

**Agency of Agriculture,
Food & Markets
FY 2016
Performance Based
Budgeting Presentation**



Agency of Agriculture, Food and Markets Mission Statement

Facilitate, support and encourage the growth and viability of agriculture while protecting the working landscape, human health, animal health, plant health, consumers and the environment.

Agency of Agriculture, Food and Markets Vision Statement

The Agency of Agriculture, Food and Markets will help to develop a safe, secure, ecologically responsive, profitable and fair local foods system for Vermont and Vermont customers which will enable Vermont to be a leader and participant in the global food system. The Agency will do this by assuming a leadership position important to the evolving food system, through access to and the application of resources (human, financial, social and environmental) and by supporting the creation of new opportunities.

Goals/Objectives/Performance Measures

The Agency has two (2) programs in the Performance Based Budgeting pilot project: Food Safety and Consumer Protection (overarching across the entire appropriation encompassing Animal Health, Meat Inspection, Dairy & Consumer Protection) and Working Lands Enterprise Initiative (singular program within the Agricultural Development appropriation).

FOOD SAFETY AND CONSUMER PROTECTION – PERFORMANCE BASED BUDGETING NARRATIVE:

The Food Safety and Consumer Protection Division (FSCP) of the Agency of Agriculture, Food and Markets performs regulatory and technical assistance work in order to meet its objective of advancing a safe and secure food supply within a marketplace that provides fair and equal access to consumers and processors. The measures chosen for the performance based budgeting initiative were picked because they are the easiest to quantify and represent a large proportion of the work performed by Division employees. The number of licenses, registrations, and permits overseen by the Division indicates the scope of businesses that fall under the regulatory authority of the Division. The number of inspections indicates the activities undertaken by staff to ensure compliance and provide outreach services to constituents. Administrative actions taken above the level of the field staff demonstrate the follow-through by the Division management to assure it is meeting its objective.

Although these measures are relatively objective, there are nuances associated with the data that the reviewer should keep in mind when attempting to draw conclusions from the information. The definition of an 'inspection' is different for each of the four sections of the Division; one inspection completed by Meat Inspection Program staff does not constitute the same scope or type of work as one inspection performed by an Animal Health section employee. A daily slaughter inspection performed by a Meat Inspection Program employee is comprised of multiple sub-inspections of procedures that vary from day to day, while a livestock dealer inspection performed by an Animal Health section employee consists of review of a defined set of parameters to ensure compliance at one snapshot in time.

The Division is tracking the number of compliance activities completed that go beyond the level of the field staff, and these include Letters of Warning, Notices of Violation, Assurances of Discontinuance, etc. Again, this is a quantifiable measure, but the data provided does not capture the intangible amount of technical assistance and proactive compliance work that is done by the managers and field staff during almost every interaction with regulated constituents, including that which occurs during phone conversations, investigating consumer complaints, site/facility inspections, and via email. As a result, the data provided grossly underestimates the total amount of 'compliance work' completed by the Division on an ongoing basis.

FOOD SAFETY AND CONSUMER PROTECTION – PERFORMANCE BASED BUDGETING NARRATIVE:

The FSCP Division might be unique in that the measures chosen for this project, while relatively objective, are entirely linked to Vermont's private business sector, which the Division does not control. This makes it difficult to provide accurate data projections for future fiscal years for all three measures. Although the Division strives to meet its goal of ensuring that 100% of the individuals and businesses operating in Vermont under Division jurisdiction are appropriately licensed/registered/permitted and that they are inspected in accordance with statutory requirements, attaching accurate projected numbers to this is not possible. The compliance activities anticipated for completion during any given year also correlates with the number of businesses in existence at that time and so can only be fully known in retrospect. The Division anticipates that trends in regulated business growth will be easier to predict after multiple years of data collection in association with this project.

Questions regarding the content of this submission should be directed to the Agency at (802) 828-2426.

Appropriation: 2200020000 Agriculture - food safety and consumer protection

Objective: To advance a safe and secure food supply within a marketplace that provides fair and equal access to consumers and processors in order to enhance Vermont's working landscape rural character and local economies.

