



VHCB

Vermont Farm & Forest  
Viability Program



2016 Annual Report



January 26, 2017

## Vermont Farm & Forest Viability Program

A PROGRAM OF THE  
VERMONT HOUSING &  
CONSERVATION BOARD

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### Advisory Board

Anson Tebbetts, Chair  
Bob Baird  
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Colleen Goodridge  
Sarah Isham  
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Gus Seelig

Dear members of the General Assembly:

As we enter our 15th year, the Vermont Farm and Forest Viability Program and its network of advisers supported business growth for more than 130 working lands businesses in 2016. This in-depth, one-on-one business advising continues to result in increased sales, job creation, improved production and profitability, and secured financing for land-based businesses in the agricultural and forest products sectors. Sales increased by 5% on average for forest products businesses, and profitability rose by 45% for agricultural enterprises the year after their program participation.

Please watch our 3-minute 15th anniversary video of farmers describing their experience with the program. As you will see in the pages that follow, the Viability Program has ably supported key state priorities. We have developed new forestland succession services for landowner families that will help ensure large tracts of forestland stay intact and stewarded by future generations. The program has prioritized technical assistance and grant funding for farmers facing significant investments needed to protect Vermont's surface waters, as well as loggers challenged by the long and significant downturn in the low grade wood market. More than \$796,631 in grants, funded by Commonwealth Dairy in Brattleboro, have leveraged an additional \$3.5 million in on-farm investments, half of which will improve soil health and water quality. These investments also serve as match for Vermont's RCPP grant for Lake Champlain.

We look forward to continued partnership and advancing economic development strategies for our working landscape and rural communities.

Sincerely,

Gustave Seelig, Executive Director  
Vermont Housing & Conservation Board

Anson Tebbetts, Secretary  
Vermont Agency of Agriculture, Food & Markets



The Viability Program team and members of our network of service providers.

## Our Mission

To enhance the economic viability of Vermont’s farm, food and forest products enterprises.

## Our Services

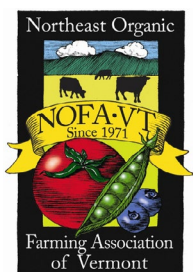
- Business Planning
- Management Coaching
- Enterprise & Feasibility Analysis
- Financial Record-keeping and Management
- Ownership Transition and Succession Planning
- Marketing and Sales
- Human Resources Management

Additionally, the Viability Program provides competitive grants to select businesses to realize their business plan goals.

## 2016 Highlights

- 49 farms received business planning services
- 39 farms received a second year of services
- 30 farms received short-term planning assistance
- 17 food hubs received one-on-one technical assistance
- 10 forest products businesses received one-on-one technical assistance
- 46 loggers attended 3 business management workshops
- 17 family forestland owners attended 2 succession planning workshops
- 5 forestland-owning families received one-on-one succession planning assistance
- 5 dairy farms received grants for water quality projects

## Our Network of Service Providers





Norah Lake owns Sweetland Farm, a diversified vegetable and livestock farm in Norwich, Vermont. She worked with the Viability Program to improve her financial planning, production efficiency, and marketing in order to increase the long-term sustainability of her successful CSA business. After farming for years in Hartland, Sweetland Farm moved, in 2015, to conserved land in Norwich, further strengthening their business model and land base.

In 2016, 49 farms enrolled in their first year of our 2-year business planning program. This cohort of farmers includes dairy, maple, and livestock operations; conventional and organic vegetable producers; fruit growers; and value-added producers. Together, they represent a significant economic footprint. In total, the cohort represents:

- 207 jobs, averaging 4.5/business
- \$13.5 million in sales, averaging \$290,000/business
- 15,800 acres of land, averaging 350/business

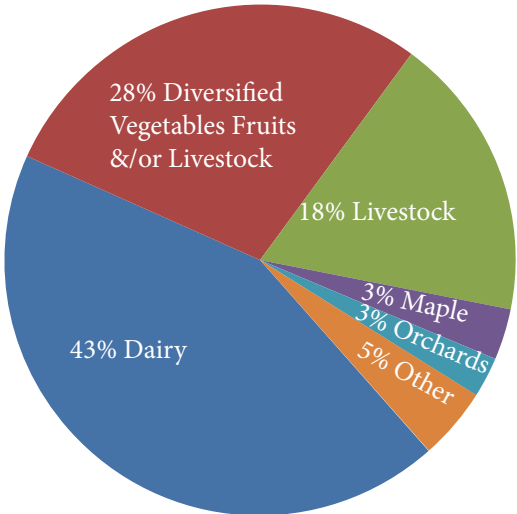
In addition to the 49 farmers who enrolled in 2016, 39 farms received their second year of services, and the Viability Program provided 30 more farmers beyond that with short-term business planning projects.

