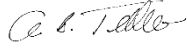


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Office of the Secretary

TO: Senator Kitchel, Senator Starr, Representative Toll,
 Representative Partridge,

FROM: Anson Tebbetts, Secretary of Agriculture, Food and Markets 

REASON: Report on Act 138 - An act relating to providing financial relief assistance to the agricultural community due to the COVID-19 public health emergency.
 Report on Act 137 - An act relating to COVID-19 funding and assistance for broadband connectivity, housing, and economic relief.
 Report on Act 120 - An act relating to making first quarter fiscal year 2021 appropriations for the support of State government, federal Coronavirus Relief Fund (CRF) appropriations, pay act appropriations, and other fiscal requirements for the first part of the fiscal year.

DATE: January 5, 2021


The Agency of Agriculture, Food and Markets (AAFM) makes this report to the Legislative committees of jurisdiction and the Appropriations committees as required in ACT 138. This report includes information on the distribution of grant funds appropriated to date, the amount of grant funds that remains available for distribution, and its plans for awarding the available funds on or before December 20, 2020 within Act 138, Act 137, and Act 120.

July-December 2020 VCAAP Summary Data

The AAFM supported five various VT COVID-19 Agriculture Assistance Program (VCAAP) applications, which supported a variety of agricultural, food, working lands businesses, organizations, and entities that documented COVID-related business losses and incurred costs.

Since July 2020, when VCAAP applications first launched, AAFM has provided direct technical assistance support via phone or email to approximately 6,500 businesses and partners about the various applications and produced 12 weekly newsletter e-blasts with VCAAP related content, receiving over 39,200 opens by recipients. AAFM collaborated with VHCB Farm Viability Network advisors to support VCAAP applicants and since March the COVID Response & Recovery Coaching program assisted more than 520 working lands businesses, including nearly 400 businesses that received support with their VCAAP applications. 311 of these businesses received assistance with the VCAAP Dairy Producer or Processor application and 87 businesses sought support with the Agriculture & Working Lands application.

Since July 2020, AAFM has awarded CRF grants to 1,136 businesses and invested \$25,647,059.95 toward mitigating the business impacts experienced due to this pandemic. AAFM is in the process of gathering additional aggregate data on industry needs and impacts of these CRF investments and plans to share a more comprehensive report with the legislature later in January/February 2021.



VCAAP Grant Award Totals		
Application	# of Awards	Total Award Amounts
Dairy Producer and Processor	793	\$ 18,298,886.02
Agriculture and Working Lands	302	\$ 6,735,530.19

Farmers Market Relief	7	\$ 12,643.74
Farm to School	22	\$ 100,000.00
Agricultural Fairs	12	\$ 500,000.00
Totals	1,136	\$ 25,647,059.95

Dairy Producer and Processor Assistance Application

The Vermont COVID-19 Agriculture Assistance Program - Dairy Producer and Processor Program application was built and launched on July 17, 2020, closed on October 1, and then relaunched on October 19, with legislative changes, and officially closed again on November 15, 2020. The table below shows data on the activity within this application as of December 15, 2020 when final payments were made to applicants.

When the Dairy application relaunched on October 19, any applications initiated in the system but not submitted were required to resubmit a new application. No new applications were accepted since the deadline of November 15, 2020 and all applications have been reviewed, corrected, approved and paid. As of December 15, 2020, 845 applications have been submitted and are have been finalized as either awarded, ineligible, denied and/or closed. The table below shows the applications received by dairy business size category.

Received Dairy Applications	Dairy Processor Size	Number Received
Dairy Processor	Less Than 500 lb/day	34
	500 to 10,000 lb/day	26
	10,000 to 50,000 lb/day	8
	50,000 to 100,000 lb/day	2
	100,000 to 500,000 lb/day	0
	Over 500,000 lb/day	1
Sub Total		71
Received Dairy Applications	Dairy Producer Size	Number Received
Dairy Producer	SFO	248
	LFO	33
	MFO	108
	CSFO	384
Sub Total		773
Total Received Dairy Applications*		844

*The table above includes all applications, first round application and second round applications; not necessarily the number of unique business applications.

