

House Committee on Agriculture, Food Resiliency, and Forestry
Testimony on the Working Lands Enterprise Initiative
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Good afternoon,

My name is Brian Lowe, the executive director of the VT Council on Rural Development, or VCRD. Chair Durfee, Ranking Member Graham, and Vice Chair Surprenant, thank you for the opportunity to speak to the Committee today.

I'd like to start by thanking the House Agriculture, Food Resilience, and Forestry Committee for your strong, cross-partisan support of the Working Lands Enterprise Initiative over many years. That support and leadership has been vital to the design, creation, sustainment, and funding of work that touches farm and forest businesses across the State.

I have actually gotten calls from counterparts in Michigan and Iowa wanting to learn more about how this program came to be in Vermont. Later this year, when Vermont hosts the 2023 meeting of the Partnership for Rural America, this program was one of the top priorities of state rural development councils across the country to learn more about and understand better. It is a gem!

My intention with this testimony is to give the bottom line up front, and then to share some of the program's history and key take-aways because there are a number of new legislators this year.

First, the bottom line up front. The Working Lands Enterprise Initiative has become an enormously productive and valuable program that touches farm and forest enterprises in all 14 Vermont counties.

To give you a sense of impact, I'll share a couple statistics spanning the 10 years of 2012 - 2022:

- Funded 319 agriculture and forestry projects

- Distributed \$11,889,140 in grant funds
- Leveraged \$22,281,381 in matching funds

That funding invested in turn has

- Generated \$55,557,487 in sales annually one year after completion of grant*
- Created 539 new jobs
- Employed 1,118 people
- Impacted 24,007 acres

* The \$55 million figure is based on the annual sales of grantees one year after the end of their grant. The sales data only captures the data of 40 to 60% of grantees, those who responded to the post-survey.

It indicates that the State funding of \$11 million has seen a return on investment of about 5 to 1.

Working Lands is also either the very first or one of the first programs in the State of Vermont to fall under the Results-Based Accountability framework, meaning that the data collection and outcomes are based on a rigorous and sustained effort by the team leading this work in the Agency of Ag, Food, and Markets.

Demand for the funding in the program is extremely high. For example, one several program within the broader Working Lands Enterprise initiative focuses on “Business Enhancement Grants” of \$20 - \$35,000 that help recipients with infrastructure, business R&D, energy, workforce, and other projects.¹ This year, when that round of grant applications opened up, there were 79 applicants from across Vermont seeking a total of \$2.5 million with a total available pool of less than \$500,000 to allocate.

Recognizing this ongoing need, last year, the Governor increased the base funding of the Working Lands program to \$1 million, and the Legislature added an additional \$2 million in budget adjustment act funds. In prior years,

¹ Other programs include Service Provider, Primary Producer, Producer Association Development, and Trade Show Assistance Grants

the Legislature and Governor have also moved millions of dollars in one-time funding into the program.

We are extremely grateful, and these funds go to good use – strengthening local supply chains, supporting value added production here in Vermont, creating new jobs, supporting rural businesses and communities, and sustaining farms and forest enterprises that are working extraordinarily hard in very difficult business circumstances.

The challenge with one-time funds is that they are unpredictable. If you are a forestry business or a farm business considering using some of your precious time for, in particular, a larger grant with an involved grant application, not knowing the pool of available funding or a highly variable pool of funding can have a chilling effect on your willingness to apply.

While the program is currently over-subscribed, but we suspect we would also see more and different applicants if there was a more stable funding base for this empirically valuable program.

As a result, the Working Lands Coalition, which represents 16 different major organizations across Vermont dedicated to supporting Working Lands, has decided to focus its advocacy this year on expanding the base budget of this program to make it more predictable for potential grantees. Specifically, the Working Lands Coalition (of which VCRD is a member and provides the support and staffing) is advocating for an increase in the base funding of the program to \$5 million annually from the current \$1 million base allocation.