Measures	Unit	FY 14 Targets	FY 14 Actuals	FY 15 Targets	FY 15 Estimate	FY 16 Targets
Number of licenses/registrations/permits overseen by the Division	# of lic/registration/permits	0	18,876	22,400	19,506	19,514
Number of inspections completed by the Division	# of inspections completed	0	0	23,147	17,218	17,135
Number of compliance activities completed by the Division that go beyond the level of field staff (action taken by management)	# of compliance activities	0	0	25	303	282

Program Budget:	FY2014 Actuals	FY2015 Original As Passed Budget	FY2015 Governor's BAA Recommended Budget	FY2016 Governor's Recommended Budget
PE Personal Services	2,966,918	3,180,467	3,180,467	3,586,427
Operating Expenses	625,367	755,482	755,482	737,012
GR Grants	2,631,549	2,600,000	2,600,000	2,600,000
Total Appropriation	6,223,834	6,535,949	6,535,949	6,923,439
Total Program Cost:	6,223,834	6,535,949	6,535,949	6,923,439

WORKING LANDS ENTERPRISE INITIATIVE - PERFORMANCE BASED BUDGETING NARRATIVE:

The Working Lands Enterprise Initiative, Act 142, created the Working Lands Enterprise Fund (WLEF) and the Working Lands Enterprise Board (WLEB). The 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. The Board is made up of private sector members throughout the supply chains of agriculture and forestry, the Vermont Agency of Agriculture, Vermont Department of Forests, Parks & Recreation, Vermont Agency of Commerce and Community Development, Vermont Housing Conservation Board, Vermont Economic Development Authority, and Vermont Sustainable Jobs Fund.

Grants are made in three investment areas:

- ❖ **Enterprise:** 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.
- ❖ **Service Provider:** Grants of 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 or educational services to agricultural and/or forestry & forest products enterprises.
- ❖ **Capital and Infrastructure:** 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.

In the first two funding rounds, the Board made \$2.1 million in grants to 74 agriculture and forestry projects reaching every county in the state. These investments have leveraged \$3.1 million in matching funds.

WORKING LANDS ENTERPRISE INITIATIVE - PERFORMANCE BASED BUDGETING NARRATIVE:

All metrics reported are on a **calendar year** basis, to align with our business grantees' fiscal years. **The impacts reported for the 2014 Actuals reflect only the 20 Enterprise Grants that have been completed thus far, totaling only \$219,906 (approximately 10%) of the total funds expended to date.** The Enterprise Grants go to small and emerging businesses, so their employment numbers are smaller, but their rate of growth is often faster than the larger Capital and Infrastructure grantees.

We are restructuring our grantee reporting timeline to allow us to report on all Enterprise and Capital and Infrastructure grantees from the first two rounds by the end of 2015. Therefore, **2015 Targets and Estimates include: immediate post-grant metrics from Round 1 Capital and Infrastructure grantees; one year post-grant metrics from Round 1 Enterprise Grantees; and immediate post-grant metrics from Round 2 Enterprise and Capital and Infrastructure grantees.**

We are also working with the Service Provider grantees to provide analogous metrics showing impacts on their clients from the work WLEB has funded. Despite a proposed reduction in funding, calendar year 2016 Targets remain optimistic because they account for the 2015 grantees that will be announced in May. **The 2016 Targets include: two year post-grant metrics from all Round 1 grantees, one year post-grant metrics from all Round 2 grantees, and immediate post-grant metrics from all Round 3 grantees.**

Appropriation: 2200030000 Agriculture - agricultural development

Objective: Working Lands: To advance entrepreneurship develop businesses and increase the value of Vermont raw and value-added products in order to develop Vermont agricultural and forest product economies.