As of December 31, there was one application that was ineligible – this applicant contacted the agency requesting to apply for an ACCD grant instead of an Agency of Agriculture grant. The application was marked ineligible.

As of December 31, one application was denied - this applicant had met the capped amount and was provided a second round opportunity by mistake. Communication occurred with the applicant and the application was marked as denied.

As of December 31, 50 applications were marked as closed. The designation of closed was used to indicate that the applicant had applied correctly, was eligible but showed no further economic harm. In the case of dairy producers (farmers), many had a pay price for October that was greater than that for January, the documentation provided was insufficient to support the claim or the claim was not eligible, resulting in no further economic harm and no payment to the applicant. In the case of dairy processors, sales volumes and prices improved in October resulting in no further economic harm or the documentation provided was not sufficient to support the applicant's claims. AAFM interacted with dairy producer and processor applicants to ensure proper documentation of all claims through December 11. This deadline allowed for the necessary timeline to process applications, ensure that grant awards would be in made prior to December 20th, and that applicants would have time to deposit their payments prior to the end of the year as required – at the time – by the CARES Act.

Applicant Business Category	Number of closed applications
Dairy Processors	
Less than 500 pounds per day	5
500 to 10,000 pounds per day	3
Dairy Producers	
SFO	21
CSFO	20
MFO	1
LFO	0
Total	50

As of December 31, all applications had been reviewed and final payments awarded to 793 of the 844 submitted applications with a value of \$18,298,886.02. The total amount available for the Dairy Processors is \$3,800,000 and as of December 31, \$1,516,849.37 was awarded, representing 39.9% of the total appropriation available. The total amount available for Dairy Producers is \$21,200,000 and as of December 31, \$16,782,036.65 was awarded, representing 79.2% of the total appropriation available. The table below shows the approved and awarded applications by dairy business size category.

Approved for Payment	Dairy Processor Size	Sum of Award	Number
Dairy Processor	Less Than 500 lb/day	\$499,485.34	29
	500 to 10,000 lb/day	\$562,885.76	23
	10,000 to 50,000 lb/day	\$274,478.27	7
	50,000 to 100,000 lb/day	\$120,000.00	2
	Over 500,000 lb/day	\$60,000.00	1
Sub Total		\$1,516,849.37	62
Approved for Payment	Dairy Producer Size	Sum of Award	Number
Dairy Producer	SFO	\$2,079,939.46	227
	LFO	\$3,300,000.00	33
	MFO	\$5,160,705.73	107
	CSFO	\$6,241,391.46	364
Sub Total		\$16,782,036.65	731
Total Approved and Awarded Dairy Applications		\$18,298,886.02	793

Agriculture and Working Lands Assistance Application

The Agriculture and Working Lands Assistance Application launched on Wednesday August 19, 2020, closed on October 1, and then relaunched on October 19, with some legislatively initiated eligibility changes, and closed officially on November 15, 2020. This application includes funding outlined in Act 120 (\$1 million), Act 137 (\$2.5 million), and Act 138 (\$5 million). This combined application has \$8.5 million of CRF available for agriculture businesses (including farmers, commercial meat processors, commercial slaughterhouses, and farmers markets), value-added food product businesses, forest products businesses, agriculture producer associations, and dairy producers and processors with expenses not eligible for coverage under the Dairy Assistance Application.

On November 18, 2020, AAFM requested a transfer of \$2M from Dairy (S. 351) to Ag and WL appropriation (H.961) due to increased demand in this program. The Agriculture and Working Lands Assistance Application experienced increased demand from various business categories that necessitated a request (and granted approval from JFC) to transfer \$250,000 from the S.351 Non-Dairy to H.961 Working Lands appropriation to award grants to eligible businesses with approved business claims.

