

1 TO THE HONORABLE SENATE:

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

8 Sec. 1. 6 V.S.A. §§ 4608 and 4609 are added to read:

9 § 4608. SMALL FARMER DIVERSIFICATION AND TRANSITION

10 ASSISTANCE

11 (a) The Working Lands Enterprise Board shall award small farmers in
12 Vermont with grants to diversify production on a farm or to transition from one
13 form of farming to another. Grants to small farmers shall be used for costs of:

14 (1) diversifying the farm products produced by the applicant;

15 (2) transitioning the applicant from one form of farming to another;

16 (3) processing of farm products on the farm owned or controlled by the
17 applicant; and

18 (4) developing an accessory on-farm business by the applicant.

19 (b) The maximum amount of a grant to a small farmer under this section

20 shall be \$15,000.00 per farmer per year, and all projects funded by the grant

1 shall be completed within 12 months after receipt of the grant by the small
2 farmer.

3 (c) As used in this subchapter:

4 (1) “Farm products” means:

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

6 (i) plants grown for food, feed, or fiber, but excluding trees grown
7 for timber purposes;

8 (ii) Christmas trees;

9 (iii) maple sap;

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

11 (v) pasture; and

12 (B) livestock, born or unborn, including goods produced in
13 aquacultural operations; or

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

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

16 (A) satisfies one or more of the following:

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

20 (ii) is engaged in “farming” as that term is defined in 10 V.S.A.
21 § 6001(22), regardless of the size of the parcel, and whose gross income from

1 the sale of the farm products equals at least one-half of the farmer’s annual
2 gross income; or

3 (iii) a small farm subject to the Required Agricultural Practices;

4 (B) houses not more than the number of animals specified under
5 section 4857 of this title; and

6 (C) is not permitted as a medium farm or large farm at the time of
7 application.

8 § 4609. CONFIDENTIALITY OF FINANCIAL INFORMATION

9 A tax return and related documents, correspondence, and certain types of
10 substantiating forms that include the same type of information as in a tax return
11 and that are submitted by an applicant for financial assistance under this
12 subchapter shall be exempt from public inspection and copying under the
13 Public Records Act and shall be kept confidential.

14 Sec. 2. APPROPRIATION

15 In addition to any other funds appropriated to the Agency of Agriculture,
16 Food and Markets in fiscal year 2024, \$350,000.00 of one-time funds are
17 appropriated from the General Fund in fiscal year 2024 to the Agency of
18 Agriculture, Food and Markets for purposes of implementing the small farmer
19 diversification and transition grants under the Working Land Enterprise
20 Program.

21 Sec. 3. EFFECTIVE DATE

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

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9 (Committee vote: _____)

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Senator _____

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FOR THE COMMITTEE