



VHCB

Vermont Farm & Forest
Viability Program



2014 Annual Report



January 30, 2015

Dear members of the General Assembly:

2014 marked the 12th year of the Vermont Farm & Forest Viability Program, which provides individualized support to farm, food and forestry businesses, ushering them through the process of planning for growth, accessing capital and implementing improvements. This year we added four new program partners to the Viability Program network: the Center for an Agricultural Economy and the Vermont Food Venture Center, the Vermont Small Business Development Center, Northern Community Investment Corporation and the Vermont Woodlands Association. Funding from the Working Lands Enterprise Board, USDA Rural Development, and the Northern Border Regional Commission has enabled this expansion of services.

Local, regional and international markets are providing opportunities for Vermont's working lands businesses to expand their production of commodity products, as well as locally produced and manufactured, source-identified food and forestry products. Under intense competition, globalization and regulatory pressures, a strong business support network in the State of Vermont has been key to the development of these industries. We are inspired by the stories of the individual farmers, loggers and other entrepreneurs creating innovative, Vermont-scale enterprises that are successfully meeting these market opportunities, bringing jobs and income to the state, and increasing the productivity of our working landscape.

Our Dairy Improvements Grant Program, a new program initiated in early 2014, invests in vital infrastructure improvements on dairy farms. Funded through a partnership with Commonwealth Dairy in Brattleboro, the program awarded \$360,000 in grant funds to 17 farms, leveraging another \$1.4 million towards barn renovations, robotic milking machines and manure containment projects.

The Viability Program will play an important role in supporting state efforts to clean up water quality in the Lake Champlain Basin and statewide. In addition to the investments made by our Dairy Improvements Grant Program, we will continue to provide financial analysis and business assistance to dozens of dairy farmers each year, and the Program will provide matching funds for the State's recently secured \$16 million Regional Conservation Partnership Program grant.

Thank you for your support of this critical economic development initiative!

A handwritten signature in black ink, appearing to read "Gustave Seelig".

Gustave Seelig, Executive Director
Vermont Housing & Conservation Board

A handwritten signature in black ink, appearing to read "Charles R. Ross".

Chuck Ross, Secretary
Vermont Agency of Agriculture, Food & Markets

The Vermont Farm & Forest Viability Program is funded by the State of Vermont through the Vermont Housing & Conservation Board. In 2014 we also received funding from USDA Rural Development, Working Lands Enterprise Board, Northern Border Regional Commission, USDA Local Food Promotion Program, the Vermont Community Foundation, and private foundations.

This report is made by the Vermont Housing & Conservation Board, in collaboration with the Vermont Agency of Agriculture, Food and Markets, pursuant to V.S.A. § 4710(f)



Vermont Farm & Forest Viability Program

Our Mission

The Vermont Farm & Forest Viability Program's mission is to enhance the economic viability of Vermont's farm, food and forest products enterprises. We work with a network of nonprofit partners and independent consultants to provide high quality business planning services, technical assistance and management coaching entrepreneurs who help maintain Vermont's working landscapes. In addition, we provide competitive implementation grants to select businesses to realize their business plan goals.

Our Services

In addition to full business planning, we commonly assist businesses in the following areas:

- Enterprise Analysis
- Financial Record-keeping and Management
- Marketing and Sales
- Human Resources Management
- Management Coaching
- Ownership Transition and Succession Planning

We match participating businesses with a partner organization, individual consultant or team of consultants, to provide services to businesses in a tailored, one-on-one format. This model allows business owners and advisors to develop strong working relationships, ensuring that entrepreneurs come out of the program with improved business management skills and clear directions for where they want their businesses to go.

Our Network of Service Providers

Each service provider has their specialties and strengths. By providing services under the umbrella of the Vermont Farm & Forest Viability Program, our partner organizations and independent consultants provide high quality business services to Vermont's land-based businesses. The Viability Program ensures that there are strong guidelines and standards to guide this work, coordinates enrollment between the networks of programs, provides opportunities to discuss and adapt to changing business needs, and provides opportunities to learn diverse skills through professional development.

