



Working Lands Enterprise Initiative Annual Report: Fiscal Year 2014

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 **VERMONT**
WORKING LANDS ENTERPRISE INITIATIVE
www.vermontworkinglands.com

Mission & Vision

Mission

The Vermont Working Lands Enterprise Board is an impact investment organization whose mission is to grow the economies, cultures, and communities of Vermont's working landscape by making essential, catalytic investments in critical leverage points of the Vermont farm and forest economy, from individual enterprises to industry sectors.

Vision

Vermont prospers and its unique sense of place thrives in large part because of intelligent investment in the people and enterprises that comprise its farm, food, and forest based systems.



IMAGE CREDIT: FLICKR USER – PETER RINTELS "FARM WITH FALL FOLIAGE, POWNAL, VERMONT, 2014"

Background

- The “working landscape” consists of agriculture, food system, forestry, and forest product based businesses. Approximately **20 percent of Vermont’s land is used for agricultural purposes and 75 percent as forestry.**
- The Vermont Council on Rural Development (VCRD) created and led the Council on the Future of Vermont, which found that **over 97 percent of Vermonters value the working landscape.**
- In the 2012 Legislative Session, Act 142 established the Working Lands Enterprise Initiative – includes 9 comprehensive and wide-reaching goals



IMAGE CREDIT: SIDEHILL FARM

Act 142

The Working Lands Enterprise Initiative was created under Act 142. The intent of the act is to:

1. stimulate a concerted economic development effort on behalf of Vermont's agriculture and forest product sectors by systematically **advancing entrepreneurship, business development, and job creation**;
2. recognize and build on the **similarities and unique qualities** of Vermont's agriculture and forest product sectors;
3. **increase the value** of Vermont's raw and value-added products through the development of in-state and export markets;
4. **attract a new generation of entrepreneurs** to Vermont's farm, food system, forest, and value-added chain by facilitating more **affordable access** to the working landscape;

5. **provide assistance** to agricultural and forest product businesses in navigating the regulatory process;
6. use Vermont's brand recognition and reputation as a **national leader** in food systems development, innovative entrepreneurship, and as a "green" state to leverage economic development and opportunity in the agriculture and forest product sectors;
7. **promote the benefits of Vermont's working lands**, from the economic value of raw and value-added products to the public value of ecological stability, land stewardship, recreational opportunities, and quality of life;
8. increase the amount of state investment in working lands enterprises, particularly when it **leverages private and philanthropic** funds; and
9. support the people and businesses that depend on Vermont's renewable land-based resources and the sustainable and productive use of the land by **coordinating and integrating financial products and programs.**

Working Lands Enterprise Board

Chuck Ross, Chair

Secretary, Vermont Agency of Agriculture, Food & Markets

Jolinda LaClair, Designee

Deputy Secretary, Vermont Agency of Agriculture, Food & Markets

Michael Snyder

Commissioner, Forests, Parks & Recreation

Lucy Leriche

Deputy Secretary, Commerce and Community Development

Matt Langlais, Designee

Caledonia/Essex County Forester, Department of Forests, Parks, and Recreation

Jared Duval, Designee

Economic Development Director, Commerce and Community Development

Eric DeLuca

Principal, Leverage Point Consulting LLC

Brian Kemp

Farm Manager, Mountain Meadow Beef Farm

Eleanor Leger

Owner, Eden Ice Cider

Emma Marvin

Director of Marketing, Butternut Mountain Farm

Joseph W. Nelson

Consulting Forester

Robin Scheu

Executive Director, Addison County Economic Development Corporation

Beverly Thurber

Owner, Lilac Ridge Farm

Kathleen Wanner

Executive Director, Vermont Woodlands Association

Non-Voting Members:

Jo Bradley

Manager, Vermont Economic Development Authority

Sarah Isham

Senior Agricultural Loan Officer, VACC

Ellen Kahler

Executive Director, Vermont Sustainable Jobs Fund

Gus Seelig

Executive Director, Vermont Housing Conservation Board

Ela Chapin, Designee

Program Director, Vermont Farm Viability Program (VHCB)



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Investment Areas

- 1. Enterprise Grants:** Small grants (up to \$20,000) available to start-up and emerging Working Lands businesses. Eligible expenses include infrastructure, marketing, market development, business development and technical assistance to meet a need not already filled by existing programs.
- 2. Service Provider Grants:** Grants (up to \$150,000) available to Vermont non-profit organizations, associations, educational institutions, private sector or partnership groups, or other entities that provide technical assistance directly to agricultural and/or forestry & forest products enterprises.
- 3. Capital & Infrastructure Grants:** Larger grants (up to \$75,000) available to growth-stage or mature businesses for capital investments that will have a value chain impact beyond their immediate business or organization. Eligible expenses include specialized personnel, access to land, building and equipment costs, working capital, information technology, and other collaborative ventures that build capacity within the supply chain, open new markets, and/or create a replicable, innovative model.