Measures	Unit	FY 14 Targets	FY 14 Actuals	FY 15 Targets	FY 15 Estimate	FY 16 Targets
Number of raw jobs created (normalized against regional economic data)	# raw jobs created	0	12	60	59	100
Increase in gross income over previous calendar year	\$ gross income increase	0	247,100	183,588	1,489,210	2,500,000
Increase in Vermont sourced value-added products	\$ value-added product increase	0	0	51,662	0	0
increase in products output	% increase in output		46		50	55

Agency of Agriculture Budget

Working Lands Budget History

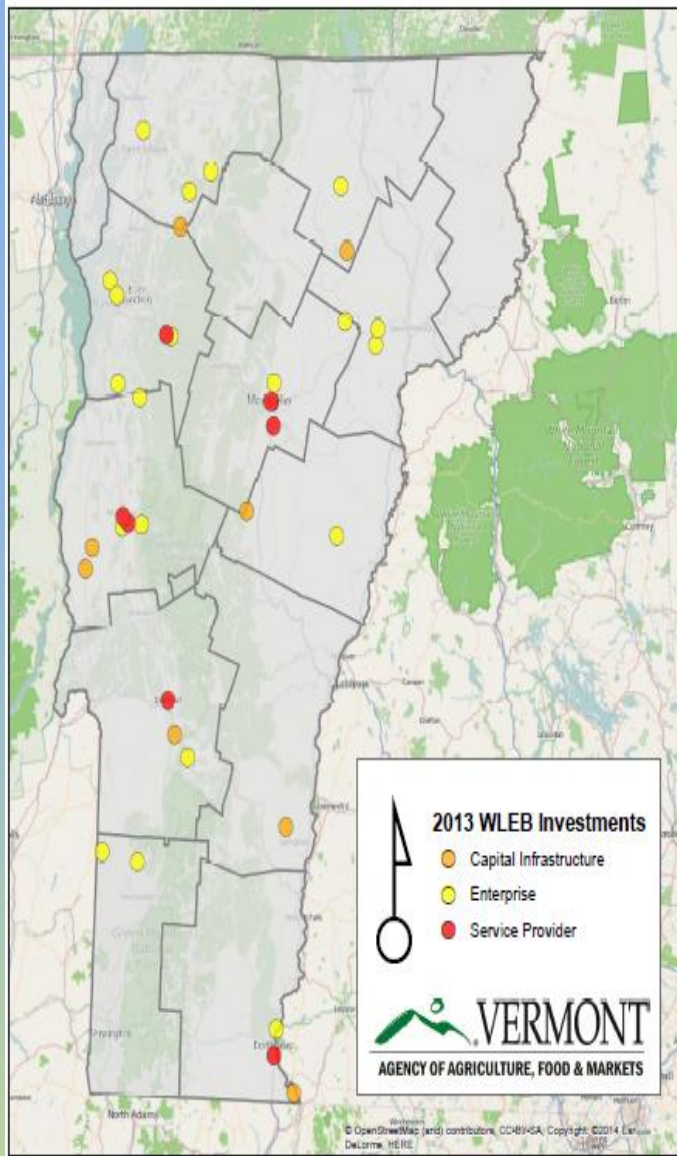
	FY 2013	FY 2014	2015	FY 2016
	Actuals	Actuals	Projections	Request
Positions (2)	73,664	118,226	185,469	134,654.00
Board:	16,402	11,871	18,000	18,000.00
Non-Board:	12,306	25,588	132,521	38,482.00
Total Admin	102,372	155,685	335,990	191,136.00
Grants - Inc. \$13,500 DCF	46,548	1,007,235	2,217,272	305,000.00
Total Expenditures	148,920	1,162,920	2,553,262	496,136.00

Working Lands Enterprise Initiative: Investments to Date

*To date, Working Lands has invested **\$2.1 million in grants to 74 agriculture and forestry projects** reaching every county in the state. These investments have **leveraged \$3.1 million in matching funds**.