Fifty-eight percent of participants reported satisfaction with their ability to generate income after the program, as opposed to 28% before. Likewise, 87% of participants reported satisfaction with the direction of their business after the program, as opposed to 25% before.

*“I gained new skills and confidence. The program is helping me take our farm business to the next level of growth and financial sustainability.”*

– Norah Lake  
Sweetland Farm

*A wide variety of farms have participated since 2003...*



*Increasing income and accessing capital...*

- While the average gross income among participants stayed level near \$210,000 annually, average net income jumped 45%, from \$24,800 to \$36,000.
- Of farms seeking capital with their business plans, 95% successfully received loans and 86% received grants, averaging \$163,000 per loan and \$45,000 per grant.

## Molly Brook Farm Cabot

*“We would not be in business without the support of the Viability Program.”*

—Rhonda Goodrich

Photo: Amy Overstreet, USDA-NRCS Vermont

Myles Goodrich Rhonda Miller took over Molly Brook Farm, a 565-acre dairy in Cabot, from Myles’ parents three years ago. “We care about the land and water quality,” says Rhonda, “so our grandchildren can enjoy the farm that has been in the family since 1835. Once we bought the farm, we decided to transition to a pasture-based, organic dairy operation.”

For confinement operations like Molly Brook Farm, this transition is costly and takes time. Because of this cost, managing the transition to organic is just as much about financial planning as production planning. “The Viability Program gave us the opportunity to put together a team of industry professionals who evaluated our farm and dairy practices, identified areas where we could be more efficient, and provided us with essential decision making information,” says Rhonda.

### Percent of farmers highly skilled in the following areas...

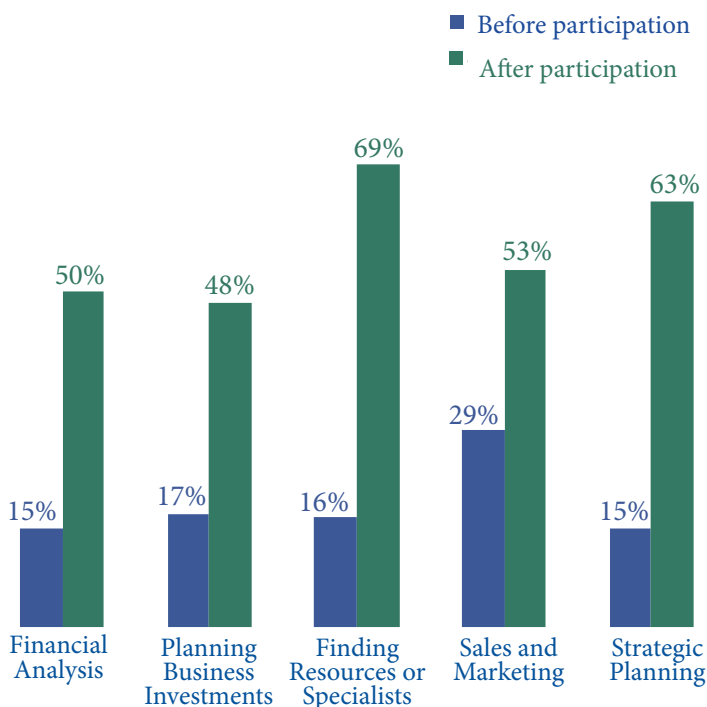


Photo: Green Mountain Farm to School

### Supporting Food Businesses

With funding from USDA Rural Development, we worked with the Center for an Agricultural Economy to increase the availability of in-depth business advising for small food businesses that purchase ingredients from Vermont farmers, increasing sales, profitability, efficiency, and ability to access capital for small businesses using the Vermont Food Venture Center.



# Forest Viability

*“It was great to have the program tailored around my schedule and what my business needs,” said Jon Parker, owner of Brookside Timber Harvesting in Westminster. For Parker, “being able to read financial statements is just as important as looking at a timber lot.” In addition to honing his financial skills, Parker worked with Viability Program advisor Chris Lindgren at UVM Extension to explore how to move his business forward in the current tough wood market.*

In 2016, 10 forest products businesses received one-on-one business advising through the Viability Program. Most of these worked with UVM Extension’s Forest Business Program, our primary partner. The collapse of the low-grade wood market made 2016 a tough year for the forest products sector in Vermont, and no immediate improvement is predicted. Four mechanized logging businesses received Viability Program advising to help them manage their operations and make decisions about how to respond to the fluctuating wood market.

