

CRITICAL STATE RESOURCES FOR CORE SERVICES TO AGRIBUSINESSES

The Virginia Agribusiness Council encourages critical assessment of budget decisions to ensure that core services to the agribusiness industry are preserved, including water quality investments for agribusinesses, and that additional costs are not imposed on the agribusiness industry. We support adequate funding and staffing, and appropriate organization of State Agencies in order to effectively and efficiently promote and support the economic growth and development of Virginia agriculture and forestry. Specifically, the Council requests consideration of the following resource needs:

Agricultural Water Quality Programs at DCR

- The Council supports achieving state-wide water quality goals through a public-private partnership between farmers and the Commonwealth for implementation of voluntary agricultural best management practices. In order to achieve these goals, adequate, consistent and dedicated State funding is needed for implementation of agricultural best management practices, technical assistance, and essential operations provided by the Soil and Water Conservation Districts.
- The Council supports meeting agriculture nutrient reductions within the Chesapeake Bay Total Maximum Daily Load (TMDL) through utilization of voluntary Resource Management Plans (RMPs). RMPs must be supported by adequate, consistent, and dedicated funding for cost-share programs and technical assistance for implementation.

Funding for Ag BMPs to meet water quality goals are top priority for our industry members. Thanks to investments from the budget surplus, there is a total of \$26.2 million in Ag BMP funding for FY19, and \$3.572 million for Technical Assistance. In order to maintain stable funding for this program, a total of \$35 million is needed for Ag BMPs, resulting in an \$8.8 million shortfall with \$1.2 million needed for technical assistance. This is dramatically short of the \$100 million needed according to recent DCR reports. Soil and water districts also have significant shortfalls in operations funding, including needs for 2 additional engineering positions to support structural practices, and \$8.329 million in operations funding.

Virginia Department of Forestry

Reforestation of Timberlands Program

- The Council supports consistent application, collection, and enforcement of the Forest Products Tax to reflect changing markets, in support of Virginia's Reforestation of Timberlands (RT) program.
- The Council supports the required full state funding match for the Reforestation of Timberland Program which provides cost-share assistance to landowners for replanting and related management practices.

The Reforestation of Timberlands program began in Virginia more than 40 years ago to ensure the viability of the Commonwealth's wood resources. Cost share incentives are made available through the program to private landowners to plant open or harvested lands and funding is provided through a tax on forest industry companies that is matched by the state. The introduced budget retains the current funding level, however, due to increased forest harvesting activity, this is \$112,000 short of fully funding this program. In FY2017, the program was fully funded for the first time in over a decade.

Virginia Department of Agriculture & Consumer Services

Economic and Farm Business Development & Agriculture & Forestry Development Fund (AFID)

- The Council supports State and local economic development programs specifically focused on agribusiness development, such as the Virginia Farm Business Development Program and the Agriculture & Forestry Industries Development Fund (AFID), as tools to increase awareness of the economic benefits of agribusiness and encourage growth in the industry.

The Virginia Agriculture & Forestry Industries Development Fund (AFID) was created in 2012 to establish an economic development tool specifically for agriculture and forestry value-added or processing projects. In 2016, the General Assembly created the Virginia Farm Business Development Program to assist small producers and processors with business expansion and planning. The proposed budget retains funding and staffing levels for AFID, but does not include any restoration of funding for the Farm Business Development Program.

Agribusiness Education and Workforce at VCE

- The Council supports adequate funding for Virginia Cooperative Extension (VCE), the Virginia Agricultural Experiment Station (VAES), Virginia State University (VSU) Randolph Farm, and other land-grant agricultural research station programs which are essential in providing the latest information, research findings, and technologies to the agribusiness industry.
- The Council supports keeping Virginia Cooperative Extension (VCE) and Virginia's land-grant agricultural research stations within Virginia Tech's College of Agriculture and Life Sciences, in coordination with Virginia State University, the Virginia Tech College of Natural Resources and Environment and the Virginia-Maryland Regional College of Veterinary Medicine.
- The Council believes State funding decisions for Virginia Cooperative Extension (VCE) and land-grant agricultural research stations and facilities must recognize that funding needs cannot be offset by tuition and fees.

Virginia Tech and Virginia State University are the Commonwealth's two land-grant institutions, and are critical partners in providing job creation, education, and research to expand Virginia's agribusiness profitability. Investments in infrastructure and full funding for Virginia Cooperative Extension personnel at our land-grant universities are necessary to continue to provide cutting-edge research, outreach efforts, and educational facilities. This includes additional funding for essential personnel as agents and specialists.

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*"We Represent Virginia Agribusiness with a Unified Voice"
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