

Subject: NOFA-VT FY25 Budget Request

Submitted February 22, 2024

Dear Chair Durfee and Committee,

Thank you for hearing our testimony about NOFA-VT's FY25 budget request of \$478,500 in base funding to strengthen farm viability and address food security by sustaining two proven programs: Crop Cash (Plus) and Farm Share. We are following up to answer questions asked by committee members in response to our testimony.

Farmers Market Participation

In 2023 about 40 farmers markets participated in Crop Cash and Crop Cash Plus across the state of Vermont. The Crop Cash Program (which utilizes federal dollars) doubles 3SquaresVT (SNAP) benefits, dollar for dollar, for fruits and vegetables purchased at Vermont farmers markets.

- When a SNAP recipient goes to a farmers market, they can swipe their EBT card at the market manager's booth (like a debit card) to spend their SNAP dollars.
- Then, they will automatically receive a matching number of Crop Cash coupons. For example, if someone wants to spend \$10 of their SNAP benefits at the market, they would automatically receive \$10 in Crop Cash coupons, for free, to spend on produce with market vendors.
- Coupons are given out in \$1 denominations, and no cash change is given for them.

While we do not know the number of Vermont SNAP participants that use Crop Cash, we do know that the number of SNAP transactions at farmers markets has grown over recent years.

- In 2019, there were about 6,400 SNAP transactions at farmers markets that distribute Crop Cash.
- In 2023, the same number of farmers markets saw nearly 12,000 SNAP transactions in just seven months.
- The draw of the Crop Cash Plus pilot in 2023, as well as more and more SNAP recipients learning about Crop Cash over time, has increased the number of program participants. *If we advertised the program more broadly, we know this number would increase substantially.*

Leveraging Federal and Philanthropic Dollars for Vermont

The federal dollars we draw down to support Crop Cash are limited by our current federal grant funding, as well as the requirement for a local cash match. Within these limitations, NOFA-VT currently receives \$100,000 each year for Crop Cash dollars.

- For each \$100,000 in federal funding, NOFA-VT needs to provide \$60,000 in local match towards Crop Cash dollars. We are asking for this amount in the state budget so that we can maintain our current programmatic impact. **If we do not secure this match via state funding, we will need to reduce our drawdown of federal funding well below \$100,000, as well as dropping our capacity to administer the program.** This would result in a reduced incentive for SNAP recipients

to shop at farmers markets, thereby decreasing revenue for producers and cutting off momentum for a program that has been experiencing major growth and buy-in.

- NOFA-VT's state budget request also includes an investment of **at least \$160,000 of state dollars towards the continuation of the Crop Cash Plus Program, which will not continue otherwise.** This program piggybacks on the existing structure of the federally funded Crop Cash Program, and expands access for meat, poultry, dairy, grain, and other producers to benefit from increased spending at farmers markets.
 - Because the federal funding covers a substantial amount of administrative and operating costs for Crop Cash, relatively minimal state funding would be used in administering Crop Cash Plus.
- The budget request includes **\$150,000 for the Farm Share Program** to provide discounts on CSA shares for low-income Vermonters. We were able to fund 500 households with \$87,000 in 2023, and were \$20,000 short in meeting the full demand. State funding will amplify philanthropic contributions, allow us to keep up with projected demand for 2025, and fund up to 1,000 households in the year.

The remainder of the budget request includes administrative costs for NOFA-VT and the farmers markets running Crop Cash Plus, CSA prescription programs coordinated by partner organizations, and indirect costs.

The State of Vermont can make policy choices that will ensure food security for everyone who lives here, while ensuring our farmers can profit from growing the food we all need. Crop Cash (Plus) and Farm Share are key to Vermont's food security and a viable agricultural sector.