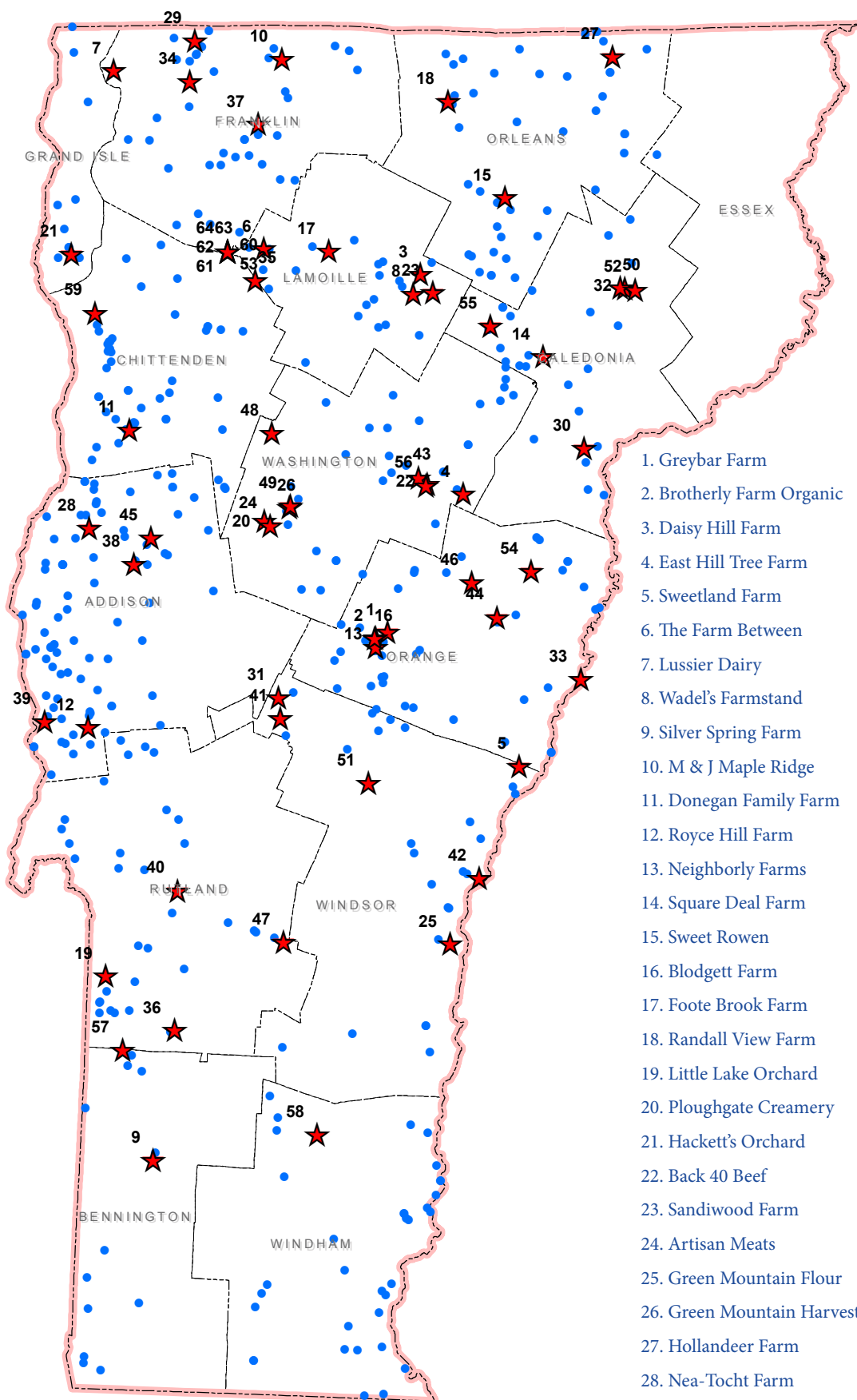
Our primary partners since the inception of the Viability Program:

- University of Vermont Extension
- Northeast Organic Farming Association-VT
- Intervale Center
- Vermont Small Business Development Center

Additional partners in 2014 include:

- The Center for an Agricultural Economy
- Land For Good
- Northern Communities Investment Corporation
- Vermont Woodlands Association

