

Food Producers and Value-Added Processors One-Time \$10M Appropriation

Funding Opportunity Outline

February 16, 2023

Project Description

This one-time appropriation will allocate funding to the Vermont Agency of Agriculture, Food & Markets (VAAFAM) to provide competitively awarded grant funding to small and mid-sized agricultural producers and value-added processors in the meat, produce, and maple sectors. These areas of the food system remain under resourced or ineligible for most currently available programs. At the same time, these industries are poised for growth and add diversity to Vermont's agricultural landscape and economy.

Infrastructure and other new investments will support one of the core focus areas of the Governor's Future of Vermont Agriculture Commission focused on leveraging economic development, supporting strong local food systems, and investing in the next generation of farmers and agricultural entrepreneurs to be successful in Vermont. Grants could include expanding slaughter and processing capacity for meat and poultry; post-harvest handling, processing, and distribution for fruits, vegetables, and grains; and increasing capacity and production for value-added and new maple products.

Investments in these agricultural sectors align with needs and opportunities across the industries and will ensure funding accessibility and equity. Special emphasis and outreach would be made to encourage BIPOC farmers to apply.

Program Objectives

1. Expand local food production and processing
2. Increase market access and distribution channels
3. Respond to climate change

Program Design

Designed to fund one-time, larger scale projects that other programs (state or federal) don't address. Applications will be reviewed at the sector level and applicants can apply for one of two tiers of funding. The intent is to fill funding gaps within the meat, maple, and produce industries and successful applications must demonstrate growth potential achieved by the grant investment.

Envisioning one funding opportunity with three investments areas, for each sector to compete independently (all maple, all produce, all meat). All \$10M would be invested at one time with each category reviewed independently and simultaneously.

Anticipate entities can apply and receive funding from other VAAFAM and ACCD granting programs in the same year as long as the project scope is different or complementary.

Funding request range: \$100,000–\$500,000

We will consider allocating some funding for smaller awards for businesses that do not have larger funding needs.

Vermont Food Producers and Value-Added Processors Proposal

Two application phase process: Pre application and selected applicants invited back to submit full applications. Applications will collect diversity, equity, and inclusion demographic information to assist in evaluation of who the program is serving but not to be used in the decision-making process around individual applications.

Evaluation team: includes VAAFM staff and external reviewers for pre-application review and final application considerations. Final applicant decisions made by VAAFM as a slate to the Secretary of Agriculture for consideration and approval.

Eligible entities

- Producers and processors involved in the meat and poultry, fruit and vegetable, and maple industries
- Producer associations or other organizations applying on behalf of farmers with a specific benefit to individual farmers.

Anticipated Eligible Uses

- a. Equipment and capital infrastructure
 - Agritourism efforts
 - Improved employee quality of life
 - Livestock handling equipment
 - Meat processing
 - Storage capacity expansion
 - Energy efficiency
 - Onsite storage
- b. Land improvement (must be tied to increased production or market access)
 - Irrigation
 - Extreme weather preparedness
 - Permitting, engineering and project design
 - Year-round production or processing expansion
- c. On-site and farm worker accommodations
 - Support new construction
 - Renovation and safety improvements
- d. Market Development
 - Marketing assistance
 - Product development
 - Packaging innovation
 - Wholesale capacity expansion

NOT focusing funding on business planning, technical assistance, supply chain development or general food manufacturing expansion

Proposed Project Budget

# Grants	Grant award amount	Total award
~40–60 awards	~\$100,000–\$500,000	\$9,875,000
Staff support: Staff support from temporary or existing limited service employees*		\$125,000

Total one-time appropriation

\$10,000,000

Match

- Capture in-kind contributions
- Offer match waiver
- Narrative response in application around capacity to fund this effort without grant support

*Staff support will increase outreach and awareness of funding opportunity to marginalized populations and communities.

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