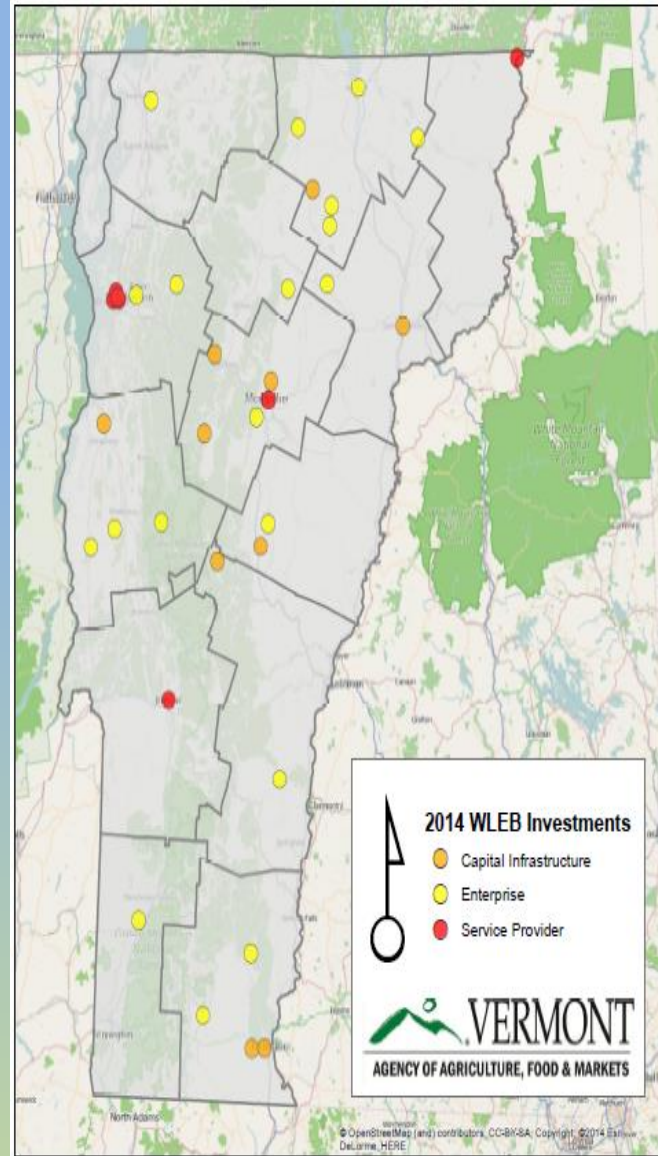
FY 2013 Projects Funded and Dollars Leveraged:

The Working Lands Enterprise Board invested over \$1 million into 37 agriculture and forestry projects reaching every county in the State and leveraging an additional \$1.3 million in matching funds (*funded 25 ag projects and 12 forestry projects proportionate to the total number of applications received by each sector*). The Board received 389 applications from every county of the state requesting \$12 million in funds.



FY 2014 Projects Funded and Dollars Leveraged:

