

Agriculture and Forestry

Adopted Adjustments				
(\$ in millions)				
	FY 2021 Adopted		FY 2022 Adopted	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2020-22 Current Budget (Ch. 56, 2020 Special Session I)	\$64.0	\$57.4	\$62.3	\$57.4
Adopted Increases	2.3	0.0	5.2	0.0
Adopted Decreases	<u>(1.4)</u>	<u>0.0</u>	<u>(2.5)</u>	<u>0.0</u>
\$ Net Change	0.8	0.0	2.7	0.0
Ch. 552 (HB 1800, as Adopted)	\$64.8	\$57.4	\$65.0	\$57.4
% Change	1.3%	0.0%	4.3%	0.0%
FTEs	512.59	337.41	518.58	342.42
# Change	0.00	0.00	6.00	5.00

- **Department of Agriculture and Consumer Services**

- ***Food Assistance Program.*** Authorizes \$600,000 GF the second year to establish the Virginia Agriculture Food Assistance Program, pursuant to Chapters 332 and 333 of the 2021 Acts of Assembly, Special Session I (HB 2203/SB 1188), establishing a grant program to cover farmers' and food producers' costs associated with the harvesting, processing, packaging, and transporting of agriculture products in order to donate those items to charitable food assistance organizations. The existing tax credit, established in 2016 for this purpose, is currently undersubscribed.
- ***Food Access Investment Program.*** Allocates an additional \$2.0 million GF the first year to the Virginia Food Access Investment Fund established by the 2020 General Assembly, bringing the total funding available for grants and loans to nonprofit organizations providing innovative small food retail stores in underserved communities to \$3.0 million in FY 2021.
- ***Food Safety Program.*** Restores \$276,636 GF and 3.00 FTE the second year for three food safety inspectors and associated operating costs to enhance the food safety

inspection program that had been approved during the 2020 Session, but were subsequently unallotted.

- ***Dairy Producer Margin Coverage Premium Assistance Program.*** Provides \$1.0 million GF the second year to establish the Dairy Producer Margin Coverage Premium Assistance Program consistent with the provisions of Chapters 330 and 331 of the 2021 Acts of Assembly, Special Session I (HB 1750/SB 1193).
- ***Farmland Preservation Fund.*** Allocates an additional \$750,000 GF the second year to the Virginia Farmland Preservation Fund, bringing the FY 2022 base program funding total to \$1.0 million. The Fund provides matching grants for the local purchase of development rights program.
- ***Regulation of Charitable Gaming.*** Authorizes \$407,600 GF the second year to fund five additional audit compliance and regulatory enforcement positions within the Office of Charitable and Regulatory Programs to implement the provisions of Chapter 520 of the 2021 Acts of Assembly, Special Session I (SB 1127). In addition, the language prohibits the Charitable Gaming Board from changing its regulatory program as it was in effect on March 2021 until June 31, 2022. Finally, the language directs the Office of the State Inspector General to immediately review the regulatory structure of charitable gaming in the Commonwealth and recommend if the responsibility regulating charitable gaming and fantasy sports contests would be more appropriately vested with the Virginia Lottery.
- ***Watershed Implementation Plan.*** Restores \$245,698 and 2.00 FTE the second year for the implementation of Agricultural Best Management Practices and enhanced auditing of contractor-applied fertilizer on nonagricultural property. This item, related to meeting the Commonwealth’s water pollution reduction targets under Phase III of the Watershed Implementation Plan, was approved during the 2020 Session but was subsequently unallotted.
- ***International Trade Program.*** Provides \$250,000 GF the second year, and an additional full-time position, to expand the international marketing program at the Virginia Department of Agriculture and Consumer Services to provide marketing services for Virginia agricultural businesses seeking to expand their global market share, consistent with the Commonwealth’s International Trade Plan.
- ***Wine Promotion Fund.*** Decreases the second year deposit required to be made to the Wine Promotion Fund by \$0.8 million GF based on updated wine and cider liter tax revenue collections attributable to Virginia wines and ciders, bringing the total revenues dedicated by statute to promotion of Virginia’s viticulture industry to approximately \$2.0 million annually.

- ***Holiday Lake 4-H Center.*** Restores \$250,000 GF the first year for critical infrastructure upgrades to the Holiday Lake 4-H Center in Appomattox County that was approved in the 2020 Regular Session and subsequently unallotted.
- ***Beehive Grant Fund.*** Increases the annual appropriations to the Beehive Grant Fund by \$75,000 GF the second year, raising the FY 2022 base allocation for the pollinator protection program to \$200,000 in order to provide beehive equipment to eligible beekeepers.
- ***Distribute Budget Reductions from Central Appropriations to Agency Budgets.*** Reduces the agency’s budget by \$757,222 GF the first year and \$441,722 the second year to reflect approved budget reductions in Chapter 56 of the 2020 Acts of Assembly, Special Session I (HB 5005). These reductions were originally unallotted in Chapter 1289 of the 2020 Acts of Assembly (HB 30) and subsequently converted to budget reductions in the 2020 Special Session I.

- **Department of Forestry**

- ***Watershed Implementation Plan.*** Restores \$478,185 GF the second year to manage conservation easements, tree planting and forest conservation strategies included in Phase III of the Watershed Implementation Plan to help Virginia meet its 2025 Chesapeake Bay cleanup targets. This funding had been approved during the 2020 Session, but were subsequently unallotted.
- ***Hardwood Habitat Program.*** Restores \$521,842 GF the second year for the establishment of a new hardwood forest habitat program, modeled on the Reforestation of Timberlands program, to incentivize landowners to invest in the regeneration of hardwood trees. The existing program is limited to pine forests. General Fund amounts for both programs would match industry participant contributions. Funding would provide for initial staffing of the program with a report detailing the potential landowner incentives and best management practices for the Hardwood Habitat program required by October 15, 2021. This funding had been approved during the 2020 Session, but was subsequently unallotted.
- ***Hardwood Seedlings.*** Provides an additional \$290,000 GF the second year in order to expand the agency’s hardwood tree seedling capacity.
- ***Charlotte County Forest Phase II.*** Authorizes an additional \$6.8 million NGF in Capital Outlay for the acquisition of approximately 2,500 acres new State Forest in Charlotte County. Phase I, adopted in the 2020 Session, provided \$5.1 million from the State Forest Mitigation Acquisition Fund for initial acquisition of land by the Department of Forestry.

- *Tree Canopy Workgroup.* Includes language directing the Department of Forestry to convene a stakeholder workgroup focused on providing recommendations to state and local governments related to policies which encourage increased tree coverage and the conservation of mature trees on sites being developed.

- *Distribute Budget Reductions from Central Appropriations to Agency Budgets.* Reduces the agency’s budget by \$0.6 million GF the first year and \$1.0 million the second year to reflect approved budget reductions in Chapter 56 of the 2020 Acts of Assembly, Special Session I (HB 5005). These reductions were originally unallotted in Chapter 1289 of the 2020 Acts of Assembly (HB 30) and subsequently converted to budget reductions in the 2020 Special Session.