Funded Stats to Date

Funded **74**
**agriculture &
forestry**
Projects

Distributed
\$2.1 million
Working Lands
Funds

Leveraged
\$3.1 million
in matching funds

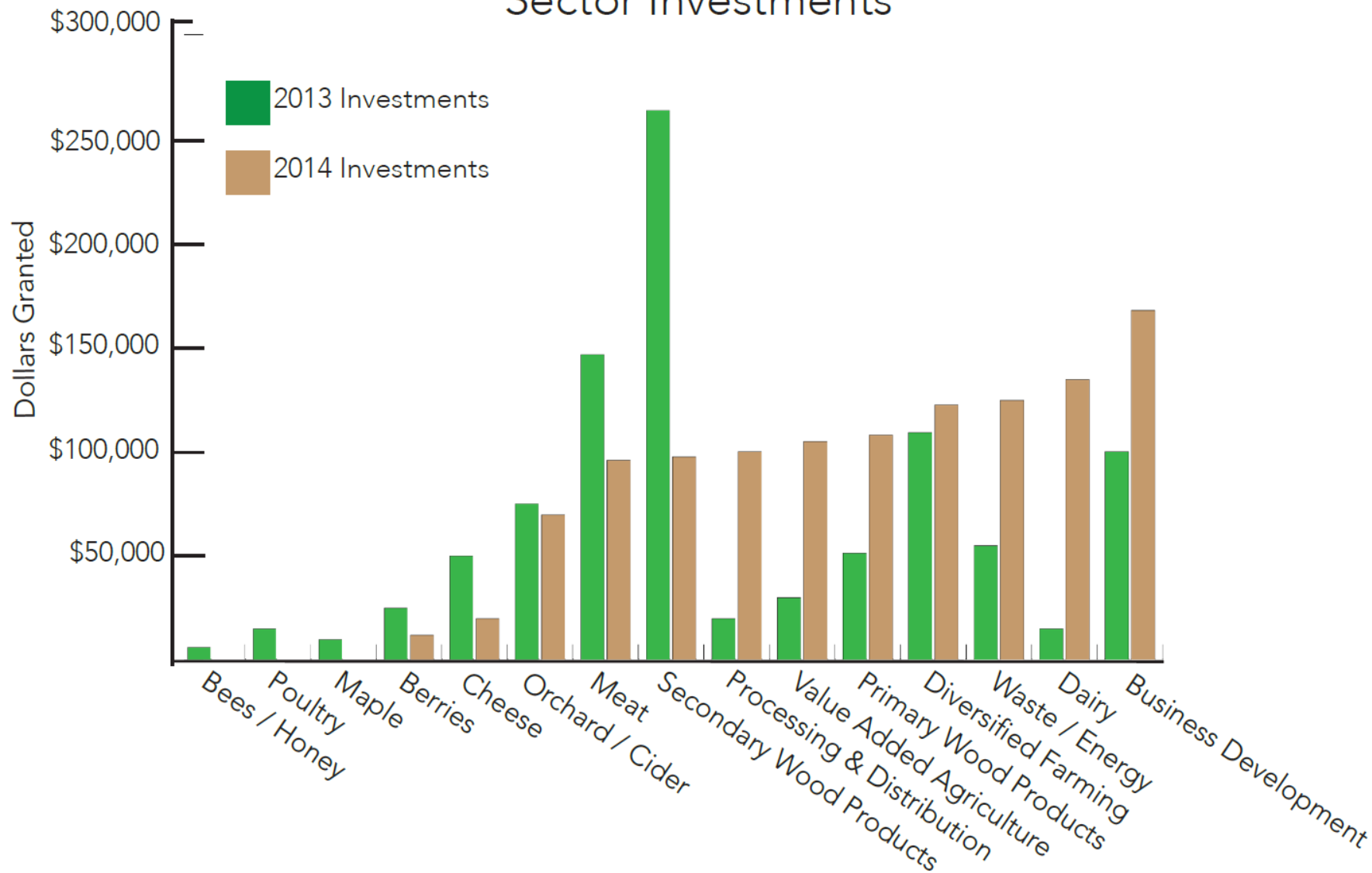
All
14 counties
Impacted!

FY2015 Grant Round:

- Received 129 applications
- \$5,561,125 in requests for \$1,000,000 in funds;
- funding decisions will be announced in May.



Sector Investments



Program Impact

The data below reflects 23 completed projects of the 74 grants that have been made thus far, totaling only \$500,059 (approximately 23%) of the total funds invested to date. These include both FY 13 Enterprise, and Capital and Infrastructure investments.

