

***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

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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

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

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

6 Dan River Plants

7 Virginia Produce Co.

12 Independence Lumber

3 Red Sun Farms

1 Homestead Creamery

16 Seven Hills Food

16 Black Hops Farm

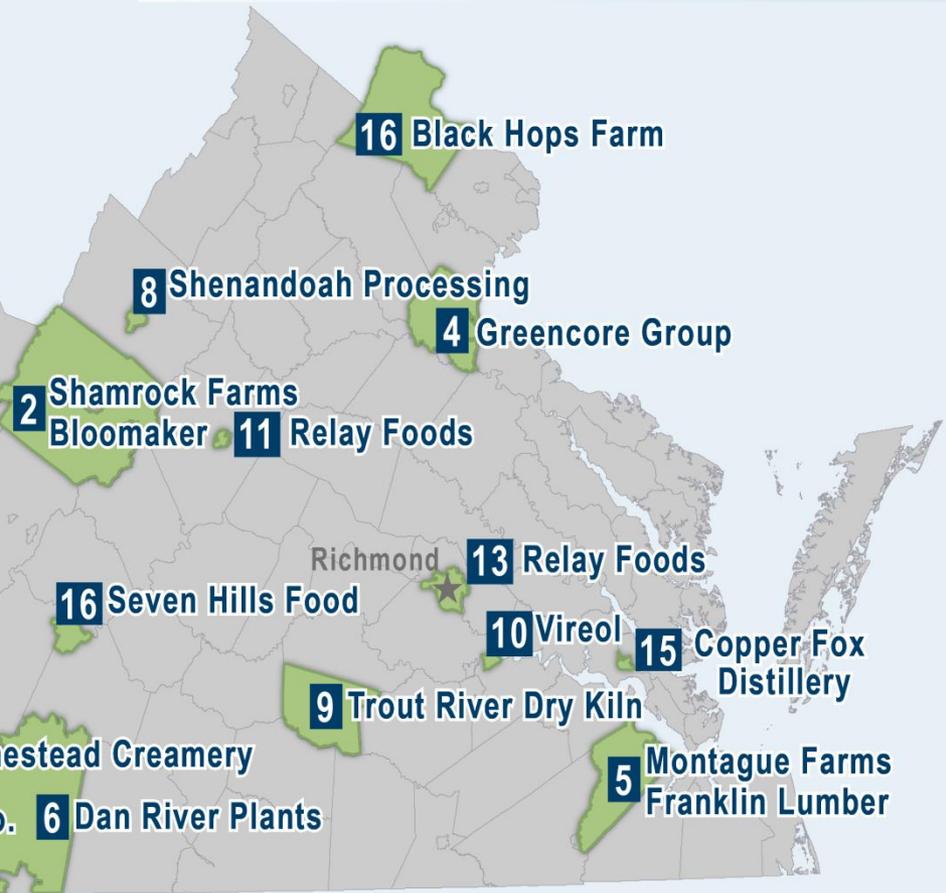
8 Shenandoah Processing

4 Greencore Group

2 Shamrock Farms Bloomaker

11 Relay Foods

13 Relay Foods



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?

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