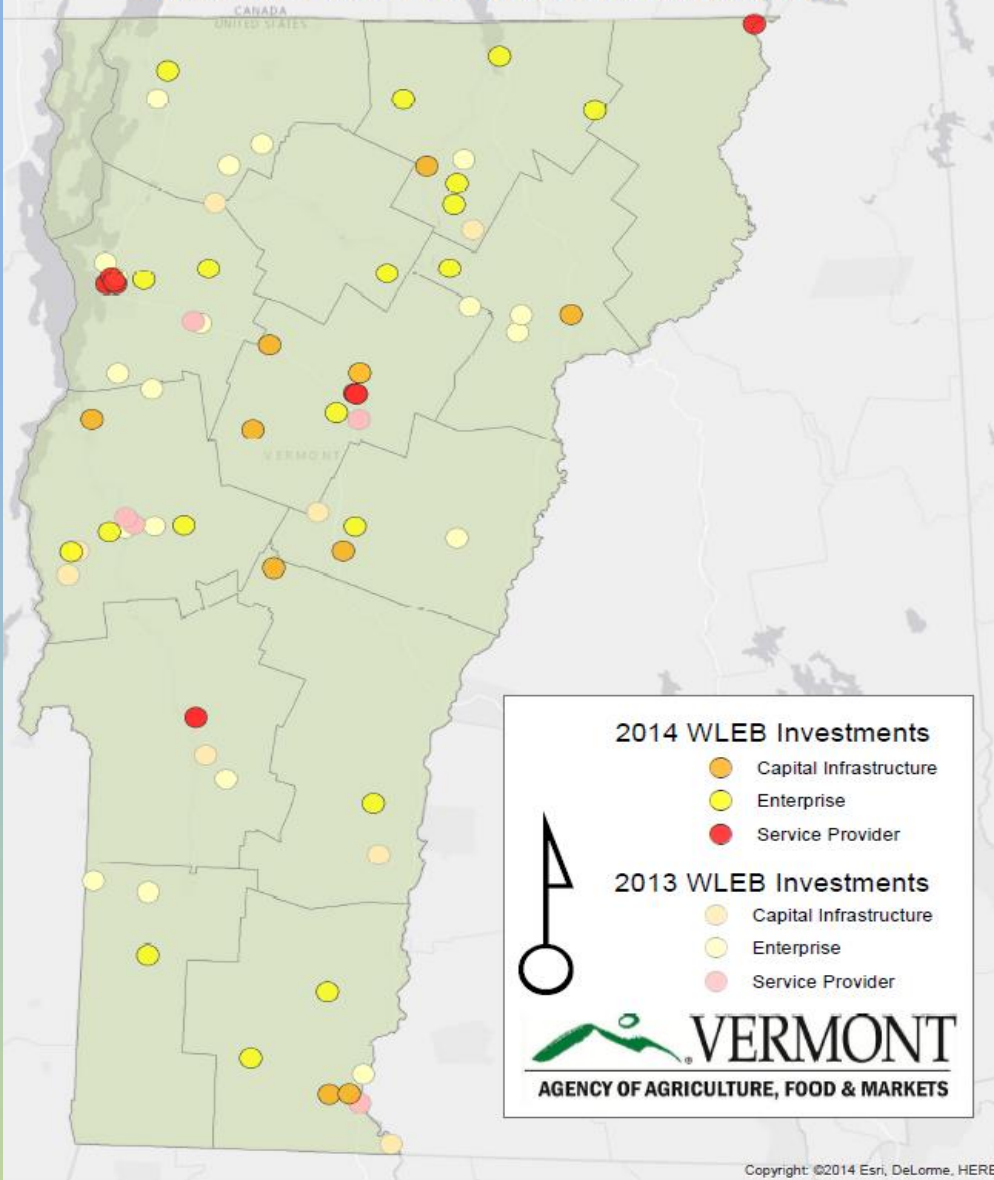
The Working Lands Enterprise Board invested over \$1.1 million into 37 agriculture and forestry projects reaching every county in the State and leveraging an additional \$1.8 million in matching funds (*funded 28 ag projects and 8 forestry projects and 1 ag & forestry project proportionate to the total number of applications received by each sector*). The Board received 129 applications from every county of the state requesting \$5 million in funds.



Working Lands Enterprise Initiative: Investments to Date

*To date, Working Lands has invested \$2.1 million in grants to 74 agriculture and forestry projects reaching every county in the state. These investments have leveraged \$3.1 million in matching funds.

2013 & 2014 WLEB Investments



Bucket	Sector	FY 2013	FY 2014
Enterprise Funding	Forestry	6 \$ 58,535	3 \$ 38,025
	Agriculture	14 \$ 160,871	16 \$ 254,903
	TOTAL	20 \$ 219,406	19 \$ 292,928
Service Provider Funding	Forestry	2 \$ 98,000	2 \$ 100,000
	Agriculture	6 \$ 271,802	5 \$ 187,939
	Ag & Forestry		1 \$ 118,337
	TOTAL	8 \$ 369,802	8 \$ 406,276
Capital & Infrastructure Funding	Forestry	4 \$ 208,153	3 \$ 117,500
	Agriculture	4 \$ 203,369	7 \$ 342,380
	TOTAL	8 \$ 411,522	10 \$ 459,880
GRAND TOTAL		36 \$ 1,000,730	37 \$ 1,159,084