

# *AG & FORESTRY SECRETARIAT ECONOMIC DEVELOPMENT FOCUS: BUILDING DOMESTIC CAPACITY, GROWING EXPORT MARKETS*

*SENATE FINANCE SUBCOMMITTEE ON  
ECONOMIC DEVELOPMENT/NATURAL RESOURCES*

*VIRGINIA SECRETARY OF AGRICULTURE & FORESTRY*

*TODD P. HAYMORE*

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# DOMESTIC DEVELOPMENT: NEW CAPACITY

- *Governor's Agriculture & Forest Industries Development Fund (AFID)*
  - *Why? Ag, Forestry Were 'Falling Through Cracks'*
  - *Incentive Fund for Econ. Development, Planning*
  - *Use for Recruitment, Expansion of Businesses*
  - *Focus on Processing & Value-Added Projects*
  - *30% 'VA Grown' Mandate Key for Ag Growth*
  - *No Export Directive, But Connections Are There*

# DOMESTIC DEVELOPMENT: NEW CAPACITY

- *AFID Development Grants Launched in Late '12*
  - ▣ *18 Projects To Date: 15 Agricultural, 3 Forestry*
  - ▣ *Private Investment: >\$145 million*
  - ▣ *Jobs Announced: 1,266 Across 16 Localities*
  - ▣ *Average Use of Virginia Grown Products: 72%*
  - ▣ *AFID Facility Investment to Date: \$1.8m*
- *Current Economic Development Pipeline*
  - ▣ *>\$2.2m Allocated at Present*
  - ▣ *21 Projects, ~\$700m CapEx, 1,805 Jobs*