Viability Participants



- ★ 2014 Participants
- 2003 - 2013 Participants

2014 Participants :

30. Somerhill Farm
 31. Sunshine Valley Berry Farm
 32. Tamarlane Farm
 33. Your Farm
 34. Brosseau Farm
 35. Butlerholm Farm
 36. Two Dog Farm
 37. Flack Family Farm
 38. Open View Farm
 39. Elysian Fields
 40. Hewitt, Nathan/Wiskoski, Stephen
 41. Tail Feather Farm
 42. Lemax Farm
 43. Vermont Wildwoods
 44. Redstart Forestry
 45. Vermont Tree Goods
 46. Seven Oaks Consulting
 47. Martin's Logging & Excavation
 48. Mad River Forestry
 49. Pomerantz Woodworking
 50. Calendar Brook Mill
 51. Wood's VT Maple Syrup
 52. St. Johnsbury Wood Pellet Mill
 53. Vermont Woodworking School
 54. Knock on Wood Saw Works
 55. Sylvacurl
 56. Winterwood Timberframes
 57. Southwind Forestry
 58. AMP Timber Harvesting
 59. Amoskeag Woodworking
 60. Pat Ford Studio Crafts
 61. Ironwood Artistry
 62. Mathew Ogelby
 63. Timothy Peters
 64. Andrew Gilmer
1. Greybar Farm
 2. Brotherly Farm Organic
 3. Daisy Hill Farm
 4. East Hill Tree Farm
 5. Sweetland Farm
 6. The Farm Between
 7. Lussier Dairy
 8. Wadel's Farmstand
 9. Silver Spring Farm
 10. M & J Maple Ridge
 11. Donegan Family Farm
 12. Royce Hill Farm
 13. Neighborly Farms
 14. Square Deal Farm
 15. Sweet Rowen
 16. Blodgett Farm
 17. Foote Brook Farm
 18. Randall View Farm
 19. Little Lake Orchard
 20. Ploughgate Creamery
 21. Hackett's Orchard
 22. Back 40 Beef
 23. Sandiwood Farm
 24. Artisan Meats
 25. Green Mountain Flour
 26. Green Mountain Harvest
 27. Hollandeer Farm
 28. Nea-Tocht Farm
 29. Rainbow View Dairy



Program Impacts

Increasing Revenue and Jobs

Participants typically work to improve their ability to accurately track income and expenses as part of the Viability Program. Many participants work with a specialist in book-keeping or accounting to improve their use of Quickbooks or other financial management tools, and in the process significantly advance their financial tracking systems. Nearly all participants see improvements to their net income as a result of the program, and many create jobs and increase worker retention as they improve and expand their operations.

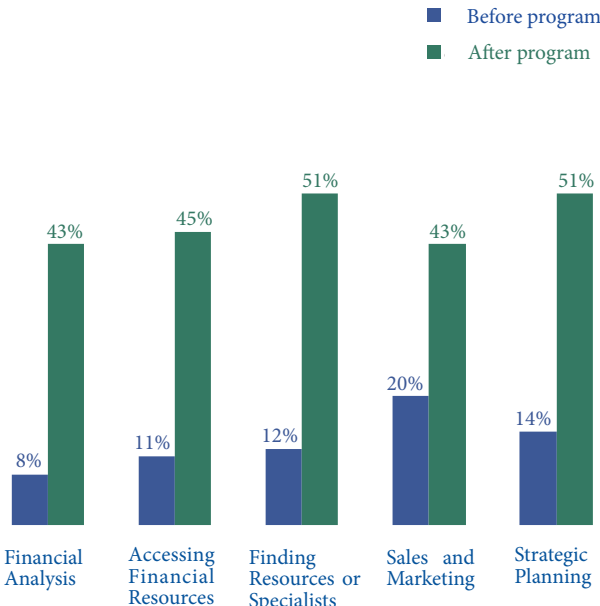
Following program participation:

- The average number of jobs increased by 39% from 3.1 to 4.3 jobs per business;
- Average gross income improved by 16% from \$199,000 to \$231,000; and
- Average net income jumped by 93%, from \$10,494 to \$20,297

Increasing Management Skills

Participants report significant improvements in their abilities to manage their businesses, generate profits, increase production and implement business expansions and ownership transitions. Seventy-seven percent (77%) report feeling satisfied that they have a clear direction for their business, up from 27% before participation. And 47% feel satisfied with their ability to balance workload and personal life, up from 26% before the program.

