

2020 VT Ag Strategic Plan / Farm to Plate Strategic Plan

**Recommendations from Product, Market and Issue Briefs for Consideration By
House Ag & Forestry and Senate Ag Committees**

Prepared by VAAFM and VSJF as part of Act 83

Product, Market, Issue Brief Recommendations

Provide at least \$1.5 million in funding annually to the Working Lands Enterprise Fund. These grant funds are a unique and critical source of capital that leverage and accelerate innovation and sustainability in Vermont food system businesses.

Work with public-private entities to explore the creation of an Agricultural Loan Loss Reserve Fund for businesses that need financing but lack collateral. Such a fund would serve as a guarantee in lieu of collateral, and only be drawn from upon loss of principal.

The Vermont State Treasurer should expand the focus of the state's Local Investment Initiative to include investments that support a healthy food system in Vermont. Investments could be in the fixed income public markets, fixed income private debt markets, cash, and real assets. The [Soil Wealth](#) report provides guidance on investing in agriculture across asset classes.

Explore legislation around the opportunity of expanding agritourism in a way that supports the ability of farms offering agritourism experiences to secure limited liability insurance.

Support alternative ways encourage farmer learning including peer-group-based education, workshops, and farmer-to-farmer programming.

Increase the number of Vermont farm and food business service providers with specialized skills, and ensure qualified providers are available to farm and food businesses equally across the state and across stages of development. Estimates from these initial 23 briefs indicate a need for an additional 17 FTEs spread across various service provider organizations.

Investigate the creation of a searchable database to connect available bookkeepers and accountants with working lands businesses, to increase the businesses' financial literacy.

Provide a \$100,000 annual appropriation to the Vermont Agency of Agriculture, Food and Markets for the marketing of Vermont food and farm products. (See apples, cheese, goats and maple recommendations.)

Develop a shared communications and graphic design "content creation" position to be co-located between the Agricultural Development Division at VAAFM and the Vermont Department of Tourism and Marketing (VDTM) at ACCD to further support outreach to Vermont producers, increase the presence of Vermont food producers on social media and at trade shows, and to strengthen the existing marketing team and coordination with VDTM and the Chief Marketing Office. Initial research recommends \$100,000 per year to support the position, with tactical funds being generated through grant support.

To expand direct markets' ability to support public health/food access, create a state funding source devoted to perpetuating NOFA-VT's statewide direct market EBT doubling programs. Estimated cost: \$43,000 annually to support equipment and fees for 45 farmers markets and 20 farms.

The Vermont Legislature should fund an appropriation of \$500,000 a year to enable organizations in the charitable food system to source food directly from Vermont farmers (e.g. Vermonters Feeding Vermonters).

The Vermont Legislature should fund an appropriation of at least \$100,000 a year to enable the hiring of a shared full-time staff person to support coordination across gleaning programs in the state.

Offer financial support (a combination of low-interest loans and grants) for on-farm diversification that includes goats, in order to support the costs related to infrastructure, cash flow, and herd transition. A process to pair investors with farmers in search of capital could be mutually beneficial. The overall cost is approximately \$400,000 to diversify a cow dairy to include goats. The cost of a new milking parlor is \$150,000, the cost of 400 goats is \$160,000. (Total cost to get to ten 400-goat farms is \$4 million.)

Devote more resources to retail specific sales and marketing technical assistance. Subsidize the cost of attendance at national sales and marketing events for producers and service providers. Investigate funding models that could provide Vermont product merchandising, Point of Sale materials (e.g., product signage), and brand ambassadorship in retail markets. It is imperative that our food producers are given the tools they need to compete within regional and national markets, and can affordably access professional services needed to succeed in retail. Cost: \$50,000

A working group is making progress towards forming a hemp trade association by Spring 2020. To jumpstart the group, the nascent hemp industry would benefit from two years of state funding to help leverage private funds. A trade association is critical as an information, education, and policy hub, and a clearinghouse for hemp market data. It could take the lead in promoting Vermont hemp products, becoming self-sustaining after two years. Cost: \$50,000 over two years.

Collect ideas from small produce farmers on ways to make regulatory compliance easier and more efficient, through listening sessions, focus groups, and surveys. Examine policies in other states worthy of consideration. This should be a collaborative effort between VAAFM, UVM Extension, UVM College of Agriculture and Life Sciences, and NOFA-VT.

Increase education and matchmaker events for buyers and producers to learn about values-based purchasing, forward contracting (i.e., contracted annual commitments between farms and buyers), and the criteria schools use to make purchasing decisions. Support the school nutrition profession with more school-funded opportunities for technical assistance and training around buying and using local foods for school nutrition, and around cooking from scratch and using local products.

The Vermont Legislature should fund the Vermont Farm to School Network with \$500,000 of annual base funding for Farm to School infrastructure grants, technical assistance, and training to grow FTS in all counties.

The state should support incremental steps towards universal meals, which increase student participation, decrease paperwork, and allow for time and money to be used on local food procurement.

Incentivize new farmers and farm transitions by starting a program similar to the Department of Labor's Vermont Returnship Program, that will help defray costs of starting a new dairy farm or taking over the operation of an existing farm through a family or business transition. For example, the program could seek out graduates of the Dairy Grazing Apprenticeship program to increase the amount of grass-based dairy farming, and target successful young farmers looking for an opportunity to start their own farm business.

Ensure that the current processing capacity is maintained or increased as this is critical to long-term farm sustainability. Incentivizing or funding plant maintenance and energy efficiency upgrades will keep this critical and expensive piece of the supply chain in operation and will attract additional types of milk production in the state as companies expand product lines.

To increase their sustainability and impact, provide funding to include farmers markets in business assistance programs like the Vermont Farm Viability program. Funding would pay for stipends for the markets to dedicate a staff person to participate in the program. Estimated cost: \$3,000 per market (10 markets per year until all have them)

Offer grants to support farm infrastructure for marketing, processing, storage, and cooperative distribution. Build on the Vermont Agency of Agriculture, Food and Markets (VAAFM) Produce Safety Improvement Grant program approach that requires and facilitates engaging technical service providers for project design, implementation, and documentation of results of on-farm projects. \$200,000 annually, up to \$20,000 per farm.

Incentivize local purchasing by developing, with Farm to School partners, a percent-per-meal reimbursement to schools for purchasing local products above a certain threshold. For example, New York provides \$0.25 per lunch to schools incorporating 30% New York product in their meal program. According to a Farm to School 2016-17 economic study, "every dollar spent on local food contributes an additional 60¢ to the local economy."

Increase state resources for conservation efforts that support farmland access and succession planning.

Dedicate funds to support Vermont Natural Resources Conservation Districts and farmer watershed organizations with the specific objective of allowing them to reach other farmers and do farmer-to-farmer education about improved soil and manure management. We know this to be one of the most effective means of influencing change, so we should facilitate it as much as possible. Cost: \$100,000 per year, per organization; total cost \$300,000 per year.

Fully fund the Vermont Agency of Agriculture, Food and Markets Farm Agronomic Practices Program and the Capital Equipment Assistance Program to financially assist farmers with improving soil health and lower the economic hurdle of changing management during these challenging economic conditions.

Continue to fund the Vermont Phosphorus Innovation Challenge to launch current projects and pilot the most promising technologies.

Dedicate \$1 million to measuring and continuously monitoring soil health across the state of Vermont, building a statewide database, benchmarking specific soil types, and correlating changes with specific BMP implementation.