



Vermont Sheep and Goat Association



August 20, 2020

Dear President Pro Tem Ashe and Speaker Johnson,

Cc: Members of the Senate Committee on Agriculture, Senate Committee on Appropriations, House Committee on Agriculture & Forestry, and House Committee on Appropriations

As you know, the coronavirus pandemic has caused intense upheaval for Vermont families and businesses across many sectors. The impacts on agriculture and other working lands businesses were immediate and have left many reeling from lost markets, precipitous declines in prices for their products, and enormous additional expenses to adapt to required COVID precautions.

As organizations representing Vermont's diverse farms and food producers, we are grateful to the legislature for working tirelessly to get much needed relief to our working lands businesses. Thank you for your efforts!

However, inequities in the eligibility criteria for the Vermont COVID-19 Agriculture Assistance Program (VCAAP) authorized by S.351 (Act 138) will leave many businesses unable to apply for this funding. In order to access relief, dairy farms and processors, as well as forestry businesses and fairs, need only to demonstrate that they suffered "economic harm" in the form of *lost revenues OR incurred expenses* caused by the COVID-19 public health emergency. **However, farm and food businesses applying to the Non-Dairy Agricultural Producer and Processor Assistance Program, (recently renamed the Agriculture and Working Lands Assistance program) must meet the much more restrictive standard that they had no net profit between March 1 and August 1 in order to be eligible to apply.**

[See Act 138 as enacted, at the top of page 19, which reads:

(5) An eligible applicant shall not receive an award under this section if the applicant had a net business profit between March 1, 2020 and August 1, 2020.]

This provision is inequitable for the non-dairy agricultural sector and will exclude these essential businesses from accessing relief to cover losses and expenses incurred due to COVID-19. Long term, this will hinder the survival of the diversified farm types our state so desperately needs.

Many farms across all types of production have experienced lost revenues and incurred extensive expenses due to COVID-19. For example:

- Vegetable producers who sell primarily to restaurants largely lost those markets in the spring due to the COVID shutdown, and while they may have been able to pivot to sell more of their product directly to consumers, they may still have come away with substantial losses. Further, those pivots required substantial additional expenditures which, under this provision, would not be eligible for reimbursement.
- Livestock producers who saw an increase in demand for their products in the spring may now face limited or no access to slaughterhouses for their fall season, leaving them with the potential of no income from the upcoming, primary slaughter season.
- Maple producers who depend on income from agritourism, especially spring maple events (many of which were cancelled due to COVID) and the fall tourist season, are facing similar uncertainties and should be able to access assistance through this fund.

Excluding producers who had a net profit during this arbitrary period (*March 1-Aug 1*) does not account for the cash flow calendar of diverse farm and food producers and the very real losses and expenses these businesses have experienced. It also does not recognize that, for most of these businesses, they will not know their financial balance until the end of the harvest season in late fall. We are prepared to offer examples and testimony to support this.

The fact that a producer had a net profit between March 1 and August 1 does not necessarily indicate that they will be profitable on balance for the year.

Although some farms experienced an increase in demand for their products during the early days of the pandemic, they also incurred extraordinary expenses to hire additional labor, purchase PPE for employees, create safe working and retail environments, and invest in online marketing to reach an entirely new set of customers.

We, the undersigned organizations representing Vermont's diverse farms and food producers, urge the legislature to eliminate the "no net profit" provision in Act 138 via a budget amendment when you return to session later this month, and hold "non-dairy" farms and other businesses to the same standard as those participating in the other agricultural and forestry funding programs.

Given the delay in the release of the application for these businesses to access assistance, we also ask that the deadline for businesses to apply for the Agriculture & Working Lands Assistance Application be changed from October 1, 2020 to November 1, 2020.

If Vermont wants to ensure a thriving, diverse agricultural economy on the other side of this crisis and the enhanced food security it offers, the state must provide equitable access to relief funds across all types of agriculture and other working lands businesses.

Thank you for your care, and your thoughtful leadership and effort in this challenging time.

Sincerely,

Northeast Organic Farming Association of Vermont
Rural Vermont

Addison County Relocalization Network (ACORN)
Intervale Center
Vermont Grass Farmers Association
Vermont Maple Sugar Makers' Association
Vermont Sheep and Goat Association
Vermont Vegetable and Berry Growers Association