Fifty percent of participants reported satisfaction with their ability to reinvest profits after the program, as opposed to 25% before. Likewise, 67% of participants reported satisfaction with the direction of their business after the program, as opposed to 22% before.

## Entrepreneurs utilize the Forest Viability Program to...

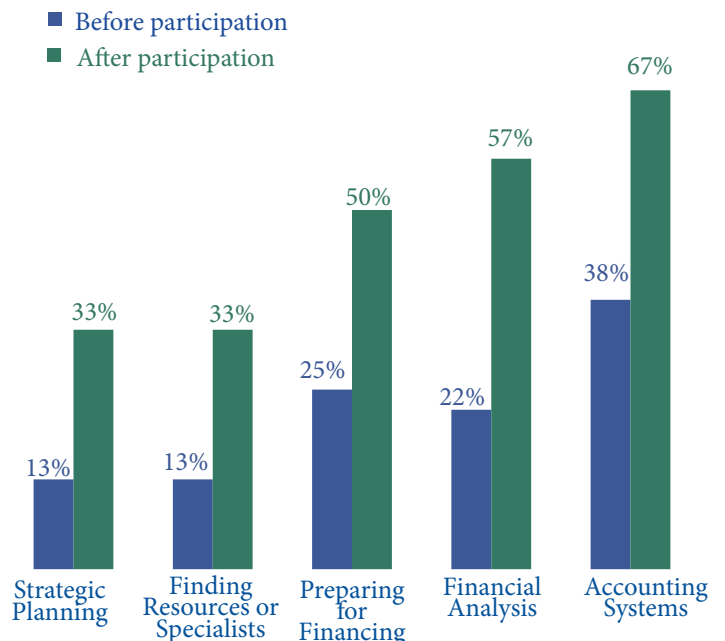
- Expand their businesses and access capital
- Assess the feasibility of new equipment, products or enterprises
- Transition ownership

Since 2014 we have partnered with the Vermont Woodlands Association to develop strategies for helping forestland owners pass their land to a new generation intact. In 2016, 17 individuals attended 2 forestland succession workshops that were held in Randolph and Manchester, and 5 families received in-depth forestland succession planning.

## Increasing income and accessing capital...

- Average gross income improved by 5% from \$241,000 to \$254,000
- Of the businesses that used their planning work to seek capital, either loans or grants, 100% were successful.

## Percent of forest products business owners highly skilled in the following areas...





## LSF Forest Products Fletcher

*“I have a grand vision for what I think the business can do, but we never had it written down with all the steps needed to go through to get there.”*

—Tyler Riggs

Tyler Riggs owns LSF Forest Products, a pine and hemlock sawmill in Fletcher. The business is on a steady growth trajectory; in 2016, the mill produced about 400,000 board feet of lumber, and they are aiming to reach annual production of over a million board feet within the next three years. Riggs’ long-term business plan, which he is writing with Viability advisor Chris Lindgren, will be an essential tool for his expansion. “Having a business plan is going to make it much easier for us to make decisions around environmental, water quality and Act 250 permitting issues that might come up as we grow. And when we’re going through permitting processes or applying for capital, we’ll have a plan to show we know where we are and where we are going.”



## Starr Family Forestland Succession Planning

Four generations of the Starr family from North Troy worked with Viability Program advisor Audrey Winograd through the Vermont Woodlands Association on a forestland succession plan. The Viability Program helps prevent forest fragmentation by providing families who own large forest parcels to plan for passing on their land intact. The Starr family owns 300 acres of forestland situated at the confluence of Buybee Brook and the Missisquoi River, an important location for water quality. The land serves several functions: it acts as a densely forested buffer in the watershed, is actively managed for timber, helps maintain forest connectivity, and provides a riparian wildlife corridor.

Winograd facilitated large family meetings on ownership succession and helped the family understand the legal tools available to them. Ila Starr, the family matriarch, said that by working directly with their advisor, “we were so much better informed about what was possible.”