As you can see in this graph, participants gain significant skills through the Program. Fifty-one percent (51%) of participants report having high skills in strategic planning, up from 14% before the program, along with similar increases in financial analysis skills, accessing financing, locating technical resources, and sales and marketing abilities.



% of participants reporting they were highly skilled in...



Farm Viability

Adam Hausmann, of Adam's Berry Farm in Charlotte, received both business planning and implementation assistance through the Vermont Farm & Forest Viability Program as his business has grown.

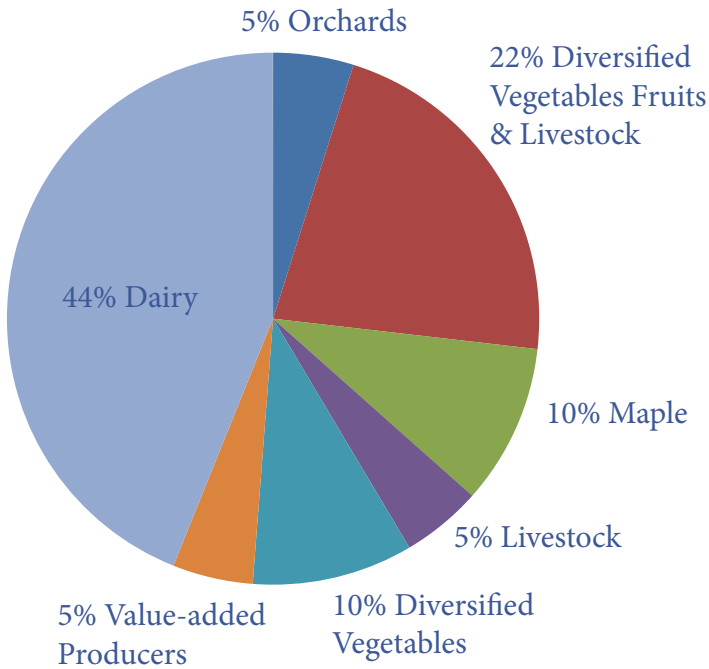
2014 was an exciting year for the Viability Program, in which we increased the number of farms receiving in-depth business assistance through the program, while simultaneously expanding to serve agriculturally-related businesses, forest-based businesses, and food hubs. In 2014, we worked with 82 farms, some in their first year of the program developing business and transfer plans, and others in the second year, working on implementing their plans with support from their business advisors.

These 82 farms represent the diversity of agricultural businesses in Vermont: they include dairy, maple, and livestock, conventional and organic vegetable producers, fruit growers, and diversified farms. We worked with young farmers that have recently entered the agricultural market, farmers looking to retire and pass on their land and knowledge, and others in between. Seven of them incorporated into the business planning process a transition to new land through VLT's Farmland Access program. Thirteen of the farms were transferring or preparing to transfer their farm to a younger generation, using the Viability Program to help gain headway on the complex legal, financial, and emotional aspects of transitioning ownership.

The size of 2014 farm participants varied from 4 acres to 1200, with a range of sales from \$19,000 to \$1.2 million. On average, they grossed \$220,000 per business, \$18 million in sales combined. These farms provide meaningful jobs for farm family members, both young and old, and for community members in rural areas, with an average of 3.4 full-time equivalents per business.

No matter the size, type, or stage of business, each of these 82 farms gained access to the support and expertise of their Viability business advisor, as well as the opportunity to engage a wide range of experts on the farm, from accounting to pasture management, marketing to legal consulting. These strong relationships between farmers and their advisors help to strengthen Vermont's agricultural sectors, giving farmers a support system they can draw on now and into the future.

Types of Farms





“The Viability Program gets you up to speed quick. It prevents costly mistakes, and you get the benefit of years of Vermont farm experience.”
-Jon Wagner-Herbert, Bear Roots Farm

Karin Bellemare and Jon Wagner-Herbert own and operate Bear Roots Farm in Barre.

The story of Bear Roots Farm is a fine example of how the Vermont Farm & Forest Viability Program complements the work of other service providers in the state. Both Karin and Jon graduated from Green Mountain College. They operated a vegetable farm and CSA on leased land in Long Island for four years before submitting a proposal

to the VLT’s Farmland Access Program to purchase their current property. Working in close coordination with VLT staff and their Farm Viability advisor, Sam Smith of the Intervale Center, Karin and Jon have been able to get their business up and running efficiently and effectively.

