



## Vermont Sustainable Jobs Fund

*Accelerating Sustainable Economic Development*

January 31, 2023

To: Senator Starr

From: Ellen Kahler, Executive Director

RE: Farm to Plate funding request for your consideration

**TOTAL REQUEST: \$100,000 base funding increase + \$400,000 one-time funding for specific projects**

The Vermont Sustainable Jobs Fund (VSJF) administers the Farm to Plate Investment Program (10 V.S.A. § 330), which is responsible for developing and collectively implementing the 15 Strategic Goals of [Vermont's 2021-2030 food system plan](#).

The intended outcomes of Vermont Farm to Plate are:

- Increase sustainable economic development and create jobs in Vermont's food and farm sector;
- Improve soils, water, and resiliency of the working landscape in the face of climate change;
- Improve access to healthy, local food for all Vermonters (especially low-income Vermonters);

Each year, through the VAAF, VSJF receives \$100,000 in general fund support to administer this program. The same level of funding has occurred since 2011. The Farm to Plate annual budget, depending on the number of projects we are managing, typically runs between \$700,000 - \$1,000,000, with most of the funding coming from private foundations and small federal grants. Recently, one of our core funders (who typically provided \$100,000 in annual funding) closed its doors. We have not yet found a new source of funding to replace these funds. **Thus, we are requesting that \$100,000 be added to the base allocation to the VSJF (through the VAAF) each year, to total \$200,000 annually.**

There are 3 specific projects that would benefit from additional funding support.

1. Independent Retail Grocers Project – to provide training in local food sourcing and merchandising
2. Beef on Dairy Project – to increase revenue to dairy farms through dairy beef sales premiums
3. Alternative Access Land Models – to support the next generation of farmers

### The Details:

#### 1. Independent Retail Grocers Project

The pandemic has created an opening for independent grocers to solidify a newly engaged customer base who want trusted local products from trusted local retailers who provide safe shopping environments. There is an increased interest from stores and distributors to get more local products to consumers, but many are still learning how to do that effectively – lacking the marketing acumen, systems, and relationships to increase local purchasing. Many Vermont

producers face difficulties in selling into the retail channel and need to develop a suite of wholesaling skills and business systems necessary to establish and maintain retail sales – such as invoicing, logistics management, packaging specifications, and retail marketing strategies.

Federal and foundation grant funding for this program will end at the end of September if we do not secure new funding for the coming year. This Independent Retail Grocers Project builds upon resources and trainings that have been developed since 2016 by **expanding and deepening local food oriented retail training services to retail operators, farmers, and value-added producers**. Bridging this funding gap will lead to more local food sales for farmers and for retailers, especially in our rural communities where these independently owned retailers are located. **Funding Request: \$100,000 (one time)**

## 2. Beef on Dairy Project

It's estimated that 60-80% of calves born on dairy farms in Vermont are shipped to out-of-state ranchers and processors. At the same time, many Vermont beef farmers import calves from across the U.S. to raise in Vermont. The misalignment between calf supply and demand means profits that could be circulating in Vermont are flowing out of state, and the opportunity to reduce GHG emissions and environmental impacts associated with meat production are missed.

The project is developing a data-driven, value-added breeding program in which cows can be crossbred on dairy farms and can be marketed to the beef supply chain at various stages of production. It involves crossbreeding dairy and beef varieties to understand production costs, meat quality, and marketability with the aim of finding the optimal standard for all three. To ensure the program can offer value to all types of dairy and beef farms, the quality characteristics of the crossbred animals will be analyzed across conventional, organic, and grass-fed feed regimes. Additionally, using data to drive breeding selection, we estimate that tillage, fuel use, and feed inputs can be reduced by 28% leading to less greenhouse gas emissions for growing feed and raising the cross-bred cattle. By displacing foreign and western beef supply with native northeast animals for major metro areas in the Northeast, we will also displace freight emissions and reduce the carbon footprint of beef products consumed in the region.

Funding thus far has been provided by the Working Lands Enterprise Fund as contracts that flow through the VSJF to the contractor managing the project, Kevin Channell. Demand for being involved in the pilot project outpaces available funding at this time. With additional funding, the project could increase calf raising capacity, expand the program faster, and would strengthen their relationship with the buyer/broker. The project is also actively exploring whether or not to create a formal cooperative among the group of Vermont producers and sharing a common brand. **With additional funding, at least 2 more farmers could breed for the project and 3 more farmers could become custom growers – for a total of 5 new farmers in addition to the 6 already participating in the project. And an additional 500 calves could be bred in 2023 and then raising them next year (2024) for finish in 2025/26. Funding Request: \$250,000 (one time)**

## 3. Alternative Access Land Models Project

Several factors impact the ability of new and beginning farmers to purchase or access land, including the increasing cost of capital, increased land prices, and challenging market and environmental forces. These farmers are often developing farm enterprises that have very different land and infrastructure requirements than historic farming practices did. These

farmers, including many who are farmers of color, may also experience discrimination from traditional farming institutions and systems. This has led to an increased interest in alternative land-ownership models.

**This project seeks to explore the viability of alternative land ownership models and provide resources to help farmers and landowners make decisions about how best to explore collaborative land ownership.** With collaboration from legal, tax, and financial professionals, land trusts and nonprofits, existing and prospective farmers, and farm business advisors, the project will review existing national, regional, and local resources related to alternative land ownership, examine local projects with alternative land ownership components, and model the legal and financial aspects of these potential structures with attention to feasibility and how they relate to both community and racial and gender equity. The project team will develop resources to guide decision-making related to alternative land ownership models, provide clarity for farmers looking at these options, aid technical assistance delivery to these farmers, and guide future farmland access policy development. **Funding Request: \$50,000 (one time)**

**Thank you for your consideration of our request. Please let me know if you need additional detail from us.**