- **25 new jobs created*** (FTE) in first year of grant investment
FY 15 Goal: 59
- **Aggregated gross income increased by \$880,831***
FY 15 Goal: \$1,489,210
- **Businesses increased product output by an average of 25%***
FY 15 Goal: 50%
- **91% increased their capacity** to fulfill additional contracts
FY 15 Goal: 95%
- **74% believe that the grant had a high or very high impact on their business**
FY 15 Goal: 100%

*Results Based Accountability Performance Goal

**2015 Goals cumulative across FY13 and FY14 grantees. These estimates based on 2013 grantee projections for one year post-grant, and 2014 grantee projections for immediately post-grant.



Sweet Rowen Farmstead

West Glover, Orleans County

**Hired 1
full time**
Milk Plant Manager

Awarded
**Top Quality
Producer 2014**

Increased production
by 145%

2013 Enterprise Grantee: \$15,000

Sweet Rowen Farmstead in West Glover is a family-operated, grass-based micro-dairy that produces milk and cheese. A \$15,000 Working Lands grant proved invaluable to their business, enabling them to **purchase a 250 gallon vat pasteurizer**. This investment increased their production of small-batch, whole cows' milk products and increased profit margins.

As a result, Sweet Rowen has hired a milk plant manager, and has increased their production by 145%. In addition, the farm is now able to share their state-inspected milk processing facility with other area farmers and producers. This year, Sweet Rowen Farm achieved the top milk quality award, a very high honor, at the Agri-Mark Dairy Cooperative meeting in December 2014.



IMAGE CREDITS: SWEET ROWEN FARM



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Vermont Wood Pellet Company

North Clarendon, Rutland County

Hired an additional
4 employees

Awarded
**Best Softwood
Pellet**
of the Year

Durability increased to
99%

2013 Capital and Infrastructure
Grantee: \$38,153

Vermont Wood Pellet Company received a Working Lands grant to **install two new pieces of equipment to improve the efficiency and quality of their wood pellets:** a bi-directional auger, to reduce the loss of finished material, and a counter flow cooler, designed specifically to ensure uniform durability. These pellets can better withstand the bulk delivery,

storage, and feed systems. Partly due to the improved quality, demand has risen 120% over the last season. This increased demand has directly and positively affected their bulk delivery partner: Vermont Renewable Fuels. Additionally, they have experienced an electricity savings of approximately \$600 per month. The total outcome of these changes has brought Vermont Wood Pellet Company close to maximum production.



IMAGE CREDITS: VERMONT WOOD PELLET CO.



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Green Mountain Hardwood

Ripton, Addison County

20% increase
in orders compared to
the same period last
year

On track to increase
net profit
by **25%**

Received their 1st
contract for a
**One Tree
Design Project**

2014 Enterprise Grantee: \$9,825

Green Mountain Hardwood, founded in 2011, offers a range of wholesale consumer products such as cheeseboards and crèches to clients such as Danforth Pewter, as well as handcrafted furniture and cabinetry. Green Mountain Hardwood received a Working Lands grant **for a portable sawmill and a solar assisted lumber kiln**. The on-site solar assisted kiln, constructed from lumber harvested

and milled from their family forest, has reduced time, energy, and transportation costs associated with sourcing lumber.

In less than a year from receiving their grant funding, Green Mountain Hardwood has seen an increase in customer orders, and is under contract to begin their first One Tree Design project – an innovative new product line for their portfolio.



IMAGE CREDITS: GREEN MOUNTAIN HARDWOOD
SOLAR KILN



Jericho Settlers Farm

Jericho, Chittenden County

Increased tomato
production by over
6,000 lbs

2 additional
year round
employees

Increased early
tomato sales by
950%

2014 Enterprise Grantee: \$18,200

Jericho Settlers Farm is a 13 year old diversified livestock and vegetable farm operating on 150 acres in Richmond and Jericho. The farm is powered by six solar trackers and they operate one of Vermont's few year-round CSA programs, through which they offer shares of eggs, grass fed beef and lamb, pasture raised pork and chicken, and certified organic vegetables.

Using the Working Lands Enterprise funding, **the farm constructed one in-ground biofuel heated greenhouse, and plans to construct a second**, to expand their winter growing capabilities and increase the supply of local food through Vermont's winter. With the installation of the bioheated greenhouses, Jericho Settlers Farm has added two additional year round employees, has increased tomato production and sales dramatically, and increased greens sales by 200%.



IMAGE CREDITS: JERICHO SETTLERS FARM TOMATO PRODUCTION



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Board Committees

Enterprise Financing Options Committee

- Analyzes options to leverage state investment in Working Lands
- Input from businesses and capital providers to assess gaps in the capital continuum

Forestry Committee

- In-depth analysis of the forestry and wood products industry with Yellow Wood Associates
- Goal: to establish a strong foundation for increased strategic support and overall economic growth in this important sector of Vermont's economy

Thank you!