Improving Food Hub Capacity Across Vermont

In addition to supporting business development in the farm and food sector, the Viability Program provides services to a critical sector of Vermont’s agricultural economy: food hubs. These enterprises are involved in aggregating, storing, distributing, and marketing products from Vermont farmers to a variety of new market channels. Many of them also have a strong social mission to increase access to locally produced, nutritious food for low-income Vermonters.

Food hubs play an important role in the development of our community-based food systems, and like other businesses we work with, they can improve their efficiency and effectiveness through business coaching and strategic planning. In 2014, with the support of the Vermont Community

Foundation’s Food and Farm Initiative, the Viability Program provided business assistance to five non-profit-owned food hubs: Green Mountain Farm to School, Rutland Area Food and Farm Link, the Intervale Food Hub, Food Connects of Windham County, and the Addison County Community Action Network, helping them develop plans for the future, closely examine financial systems, work effectively and efficiently with their boards, and hone their organizational strengths. In 2015, with funding from the new USDA Local Food Promotion Program, we will continue to support business development with both nonprofit and for-profit food hub enterprises.



Forest Viability

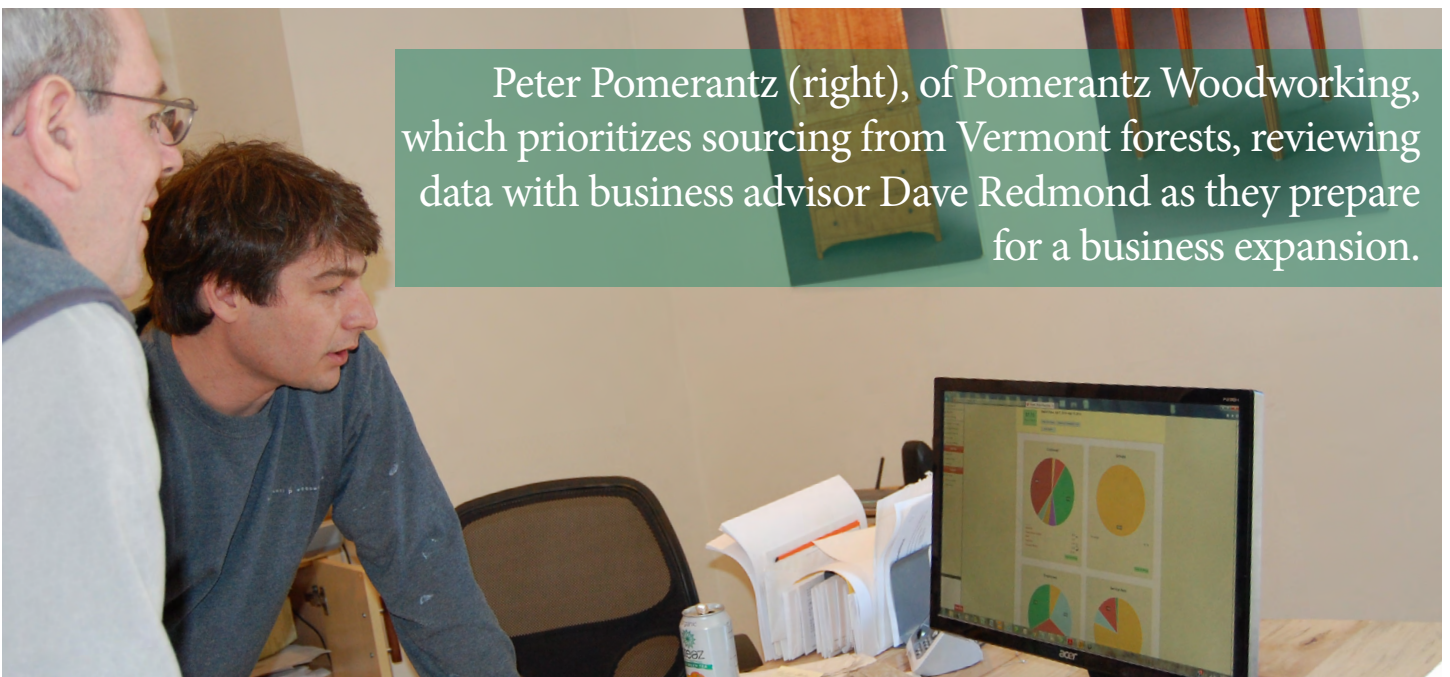
Gabe Russo's Southwind Forestry LLC, a forestry firm and mechanized logging operation, enrolled to develop a business plan and learn how to implement accounting systems specifically designed to track long-term viability for logging businesses.