That is the bottom line up front – we are hoping you will consider increasing the base funding for this hugely valuable, demonstrably useful program that supports farm and forest businesses in every county with a \$5 million base funding allocation, a \$4 million increase from the current allocation.

I will – briefly – share some of the history of the program, and conclude with the three points I hope you will take away. One of those points is an invitation to a party here in the Statehouse on Tuesday, 1/24 in the cafeteria at 4:30pm:

The Working Lands Enterprise Initiative started with a major statewide effort led by VCRD called the Council on the Future of Vermont. This two-year effort,

from 2007 to 2009, engaged hundreds of Vermonters in dialogue about the State's past and present.

A major finding of that report was that more than 97 percent of Vermonters found great value in the working landscape of the state ... not just for its importance to Vermont's economy or its draw for tourism, but because the landscape represented much of what Vermonters loved about this state and our communities as well as often the generations of commitment to making a living from the land and providing food and resources to many communities.

That love for and respect of the Working Landscape was matched, then and now, by some significant threats to those farm and forest enterprises that made their living off the land. And so, the extensive effort of the Council on Vermont's Future led to the creation of a Working Lands Partnership, an entity which focused on the question of what could be done to make Working Lands enterprises more sustainable.

That Partnership, which was hundreds strong, had a leadership Council that produced an Action Plan focused on thoughtful strategies for investing in Vermont's farm and forest future. And it was from that plan, released in September of 2011, that Legislative leaders like Will Stevens, Tess Tayler, Carolyn Branagan, Mollie Burke, and others drafted H. 496. This bill ultimately passed through the Legislature and was signed into law as Act 142, An Act Related to Preserving Vermont's Working Landscape, which created the Working Lands Enterprise Fund and the Board that oversees it.

I want to emphasize a couple important elements of this process:

- The first element was time. The Council for Vermont's Future was convened in 2007. The Working Lands Partnership was organized in 2010 and released its action plan in 2011. Legislators transformed these voices and plans into concrete Legislative action and a very productive, meaningful program that has since benefited hundreds of farm and forest enterprises, produced more than 500 jobs, and had a return on investment of about \$5 for every \$1 spent.
- The second important element of this process was people – this is truly a program that is the result of extensive public input over an extended period and deliberative thought and action based on that input.

- And the third element to highlight today is the program design. It is intended to serve Vermonters across the state, and it does reach all 14 counties, providing valuable resources to support practical projects that strengthen working lands businesses.

So, where do things currently stand?

Here are the four points crucial points I hope to leave you with:

- **First, even with tremendous action by the legislature to significantly increase the Working Lands allocation each of the last three years, there has still been significant unmet need:**
 - In the State FY21, Working Lands was awarded an additional \$3.5 million to address total demand of about \$6.8 million.
 - In the state FY22, significant one-time funds were added to increase the total to about \$5 million.
 - And, last year, that FY22 total was increased by \$2 million in BAA funds and the base funding was increased from \$594,000 to \$1 million.
 - These are excellent one-time increases, but of course demand outstrips the funding.
- **Second, this is a proven, practical program and a powerful economic development tool.**
 - More than 300 farm and forest enterprises have been impacted all across the state, leading to more jobs, a stronger supply chain, the creation of production infrastructure locally, and Vermont companies better able to access new markets and create value-added products in state.
- **Third, this program has significant, long-term value to the State.**
 - As we come out of a pandemic that has underscored the value of a sustainable food system and underscored supply chain risks, significant investments in our farm and forest enterprises will be money well spent.
- **Fourth and last, as promised, please join us for a celebration!**
 - This is a non-partisan, wonderful, evidence-based program. In keeping with that spirit – and the 10 year anniversary is this year. We really do mean to make it a party. The “speaking program” will

be by demand perhaps the shortest in Statehouse history. There will be a fiddler, old champions grantees, new friends, and leaders past and present from the Legislature. It will be at 4:30pm on Tuesday, 1/24 in the cafeteria – thank you to Bryant and that team! – and you are welcome to drop by or stay till 6:30pm.

Thank you for your time.