# 2016 New Viability Participants & Grantees

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## Farms

1. Arshla Farm, Danville
2. Baldwin Farms, Hinesburg
3. Bedrock Farm, St. Albans
4. Boisseneault Family Farm, St. Albans
5. Bonaspecta Holsteins, Addison
6. Bonnieview Farm, Craftsbury Common
7. Bridport Creamery, Bridport
8. Clair-A-Den Farm, Hardwick
9. Critter Meadows, Williamstown
10. Crooked Mile Cheese, Waterford
11. Deome Farm, Randolph Center
12. Dodd Farm, Sheldon
13. Don-Sim Farm, Sutton
14. East Shore Vineyard, South Hero
15. Elmore Roots Nursery, Elmore
16. Fly Home Farm, Bradford
17. Footprint Farm, Starksboro
18. Franklin Farm, Guilford
19. Friends & Neighbors Farm, Marshfield
20. Golden Well Farm & Apiaries, New Haven
21. Good Earth Farm, Brandon
22. Harlow Farm, Westminster
23. Hartsock Dairy, Lyndon
24. Heartland Farm, Hartland
25. Hillside Homestead, Morgan
26. Hoadley Farm, Lowell
27. Horsenettle Farm, Danville
28. Jericho Settlers' Farm, Jericho
29. Jerzee Hill Farm, Irasburg
30. Knoll Farm, Fayston
31. Lewisholm Valley Farm, West Pawlet
32. McGarry Dairy, Enosburg Falls
33. Messier Farm, Randolph
34. Orb Weaver Farm, New Haven
35. Paquin Family Farm, Cabot
36. Paul Lin Dairy, East Fairfield
37. Perry Brook Farm, Whiting
38. Pothier Family Farm, Newport Center
39. Rainville Dairy, Highgate
40. Rolling Bale Farm, Shoreham
41. Shelburne Orchards, Shelburne
42. Tangletoen Farm, West Glover
43. Taylor Valley View Farm, Washington
44. The Bunker Farm, Dummerston
45. The Last Resort Farm, Bristol
46. Understory Farm, Sudbury
47. Unity Farm, Shelburne
48. Vermont Cranberry Company, East Fairfield
49. Wesley Davis Farm, Peacham