Our Forest Viability program offers Vermont's forest products industry the same one-on-one, individualized business planning and technical assistance services that our Farm Viability program has provided for since 2003. Since initiating the Forest Viability program eighteen months ago, 21 businesses have begun working with advisors.

Some of the businesses are working on creating full business plans, and like the farmers we've worked with, these entrepreneurs tell us the process has been critical to focusing time and energy on setting and reviewing their goals, both personally and professionally. Other businesses are working with advisors and technical consultants on specific business skills or issues. These include bolstering financial manage-

ment capacity, improving human resources management, analyzing individual enterprises, planning for major expansions, and performing feasibility studies. Several businesses are preparing for eventual ownership transitions.

Throughout the past year we have developed several new organizational partnerships and brought in new consultants with industry-specific expertise. As a network of farm viability programs and advisors coalesced 12 years ago when the Viability Program began, we hope to build the capacity of our forest viability partners to provide exceptional business development consulting for Vermont's forestry and forest products enterprises.



Peter Pomerantz (right), of Pomerantz Woodworking, which prioritizes sourcing from Vermont forests, reviewing data with business advisor Dave Redmond as they prepare for a business expansion.



Consulting forester and forest viability business advisor Steve Bick demonstrates how logging contractors can use throughput accounting tools to both track profitability and accurately estimate costs for contract bids.

The Viability Program's model of providing in-depth, one-on-one business planning assistance is new to many in Vermont's forestry and forest products industries. In 2014, Viability Program staff partnered with the Logger Education to Advance Professionalism program, known as LEAP,

an educational resource for Vermont's logging community, to provide a workshop focused on business planning and management skills. Many loggers left this workshop interested in looking at the larger picture and are now enrolled in the Viability Program for more tailored business coaching.

2014 Forest Viability Participants

Amoskoeg Woodworking – Architectural mill and woodworking

AMP Timber Harvesting – Mechanized logging contractor and firewood producer

Andrew Gilmer – Woodworking

Calendar Brook Mill – Proposed hardwood sawmill

Ironwood Artistry – Woodworking

Knock on Wood Saw Works – Logging and milling

Mad River Forestry – Forestry consulting and mechanized logging contractor

Martin's Logging and Excavation – Mechanized logging contractor

Mathew Ogelby – Woodworking

Pat Ford Studio Crafts – Woodworking

Pomerantz Woodworking – Fine woodworking shop

Redstart Forestry – Forestry consulting firm

St. Johnsbury Wood Pellet Mill – Pre-venture wood pellet mill

Seven Oaks Consulting – Logging and construction

Southwind Forestry – Consulting forestry and mechanized logging contractor

Sylvacurl – Wood shaving packing material manufacturer

Timothy Peters – Woodworking

Vermont Wildwoods – Architectural mill

Vermont Tree Goods – Specialty millwork and furniture

Vermont Woodworking School – Educational and trade school

Winterwood Timberframes – Milling and construction of timberframe buildings



Dairy Improvement Grants

In July 2014, Governor Peter Shumlin and Secretary of Agriculture Chuck Ross joined VHCB staff and Dairy Improvement Grant recipients on the Sizen Family Farm in Georgia for the announcement of the inaugural round of grant awards.

A new funding initiative at VHCB designed specifically for dairy farmers, the Dairy Improvement Grants Program was initiated in 2014 with funding from Commonwealth Dairy in Brattleboro. This competitive grants program is designed to increase the quality and volume of milk produced in Vermont through the St. Albans Co-op and Dairy Farmers of America, where Commonwealth Dairy sources milk for its Greek yogurt plant. In May, we dispursed \$384,831 in grant funds to 17 farmers for capital and infrastructure investments, such as new calf and heifer barns, retrofitting old milking barns,

and purchasing critical equipment. These projects will have a wide range of impacts, from improving labor efficiency, milk production, and milk quality, to maximizing cow health and worker safety. Additionally, half of the projects will result in soil and water quality improvements.

