

**No. 78. An act relating to establishing the Farm and Forestry Operations Security Special Fund to provide payments for farm and forestry operation losses due to weather conditions.**

(S.60)

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. FINDINGS

The General Assembly finds that:

(1) In 2023 and 2024, Vermont experienced extreme flooding and other weather-based disasters that devastated farms and other working lands businesses across the State.

(2) Many existing State and federal programs that are designed to support farms and forestry operations are difficult to access, are administratively burdensome, are not equitably distributed to small- and medium-scale farmers and forestry operations, and currently do not meet the needs of Vermont farmers and forestry operations in a holistic way.

(3) In particular, because federal crop insurance programs are not designed to serve the needs of smaller scale or more diversified farming operations, many Vermont farmers are not covered by crop insurance.

(4) The State should establish a permanent funding support program to:  
(A) maintain the viability of farms and forestry operations in Vermont in order to ensure food security, resilience, rural economic vitality, and environmental health;

(B) continuously invest in farms and forestry operations in a way that makes them more resilient to current and future challenges; and

(C) provide a source of relief funds permanently available to farmers and forestry operations impacted by weather-based emergencies.

Sec. 2. 6 V.S.A. chapter 207 is amended to read:

CHAPTER 207. PROMOTION ~~AND~~, MARKETING, AND SUPPORT OF  
VERMONT FARMS, FOODS, AND PRODUCTS

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Subchapter 5. Farm and Forestry Operations Security Special Fund

§ 4641. DEFINITIONS

As used in this subchapter:

(1) “Eligible weather condition” means any of the following weather conditions that are found to be closely correlated with agricultural or forest operation income losses:

(A) high winds;

(B) excessive moisture, intense precipitation, or flooding;

(C) extreme heat;

(D) abnormal freeze conditions;

(E) a forest fire or wild fire event;

(F) hail;

(G) drought; or

(H) any other severe weather or growing conditions impacting agricultural or forestry operations income, as determined by the Review Board.

(2) "Farm" means a parcel or parcels of land owned, leased, or managed by a person and devoted primarily to farming and that is subject to regulation under the Required Agricultural Practices.

(3) "Farm and Forestry Operations Security Special Fund Review Board" or "Review Board" means the Board established under section 4644 of this title.

(4) "Farming" has the same meaning as in section 2.16 of the Required Agricultural Practices.

(5) "Forestry operation" has the same meaning as in 10 V.S.A. § 2602. § 4642. FARM AND FORESTRY OPERATIONS SECURITY SPECIAL

FUND

(a) There is established the Farm and Forestry Operations Security Special Fund to be administered by the Secretary of Agriculture, Food and Markets and that shall be managed in accordance with 32 V.S.A. chapter 7, subchapter 5. The Fund shall consist of:

(1) funds transferred by the General Assembly;

(2) funds from public and private sources that the Secretary accepts for the Fund; and

(3) funds from federal government aid for State support of farmers or forestry operations suffering income loss due to weather conditions.

(b) The Secretary of Agriculture, Food and Markets shall ensure language accessibility of the Fund through procurement and provision of interpretation and translation services.

(c) All balances in the Fund at the end of any fiscal year shall be carried forward and remain part of the Fund.

§ 4643. FARM AND FORESTRY OPERATIONS SECURITY SPECIAL  
FUND; PAYMENTS

(a) The Secretary, after consultation with the Review Board, shall award payments from the Farm and Forestry Operations Security Special Fund to persons owning farms and forestry operations that have incurred financial losses or expenses due to an eligible weather condition.

(1) Payments from the Fund shall be in an amount that reimburses a farm or forestry operation for up to 50 percent of the unreimbursed, uninsured, or otherwise uncovered losses due to eligible weather conditions, up to a maximum annual award of five percent of the undesignated and unreserved funds in the Farm and Forestry Operations Security Special Fund at the beginning of each fiscal year, provided that the award shall not exceed \$150,000.00 per qualified applicant farm or forestry operation per year.

(2) The Secretary may verify the occurrence of an eligible weather condition claimed under this section through a site visit or through use of available data from the National Oceanic and Atmospheric Administration,

from other federal or State certified weather data sources, or from other public or private weather or satellite data or models.

(3) Losses reimbursable by a payment under this section include:

(A) wages or compensation;

(B) replacement of lost income from destroyed crops, impacted livestock, or timber;

(C) debt payments or other ongoing expenses;

(D) costs of replanting;

(E) livestock feed replacement costs;

(F) infrastructure or equipment repair and replacement;

(G) repair of farm roads, roads necessary to access farms, repair of washed out or otherwise damaged logging roads;

(H) inability to access harvested timber due to flooding or other weather conditions; and

(I) other losses as determined by the Secretary after consultation with the Review Board.