As of December 31, 2020, 333 applications have been submitted and are have been finalized as either awarded, ineligible, denied and/or closed. The 302 applications of the 333 submitted and received applications have been approved for payment with a total award value of \$6,735,530.19. This represents 79% of the \$8,500,000 original appropriation currently available for Agriculture and Working Lands Assistance applications. The table below shows the distribution of awarded applications by Agriculture and Working Lands business type category.

Total Records	Total Award Amount	Total Total Amount Requested			
302	\$6,735,530.19	18,287,385.25			
<input type="checkbox"/> Primary Business Activity ↑	<input type="checkbox"/> Business Category ↑	Sum of Award Amount	Sum of Total Amount Requested	Record Count	
<input type="checkbox"/> Agriculture Business	Commercial Processor	\$132,059.00	353,656.20	5	
	Commercial Slaughterhouse	\$175,782.69	253,618.30	5	
	Farmers Market	\$112,520.75	213,575.28	7	
	Farmer	\$4,027,095.94	10,975,933.81	198	
	Subtotal	\$4,447,458.38	11,796,783.59	215	
<input type="checkbox"/> Value-Added Food Product Business	-	\$1,087,720.35	3,567,269.50	41	
	Subtotal	\$1,087,720.35	3,567,269.50	41	
<input type="checkbox"/> Forest Products Business	-	\$964,632.48	2,409,906.69	35	
	Subtotal	\$964,632.48	2,409,906.69	35	
<input type="checkbox"/> Dairy Producer or Processor	-	\$154,466.00	206,784.59	5	
	Subtotal	\$154,466.00	206,784.59	5	
<input type="checkbox"/> Agriculture Producer Association	-	\$81,252.98	306,640.88	6	
	Subtotal	\$81,252.98	306,640.88	6	
Total		\$6,735,530.19	18,287,385.25	302	

During the past month when final VCAAP grant awards were reviewed and approved, AAFM's program continued to receive appreciative feedback about the access to COVID-19 recovery funding during these challenging economic times:

"Secretary Tebbetts, I would like to thank you so much for the more than \$30,000 we received in grant support this year. We, the partners would have had to work for free this year if it wasn't for the grant."

"Thanks for all your hard work! We appreciate it! "

"Wow! I am incredibly surprised and extremely grateful for this [grant award]. Thank you so very much. This will be a huge help to our business. Thank you, thank you."

Farmers Markets Relief Application

The Farmers Market Relief Application, authorized by the passage of Act 154, began accepting applications on October 16, 2020 through the Agency's online grants management system, and closed on November 13, 2020. This program provides up to \$2,000 to farmers markets with less than \$10,000 in gross annual revenue who have suffered economic harm as a result of the COVID-19 pandemic.

As of December 31, 2020, seven applications have been submitted. All applications have been reviewed and approved and payments have been processed.

Applications Submitted	Applications Reviewed	Applications Awarded	Total Funds Requested	Total Funds Awarded
7	7	7	\$12,643.74	\$12,643.74

Five of the seven applicants were awarded the maximum \$2,000 award. Total losses and expenses reported by the seven market applicants ranged from \$757 to \$13,538, with an average loss of \$6,695. Most of the economic harm reported came in the form of lost revenue associated with a reduction in vendor fees.

Outreach for this program was conducted through numerous channels. This included several direct emails to the Vermont Farmers Market Association, including supporting partners such as NOFA-VT and Rural Vermont. A press release from AAFM accompanied the launch of the program. Information about the program has been shared through AAFM's newsletter, social media channels, AGR.covidresponse@vermont.gov email account, and postings to the VT Farmers Market Association listserv. An AAFM webpage was created to house resources and information about the program.

Farm to School Application

The Farm to School Application, authorized by the passage of Act 154, began accepting applications on October 16th, 2020. AAFM worked with the Agency of Education to create a joint application where schools and childcare providers could apply to both the Farm to School opportunity and Agency of Education's Child Nutrition Equipment Grant. The deadline to apply to both programs was November 9, 2020.