# AFID FACILITY GRANTS TO DATE

Since Inception

**1,266**

**New Jobs**

**\$145,309,500**

**Capital Investment**

16 localities • 18 projects

**1 Franklin Co.**  
Dec 12  
\$1.1M CI - 20 Jobs  
100% VA Grown

**2 Augusta**  
Mar 13  
\$50M CI - 60 Jobs  
30% VA Grown

Jun 14  
\$2M CI - 98 Jobs  
100% VA Grown

**3 Pulaski**  
Mar 13  
\$21M CI - 142 Jobs  
100% VA Grown

**4 Stafford**  
Mar 13  
\$5.75M CI - 350 Jobs  
30% VA Grown

**5 Isle of Wight**  
Jun 13  
\$14.8M CI - 72 Jobs  
40% VA Grown  
Mar 14  
\$618k CI - 3 Jobs  
100% VA Grown

**6 Pittsylvania**  
Aug 13  
\$1.3M CI - 27 Jobs  
100% VA Grown

**7 Carroll**  
Sep 13  
\$2.54M CI - 75 Jobs  
50% VA Grown

**8 Harrisonburg**  
Dec 13  
\$2.2M CI - 102 Jobs  
100% VA Grown

**9 Nottoway**  
Mar 14  
\$5.47M CI - 40 Jobs  
85% VA Grown

**10 Hopewell**  
Apr 14  
\$26.2M CI - 70 Jobs  
30% VA Grown

**11 Charlottesville**  
Jun 14  
\$735k CI - 25 Jobs  
40% VA Grown

**12 Grayson**  
Aug 14  
\$5.05M CI - 25 Jobs  
90% VA Grown

**13 City of Richmond**  
Sep 14  
\$710k CI - 75 Jobs  
40% VA Grown

**14 Loudoun**  
Nov 14  
\$912k CI - 11 Jobs  
61% VA Grown

**15 Williamsburg**  
Dec 14  
\$2.03M CI - 28 Jobs  
100% VA Grown

**16 Lynchburg**  
Dec 14  
\$2.9M CI - 43 Jobs  
100% VA Grown

**16 Black Hops Farm**

**8 Shenandoah Processing**

**4 Greencore Group**

**2 Shamrock Farms  
Bloomaker**

**11 Relay Foods**

Richmond  
**13 Relay Foods**

**16 Seven Hills Food**

**10 Vireol**

**15 Copper Fox  
Distillery**

**3 Red Sun Farms**

**1 Homestead Creamery**

**9 Trout River Dry Kiln**

**5 Montague Farms  
Franklin Lumber**

**7 Virginia Produce Co.**

**6 Dan River Plants**

**12 Independence Lumber**

# DOMESTIC DEVELOPMENT: NEW CAPACITY

- *AFID Planning Grants Launched Spring '13*
  - *Assist Planning, Study, Local Initiative to Grow, Support Ag, Forestry-based Businesses*
  - *23 Projects Covering 48 Localities*
  - *AFID Planning Investment to Date: >\$465k*
- *Current Planning Grant Pipeline*
  - *\$410k Allocated at Present*
  - *16 Projects, 32 Localities*

# DOMESTIC DEVELOPMENT: CURRENT STATUS

- *Fiscal Year Appropriation: \$1 million*
  - ▣ *Facility Grants: \$750k/FY*
  - ▣ *Planning Grants: \$250k/FY*
- *Appropriation to Date: \$3 million*
- *Facility + Planning Investment to Date: \$2.25m*
- *Total Current Pipeline: >\$2.6 million*
  - ▣ *Current Facility Grant Pipeline: >\$2.2m*
  - ▣ *Current Planning Grant Pipeline: \$410k*

# IMPORTANCE OF AG, FORESTRY EXPORTS

- ❑ *Globalized Economy: Jobs, Opportunities Here*
- ❑ *USDA: Exports Now Generate Nearly 30% of Annual Farm, Forest Cash Receipts*
- ❑ *USDA: Every \$1.00 From Exports Returns ~\$1.30 To In-State Support Activities: Processing, Packaging, Financing, Shipping, Storing, etc.*
- ❑ *Export Related Jobs Pay  $\geq 15\%$  Than Other Jobs*
- ❑ *>80% of World's Customers Outside of U.S.*

# GROWING EXPORT MARKETS

- *Launch VA Ag/Forestry Export Initiative in 2010*
- *New State Funds for Trade Reps in Key Markets*
  - *>\$3m in International Marketing Since '10*
  - *New Marketing Offices in China, India, UK, Russia, Mexico, Costa Rica, Canada; Support Existing HK Post*
- *Gubernatorial, Secretariat Trade Missions, Alone or Coordinated w/VEDP*
- *VDACS Trade Missions/Hosted Reverse Missions*
  - *Fill Gaps Where Governor, Secretary Can't Visit*
  - *Reverse Missions: "Invaluable" For Producers, Exporters*



# GROWING EXPORT MARKETS

- *More Than \$750m in VA Facilitated Export Deals Since Export Initiative Implemented in '10*
- *Growth in Strategic Focus Regions*
  - ▣ *China – 210%; India – 61%; Latin America – 60%; EU, Switzerland, Russia – 30%; Canada TBD*
- *Battling Artificial International Trade Barriers*
  - ▣ *China: Hardwood Logs, Poultry\**
  - ▣ *India: Lumber, Leaf Tobacco*
  - ▣ *EU: Wood Pellets – Keep As Approved Renewable Fuel for Heat, Energy Generation*
- *Creating Governor's Conference on Ag Trade*

# GROWING EXPORT MARKETS

- Gov. McAuliffe '14 SOTC Address: “Make VA the East Coast Capital for Ag, Forestry Exports”
  - '15 SOTC: Record  $\geq$ \$3 Billion Exports in 2014
  - $\geq$ 34% Increase in Ag, Forestry Exports Value
    - From \$2.24b in 2010 to  $\geq$ \$3b in 2014
- Advocating Fair/Open Trade Practices
  - New Chinese Poultry Ban; TPP; T-TIP
- Facilitate New Export Opportunities
  - Expand Existing Markets; Target Growth Regions: SE Asia; Mediterranean/Middle East; Cuba

# CONCLUSION



## Questions?

TODD P. HAYMORE

SECRETARY OF AGRICULTURE & FORESTRY

TODD.HAYMORE@GOVERNOR.VIRGINIA.GOV

(804) 692-2511