## Food Businesses

50. Farm Connex, Greensboro Bend
51. Vermont Switchel, Hardwick

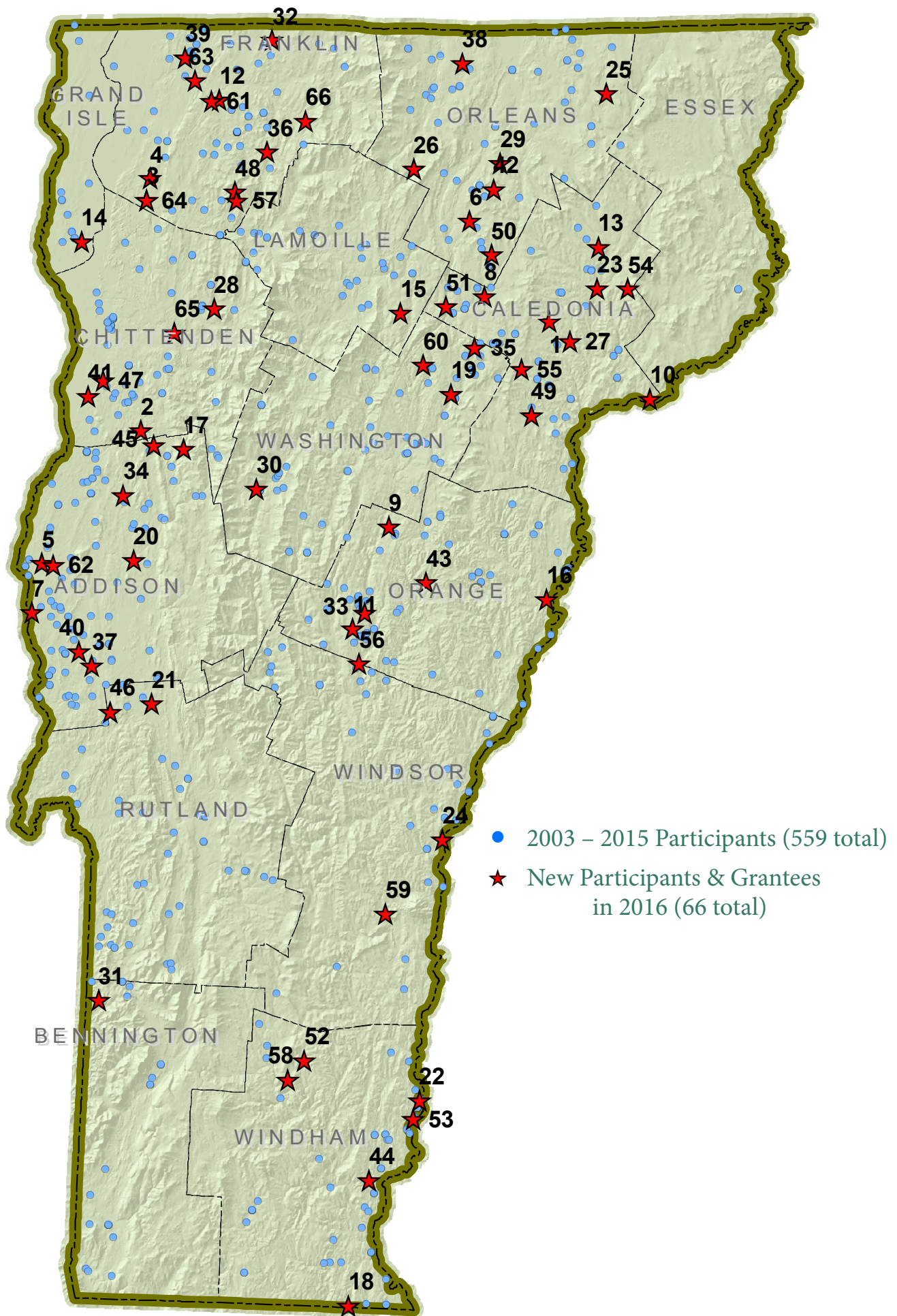
## Forest Products Enterprises

52. AMP Timber Harvesting, West Townshend
53. Brookside Timber Harvesting, Westminster
54. Erik's Sugarbush, Kirby
55. LaBree Logging, Danville
56. Lincoln Farm Timber Harvesting, Randolph
57. LSF Forest Products, Cambridge
58. Newton Mill, West Townshend
59. Rockledge Farm Woodworks, Reading
60. Sawyer Made, Woodbury
61. Spaulding Construction, Sheldon

## Dairy Improvement Grantees

62. Providence Dairy, Addison
63. Machia & Sons Dairy, Sheldon
64. Bedrock Farm, St. Albans
65. North Williston Cattle Co., Williston
66. The Wright Farm, Enosburg







# Dairy Improvement Grants

Julie Wolcott runs Green Wind Farm, a 300-acre conserved farm in Fairfield, with her husband, Scott MacCausland. They received a Dairy Improvement Grant in 2014 to make barn improvements, including installing a new water system and pasture mats, and upgrading water access in their pasture. The Wolcott-MacCausland family also enrolled in the Viability Program to make a long-term plan for transferring the business to their children.

The Dairy Improvement Grants Program was initiated in 2014 with funding from Commonwealth Dairy in Brattleboro. It makes grants to farmers designed to improve farm viability and increase the quality and volume of milk produced in Vermont for the St. Albans Co-op and Dairy Farmers of America, where Commonwealth Dairy sources milk. Nearly half of the funds will also result in improvements to soil health or manure management, resulting in water quality improvements for the state,\* and in 2016 funds were used exclusively for water quality improvement projects.

*“The Dairy Improvement Grant funding was critical in helping us make the decision to move forward with the expensive transition to grazing, especially in a year of low milk prices that leave little room for farm investments.”*

—Jonathan Connor  
Providence Dairy

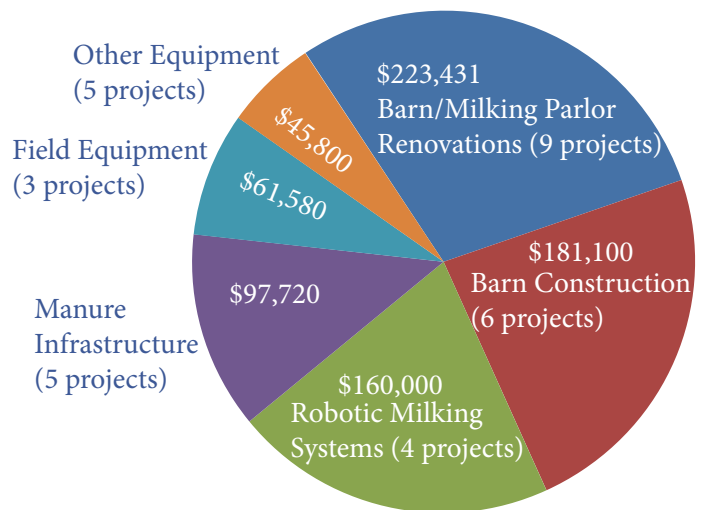
## Combined results of 2014, 2015 & 2016 grant rounds...