A joint application was established due to significant overlap in eligibility for both AAFM and AOE programs, regarding who could apply and with what kinds of costs were covered. Additionally, the objective was to make the process as easy as possible for potential school applicants. The joint application allowed applicants to apply for one or both programs through the same application, reducing the burden on applicants interested in applying to both programs. This created significant efficiencies in creating and deploying both funding opportunities and also protected against issuance of duplicative payments, and allowed for a more robust outreach and communication strategy through the combined efforts of both agencies.

As of December 31, 2020, twenty-seven applications have been submitted. All applications have been reviewed and twenty-two have been approved for funding. Funding requests exceeded the program budget of \$100,000. Four applications were deemed ineligible for funding based on the authorizing legislative language. All applicants have been notified of the status of their application and payments have been processed.

Applications Submitted	Applications Reviewed	Applications Awarded	Total Funds Requested	Total Funds Awarded
27	27	22	\$118,352	\$100,000

Of the twenty-two applications awarded, nine were submitted by early childcare providers and thirteen were submitted by schools.

Outreach for this program happened through multiple channels. The opportunity was shared in a press release from AAFM that went out on October 16, 2020. Several announcements were sent out to the farm to school listserv, which reaches thousands of subscribers across the state. Staff performed direct outreach to organizations that promote farm to school activities throughout the state, including: NOFA-VT, Shelburne Farms, Hunger Free Vermont, Healthy Roots Collaborative, Food Connects, Green Mountain Farm to School, Vital Communities, Bright Futures, and the School Nutrition Association. A webpage for the program was created on the AAFM website and information was shared through AAFM’s weekly newsletter, AGR.covidresponse@vermont.gov email account, and social media channels. Significant outreach efforts were also undertaken by the Agency of Education through numerous direct and indirect channels.

Farm to School awarded applicants expressed gratitude for the relief payments:

“I appreciate the help you provided in making this happen for the childcare kids because of extra costs during Covid. We are looking forward to doing sprouts, greens, herbs, and other things indoors during the Covid winter months ahead. Best to you & the team for helping even the youngest with our small time gardens & small pockets!” -Patti Smith, childcare provider, Waterbury Center

“You have no idea how wonderful this is! Such a wonderful opportunity for the kids and myself. I’m crying happy tears right now!” -Karen Mugford, childcare provider, Randolph

Agricultural Fairs Assistance Application

There was no additional activity associated with the Vermont COVID-19 Agriculture Assistance Program Agriculture Fairs Application in December.

Twelve applications were received from Agricultural Fairs and deemed eligible by the AAFM review team. All twelve applicants were notified on September 3, 2020 of the grant amounts awarded, based on an equitable calculation of reported losses and incurred costs across all eligible fairs, and grant payments totaling \$500,000 were completed via ACH on September 4, 2020. One fair payment was capped at \$100,000 (totaling 17% of their expense and loss claims), and the remaining fair payments ranged from \$6,274 and \$87,771 (each totaling 20% of their expense and loss claims).

Agricultural Fairs Application Status	Applications	Total Losses & Expenses Claimed	Total Fair Grant Payments
Approved Grant Payments	12	\$ 2,620,370	\$500,000

VCAAP Education and Outreach Efforts

All Vermont COVID-19 Agriculture Assistance Program Applications were closed by December but final application review and applicant communication occurred during this month across various applications.

The following outreach support was provided around VCAAP applications during the period December 1-31, 2020:

- Over 400 emails and phone calls occurred between AAFM staff and producers/processors/service providers with questions.
- One weekly e-newsletters sent to 5,928 recipients, received 3,604 opens and 117 click-thru's to VCAAP assistance related content.
- Thirteen AAFM webpages containing VCAAP content received 38 page views this month.

AAFM staff continued to support applicants and final grant awardees with specific application subject matter expertise and respond to frequently asked questions from business advisors working directly with eligible businesses. All applicants were notified of the final status of their application and information was shared with all VCAAP grant recipients about what to expect once grants were awarded and details on how awards needed to be processed before the end of December 2020. The final awardee information was shared in direct emails to final awardees, included in AAFM e-newsletter and blog content, and shared with our partners and business assistance colleagues.