

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Agriculture, Food Resiliency, and Forestry to which was
3 referred House Bill No. 205 entitled “An act relating to establishing the Small
4 Farm Diversification and Transition Program” respectfully reports that it has
5 considered the same and recommends that the bill be amended by striking out
6 all after the enacting clause and inserting in lieu thereof the following:

7 Sec. 1. 6 V.S.A. chapter 207, subchapter 4 is added to read:

8 Subchapter 4. Small Farmer Diversification and Transition Program

9 § 4631. Small Farmer Diversification and Transition Program

10 (a) As used in this subchapter:

11 (1) “Farm products” means:

12 (A) crops grown, growing, or to be grown, including:

13 (i) plants grown for food, feed, and fiber, but excluding trees
14 grown for timber purposes;

15 (ii) Christmas trees;

16 (iii) maple sap;

17 (iv) horticultural, viticultural, or orchard crops, and

18 (v) pasture; and

19 (B) livestock, born or unborn, including goods produced in
20 aquacultural operations; or

21 (C) products of crops or livestock produced by the small farmer.

22 (2) “Small farmer” means any person who:

1 (A) earns at least one-half of the person's annual gross income from
2 the business of farming as that term is defined in Regulation 1.175-3 issued
3 under the Internal Revenue Code of 1986;

4 (B) is engaged in "farming" as that term is defined in 10 V.S.A.
5 § 6001(22), regardless of the size of the parcel, and whose gross income from
6 the sale of the farm products equals at least one-half of the farmer's annual
7 gross income; or

8 (C) a small farm subject to the Required Agricultural Practices.

9 (b) The Small Farmer Diversification and Transition Program is created at
10 the Agency of Agriculture, Food and Markets to provide small farmers in
11 Vermont with State financial assistance to diversify production on a farm or to
12 transition from one form of farming to another. Assistance under the Program
13 shall be in the form of grants. Small Farmer Diversification and Transition
14 Program grants shall be used for costs of:

- 15 (1) diversifying the farm products produced by the applicant;
16 (2) transitioning the applicant from one form of farming to another;
17 (3) processing of farm products on the farm owned by the applicant; and
18 (4) development of an accessory on-farm business by the applicant.

19 (b) An applicant for a Small Farmer Diversification and Transition
20 Program grant shall demonstrate to the Secretary of Agriculture, Food and
21 Markets that:

- 22 (1) they are a small farmer;

1 (2) they house not more than the number of animals specified under
2 section 4857 of this title;

3 (3) there is potential from the proposed diversification or transition to
4 create additional income for the small farmer;

5 (4) they have a proposed plan for diversification or transition that
6 includes possible markets for the proposed product and probable income; and

7 (5) they are not a permitted as a medium farm or large farm at the time
8 of application.

9 (c)(1) The Secretary of Agriculture, Food and Markets shall issue Small
10 Farmer Diversification and Transition Program grants under this section when
11 funds are available for the Program. The maximum amount of a grant under
12 this section shall be \$15,000.00 per farmer per year, and all projects funded by
13 the grant shall be completed within 12 months of receipt of the grant by the
14 small farmer

15 (d)(1) The Secretary shall provide public notice of available grants and
16 shall provide applicants with technical assistance in complying with
17 application requirements. The Secretary shall publicize the Small Farmer
18 Diversification and Transition Program in newsletters, press releases, e-mail,
19 and other communications from the Agency of Agriculture, Food and Markets.

20 (2) The Secretary shall hold the application process open for at least 60
21 days. [Criteria?]

1 (3) Applications shall not be processed until the Secretary determines
2 that the application is administratively complete and includes all required
3 documentation required by the Secretary.

4 Sec. 2. APPROPRIATION

5 In addition to any other funds appropriated to the Agency of Agriculture,
6 Food and Markets in fiscal year 2024, \$250,000.00 is appropriated from the
7 General Fund to the Agency of Agriculture, Food and Markets for purposes of
8 the Small Farmer Diversification and Transition Program.

9 Sec. 3. EFFECTIVE DATE

10 This act shall take effect on July 1, 2023.
11 and that after passage the title of the bill be amended to read “An act relating to
12 establishing the Small Farmer Diversification and Transition Program”

13
14
15
16
17
18
19
20
21

(Committee vote: _____)

Representative _____
FOR THE COMMITTEE