

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

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

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

- 1           (1) the applicant is a small farmer;
- 2           (2) the applicant houses not more than the number of animals specified  
3           under section 4857 of this title;
- 4           (3) there is potential from the proposed diversification or transition to  
5           create additional income for the small farmer;
- 6           (4) the applicant has a proposed plan for diversification or transition that  
7           includes possible markets for the proposed product and probable income; and
- 8           (5) the applicant is not permitted as a medium farm or large farm at the  
9           time of application.

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

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

1           (2) The Secretary shall hold the application process open beginning  
2 November 1 of each year and shall close the application period on December  
3 31 of each year.

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

7           (4)(A) The Secretary shall evaluate applications based on the following  
8 criteria, which shall be weighted equally:

9                   (i) the potential from the proposed diversification or transition to  
10 create additional income for the small farmer; and

11                   (ii) the viability of the possible markets identified in the plan for  
12 the proposed product.

13           (B) The Secretary shall award grants to the applicants according to  
14 the total weighted scores beginning with the highest score until all funds are  
15 expended.

16           (e) As used in this subchapter:

17                   (1) “Farm products” means:

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

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

21                                   (ii) Christmas trees;

22                                   (iii) maple sap;

- 1                    (iv) horticultural, viticultural, or orchard crops, and  
2                    (v) pasture; and  
3                    (B) livestock, born or unborn, including goods produced in  
4 aquacultural operations; or  
5                    (C) products of crops or livestock produced by the small farmer.

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

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

10                    (B) is engaged in “farming” as that term is defined in 10 V.S.A.  
11 § 6001(22), regardless of the size of the parcel, and whose gross income from  
12 the sale of the farm products equals at least one-half of the farmer’s annual  
13 gross income; or

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

15                    Sec. 2. APPROPRIATION

16                    In addition to any other funds appropriated to the Agency of Agriculture,  
17 Food and Markets in fiscal year 2024, \$500,000.00 is appropriated from the  
18 General Fund to the Agency of Agriculture, Food and Markets for purposes of  
19 the Small Farmer Diversification and Transition Program.

20                    Sec. 3. EFFECTIVE DATE

21                    This act shall take effect on July 1, 2023.

1 and that after passage the title of the bill be amended to read “An act relating to  
2 establishing the Small Farmer Diversification and Transition Program”

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8 (Committee vote: \_\_\_\_\_)

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\_\_\_\_\_

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Representative \_\_\_\_\_

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FOR THE COMMITTEE