32 projects funded

\$796,631 awarded  
(32% of requests)

\$3,464,254 leveraged  
(4.3 to 1)

## Types of projects funded...



\*Seventeen of the 32 projects, and 51% of granted funds, will result in water quality improvements.

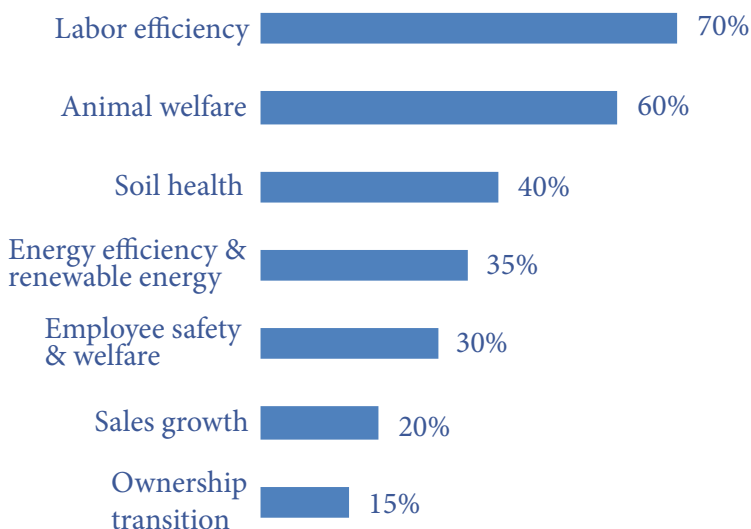
## Providence Dairy Addison



Photo: Cheryl Cesario, UVM Extension

Jonathan and Maryann Connor have been working with the Viability Program since 2015 with advisors Mike Ghia and Cheryl Cesario at UVM Extension. Working with the Viability Program has helped them plan for several major changes on their farm: developing strategies to run the farm more efficiently, particularly by relying less on their tie stall barn, and transitioning to a grazing based system. Their Viability Program business advisors also helped them develop a financial plan for making these investments, which included applying for a Dairy Improvement Grant in conjunction with NRCS funding. They were awarded funding from both programs in 2016 and have established a high-quality, well planned grazing system by installing lane ways and perimeter fencing around 46 acres, and they plan to add more fencing in the future. This grazing infrastructure will improve profitability, soil health, water quality, and paves the way for them to transition to organic if they choose to do so.

### Percent of total projects with improvements in...



### 2016 Dairy Improvement Grants \$65,000 Awarded

Jonathan & Maryann Connor, Providence Dairy, Addison

\$8,500 - Building a grazing system

Ron Machia, Machia & Sons Dairy, Sheldon

\$15,000 - Centrifuge for dairy manure solids

Ron Sweet, Bedrock Farm, St. Albans

\$7,500 - Manure pit renovation

Lorenzo Whitcomb, North Williston Cattle Co., Williston

\$17,000 - Purchase of no-till corn planter

Dean & Angela Wright, The Wright Farm, Enosburg

\$17,000 - Purchase of a manure solids separator



*“We successfully bought our own farm with the help of the Viability Program technical assistance and don’t think we could have done it without you!”*

*-Paul Lisai, West Glover  
Sweet Rowan Farmstead*

Photo: Vermont Land Trust

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## Vermont Farm & Forest Viability Program Advisory Board

Anson Tebbetts (Chair), Secretary, Vermont Agency of Agriculture, Food and Markets

Bob Baird, Baird Farm

Abbie Corse, The Corse Farm Dairy

Jared Duval, Vermont Department of Economic Development

Colleen Goodridge, Goodridge Lumber

Sarah Isham, Vermont Agricultural Credit Corp/VEDA

Chuck Ross, UVM Extension

Gus Seelig, Vermont Housing & Conservation Board

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## Vermont Farm & Forest Viability Program

Vermont Housing & Conservation Board

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The Vermont Farm & Forest Viability Program is funded by the State of Vermont through the Vermont Housing & Conservation Board.

In 2016 we also received funding from USDA Rural Development, VT Working Lands Enterprise Board, Northern Border Regional Commission, USDA Agricultural Marketing Service, the Vermont Community Foundation, Commonwealth Dairy 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)*

Cover above: Paul Lisai and Kate Tolman, owner and herd manager of Sweet Rowan Farmstead in West Glover.

Below: Tyler Riggs, owner of LSF Forest Products in Fletcher.