"James City County Board of Supervisors recognizes the importance of our agricultural heritage. This AFID Planning Grant award promotes the economic viability of our working lands, details our inventory of rural assets, and identifies key development opportunities. The James City Supervisors are encouraged that growth in agricultural businesses will expand our tax base while highlighting and celebrating our county's unique and diverse rural economy."
~ Mary Jones, Chairman, James City County

On his company's receipt of an AFID grant for specialized equipment that will allow them to service soybean markets requiring bagged and palletized product: *"Exports are what drives our business, so we are glad to have this assistance from the Commonwealth of Virginia that enables us to continue to develop these markets. Whether through trade missions promoting Virginia agricultural products, or through their support of the infrastructure needed to access these markets, as we are receiving today, we are appreciative of the Commonwealth's focus on agriculture exports."*
~ Tom Taliaferro, Operations Manager of Isle of Wight-based Montague Farms

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GOVERNOR'S AGRICULTURE & FORESTRY INDUSTRIES DEVELOPMENT FUND

an overview

A new tool to support agriculture and forestry based economic development across the Commowealth

Virginia Department of Agriculture and Consumer Services

AFID Facility Grants

In 2012, the General Assembly created the AFID, the Governor's Agriculture and Forestry Industries Development Fund, as a discretionary performance-based incentive for the Commonwealth to use in partnership with local governments to attract new and expanding agriculture and forestry businesses to the state. As two of Virginia's top industries, agriculture and forestry warrant an economic development program tailored to their unique characteristics. Through smart and targeted investments, the Commonwealth has a tool to help create new and growing markets for Virginia farmers and forestland owners.

Eligibility

- No minimum threshold for jobs created or investment
- Must be a facility that adds value to agricultural or forest products
- At least 30% of those agricultural or forest products must be Virginia-grown
- Requires dollar-for-dollar cash or in-kind local match, and can partner with other eligible state economic development funds

Grant Amount and Conditions

- Maximum grant: $250,000 or 25% of qualified capital investment (the lesser)
- Requires a performance agreement with claw back provisions
- Grant amount determined by Governor based on a return-on-investment analysis and impact on agricultural and forest producers
- Interested businesses should contact their local economic development office, the Virginia Department of Agriculture and Consumer Services or the Secretariat of Agriculture and Forestry

Success Stories

Shenandoah Processing, LLC used AFID funds to help bring an abandoned poultry processing facility in downtown Harrisonburg back to life as Virginia's first organic- and humane-certified custom poultry processing facility adding over 100 jobs and $2 million of new investment to the city. The company will process up to 50,000 birds a day, almost all sourced from Virginia farms.

Homestead Creamery, the Franklin County-based producer of high-quality milk, ice cream and other dairy products, received the first AFID award in 2012. The funds are leveraging over $1 million in new capital investment, helping the company hire 20 new employees and add cheese, yogurt and sour cream to their product line. This expansion will directly lead to the purchase of an additional 500,000 gallons of Virginia-produced milk and cream.

Franklin Lumber, a company started by former employees of the shuttered International Paper Franklin sawmill, used AFID funds through a partnership with Isle of Wight County to reopen the facility bringing almost $15 million in new investment and more than 70 good-paying jobs back to the site. Each year the company will purchase almost 200,000 tons of Virginia-sourced logs, creating a major new market for forestland owners in the region.

AFID Planning Grants

The AFID planning grant program is designed to encourage localities to think strategically about how they can better support and integrate agriculture- and forestry-based industries into their overall economic development and job-creation efforts.

Key Provisions

- Grants up to $20,000 per locality or $35,000 for multi-jurisdictional applications
- Dollar-for-dollar local match required, in-kind match, such as staff time, can be up to half of local match
- Requires active participation of local agriculture or forestry board, committee or working group
- Applications accepted on a rolling basis

Allowable use of grant funds:

- Develop a strategic plan for agriculture- and/or forestry-based economic development
- Develop local policies and ordinances that better support agriculture- and/or forestry-based business, agritourism and other rural enterprises
- Create new plans, policies or programs for the preservation of working lands
- Fund feasibility studies, business plans and other predevelopment work for projects that will have a significant and lasting positive impact on the local agriculture and/or forestry sector
- Develop or implement local initiatives supporting agriculture- and/or forestry-based businesses
- Identify other projects that advance the interests of agriculture and/or forestry in the locality