

### GOVERNOR'S AGRICULTURE AND FORESTRY INDUSTRIES DEVELOPMENT FUND

The Governor's Agriculture and Forestry Industries Development Fund (AFID) is a discretionary performance-based incentive designed to attract new and expanding agriculture and forestry processing/value-added facilities using Virginia-grown products.

In order to qualify for an AFID grant, the benefiting project must be a facility that produces, "value-added agricultural or forestal products," meaning any agricultural or forestal product that (i) has undergone a change in physical state; (ii) was produced in a manner that enhances the value of the agricultural commodity or product; (iii) is physically segregated in a manner that results in the enhancement of the value of the agricultural or forestal product; (iv) is a source of renewable energy; or (v) is aggregated and marketed as a locally produced agricultural or forestal product.

Grants are made to the community and may be used for such things as public and private utility extension or capacity development on and off site; high-speed or broadband internet access extension, or capacity development; road, rail, or other transportation access costs beyond the funding capability of existing programs; site acquisition; grading, drainage, paving, and any other activity required to prepare a site for construction; and construction or build-out of buildings.

Grants request are made by the community for a project under the following conditions:

- The business beneficiary is a facility that produces "value-added agricultural or forestal products";
- A minimum of 30% of the agricultural or forestry products to which the facility is adding value are produced within the Commonwealth of Virginia on an annual basis in normal production years;
- The grant request does not exceed \$250,000 or 25% of qualified capital expenditures (whichever is less);
- Matching local financial participation is required on a dollar-for-dollar basis; and
- Public announcement of the project is coordinated with the Governor's Office.

Once a company decides on a Virginia location, the community works with the state within the guidelines of the program to seek an AFID award. The application and success of the grant request will be based on the project's eligibility and the locality's financial support toward the project, as well as the actual project requirements and availability of funds. The community is required to enter into a performance agreement with the company before receipt of the grant to document performance expectations.

<http://leg1.state.va.us/cgi-bin/legp504.exe?000+coh+3.2-304+700955>