A second round of grant awards will be announced in March 2015. Dairy farmers are making significant investments to increase production, improve efficiencies and ultimately ensure their business viability. The grant funds leveraged nearly 4:1, with over \$1.4 million in matching funds.

2014 Dairy Improvement Grantees

Karie Atherton, Aires Hill Farm Inc., Berkshire
Barn floor improvements

Jennifer Breen, Hall and Breen Farm, LLC, Orwell
Barn retrofit

James and Kristie Callan, Fairfield
Milk room retrofits and bulk tank replacement

Randy Callan, Fairfield
Milk room retrofit and bulk tank replacement

Lyndon, Joyce and Timothy Corey, Corey Acres Farm, Fairfield
Round bale unwrapper

Stephen and Richard Dodd, Dodd Farms, Sheldon
Dry cow transition barn

Wayne Fiske, Windfall Acres, Franklin
Heifer barn construction and pipeline addition

Billie Jo Forgues, Rusty John Farm, Addison
Milk house renovations and bulk tank replacement

Michael LaClair, Sr., M & C Family Farm, Charlotte
Adding robotic milking

Richard Longway, Longway Farms, Swanton
Barn floor upgrade

Emery and Geordie Lynd, Northwind Farm, Walden
Heifer barn construction

Mark Magnan, Magnan Bros. Dairy, Inc., Fairfield
Second milk parlor with robotic milkers

Jeff Sheldon, Sheldon Farm Inc., Fair Haven
Milk room retrofits and automatic take-off installation

Laura Sizen, Sizen Dairy Farm, Georgia Center
New barn construction

Annie Wagner, Green Dream Farm, Enosburg Falls
Cow comfort improvements

Julie Wolcott, Green Wind Farm, Fairfield
Water lines, bowls, and pasture mats

Franklin and Mary Yates, Fairfield
New stalls, fans and water bowls



“The parlor hadn’t been upgraded since 1974. We knew we needed to do something, but without this grant it didn’t seem feasible”
-Jeff Sheldon, Sheldon Farms Inc.

Jeff and Richard Sheldon in their newly renovated milk room outfitted with automatic take-offs.

Sheldon Farm Inc. is a seven-generation dairy farm in Fair Haven owned and operated by Richard and Christine Sheldon and their son Richard. In 2014, they were awarded a Dairy Improvement Grant to rearrange and modernize their aging milking parlor. These improvements had been identified as priorities since the Sheldon’s participated in the

Viability Program five years ago, but had been put off due to cost. With the upgrades now completed, the Sheldon’s have already seen their daily milking time cut by three hours per day, and the data they are able to track with the new automatic take-offs is allowing them to monitor herd health with far greater precision than ever before.

Food Access and Affordable Housing Initiative

VHCB is positioned at the nexus of the state’s major local food, affordable housing and anti-hunger stakeholders. In 2014, VHCB and the Center for an Agricultural Economy were awarded two of the 16 Emerson National Hunger Fellows placed across the nation each year to help bridge gaps between community and national public policy efforts to end hunger and poverty.

With funding from the Vermont Community Foundation and through the efforts of Emerson Hunger Fellow Melanie Meisenheimer, VHCB launched the Food Access and Affordable Housing Initiative to explore what more can be done, either through policy or programming, to improve access to affordable, nutritious, and local food for Vermonters living in affordable housing communities. The Initiative focused on three target regions — Brattleboro, Rutland, and the North-

east Kingdom — where regional gatherings were convened to explore the possibility of new or deeper collaborations to address food insecurity.

Some of the promising areas for collaboration and continued investigation include:

- Community Gardens
- Edible Landscaping
- Cooking and nutrition education
- Community Supported Agriculture (CSA) and Farm Shares

After interviewing and gathering stakeholders in these regions, we are compiling best practices and resources related to food access programming that can take place at affordable housing sites, and providing examples of existing models from around the state.



“The Viability Program has been indispensable to the success of my business.”
-John Monks, Vermont Tree Goods

Vermont Farm & Forest Viability Program Advisory Board

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