(b) The Secretary shall develop a streamlined application for awards under this section that shall include:

(1) a brief description of the damage that occurred;

(2) attestation of an eligible weather condition or event;

(3) a list of any State grants or loans received for the purposes of the farm or forestry operation business in the past five years, to include amount, source, and purposes of the funding received;

(4) an estimate of losses; and

(5) a year-end report of farm or forestry operation income and expenses.

(c) An application for an award under this section may be made at any time, and the Secretary may only close the application process upon award of all appropriated funds for the relevant fiscal year.

(d) Applications for an award under this section shall be processed in the order received for each quarter, but an application shall not be ready for evaluation until the Secretary determines that the application is administratively complete and includes all documentation required by the Secretary.

(e) All administratively complete applications shall be evaluated by the Review Board. Within 15 days following receipt of an administratively complete application, the Review Board by majority vote shall recommend to the Secretary whether to issue a payment to the applicant. If the Review Board recommends an award under this section, the Secretary shall issue the award within 15 days following the date of the Review Board's recommendation.

(f) The Secretary of Agriculture, Food and Markets may pay reasonable administrative expenses from the Fund for purposes of administering the requirements of this subchapter.

§ 4644. FARM AND FORESTRY OPERATIONS SECURITY SPECIAL

FUND REVIEW BOARD

(a) Creation. There is created the Farm and Forestry Operations Security Special Fund Review Board, which for administrative purposes shall be attached to the Agency of Agriculture, Food and Markets.

(b) Organization of Board. The Board shall be composed of:

(1) the Secretary of Agriculture, Food and Markets or designee, who shall serve as chair;

(2) the Commissioner of Forests, Parks and Recreation or designee;

(3) the State Chief Recovery Officer or designee;

(4) representatives of three agricultural organizations who can demonstrate expertise in dealing with all sizes and types of farms in Vermont, whether through granting funds, offering technical assistance, or advocacy, and who have a proven track record of working with farmers, appointed by the Secretary of Agriculture, Food and Markets;

(5) two farmers who have received relief funding, appointed by the Secretary of Agriculture, Food and Markets; and

(6) two forestry operators, appointed by the Commissioner of Forests, Parks and Recreation.

(c) Member terms; conflict.

(1) The members designated in subdivision (b)(4) of this section shall be appointed to initial terms of two years. Thereafter, each appointed member

shall serve a term of three years or until the member's earlier resignation or removal. The members designated in subdivision (b)(5) of this section shall be appointed to initial terms of one year. The members designated in subdivision (b)(6) of this section shall be appointed to initial terms of two years.

Thereafter, each appointed member shall serve a term of three years or until the member's earlier resignation or removal. A vacancy shall be filled by the appointing authority for the remainder of the unexpired term. An appointed member shall not serve more than three consecutive three-year terms.

(2) If a Board member has a conflict of interest, as that term is defined by 3 V.S.A. § 1201, regarding review of any application for a payment under this section, the Secretary of Agriculture, Food and Markets may appoint an alternate member to maintain a quorum of the Board to review an application and recommend whether payment should be awarded.

(d) Powers.

(1) The Review Board shall review applications for assistance under this section, assess the accuracy and validity of the applications, and recommend to the Secretary applicants who should receive assistance under this section.

(2) The Board annually shall report to the House Committee on Agriculture, Food Resiliency, and Forestry and the Senate Committee on Agriculture the total documented Vermont farm and forestry operations financial losses from eligible weather conditions averaged over the previous three calendar years.

(3) In order to ensure that the Fund is meeting the needs of Vermont's agricultural community and forestry operations community, the Review Board annually shall review the application process, eligibility criteria, distribution, and accessibility of the Fund. The Review Board annually shall recommend to the House Committee on Agriculture, Food Resiliency, and Forestry and the Senate Committee on Agriculture ways to improve the effectiveness of the Fund.

(e) Officers; committees. The Board may elect officers, establish one or more committees or subcommittees, and adopt such procedural rules as it shall determine necessary and appropriate to perform its work.

(f) Quorum; meetings; voting. A majority of the sitting members shall constitute a quorum, and action taken by the Board may be authorized by a majority of the members present and voting at any regular or special meeting at which a quorum is present. The Board may meet as an advisory body under 1 V.S.A. chapter 5, subchapter 2.

(g) Compensation. Private sector members shall be entitled to per diem compensation authorized under 32 V.S.A. § 1010(b) for each day spent in the performance of their duties, and each member shall be reimbursed from the Fund for the member's actual and necessary expenses incurred in carrying out the member's duties.

Sec. 2a. CONTINGENCY OF FUNDING

The duty to implement Sec. 2 of this act (Farm and Forestry Operations Security Special Fund) is contingent upon an appropriation of funds in fiscal year 2027 or subsequent fiscal years from the General Fund to the Agency of Agriculture, Food and Markets for the specific purposes described in Sec. 2 of this act.

Sec. 3. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

Date Governor signed bill: March 26, 2026