

FY24 Agriculture Development Grants – Program Testimony

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 House Agriculture, Food Resiliency, and Forestry Committee Testimony
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In 2023, Future of Vermont Agriculture [Commission Report](#) recommendation to invest in infrastructure in growing agricultural industries – maple, produce, and meat production and processing.

Infrastructure investments in growing industries also mentioned in the [Vermont Food Security Roadmap](#) and [Vermont Agriculture and Food System Strategic Plan](#)

Ultimately, \$2.3 million was appropriated by VT Legislature to AAFM for Agriculture Development Grants (ADG) in FY24, with 75% allocated to the Meat & Produce industries, and 25% to the Maple industry.

FY24 Agriculture Development Grants – In Summary

Industry	Total Ask (Avg Ask)	# of Apps	Total Award (# projects)	Project Range	Key Themes
Produce	\$11,037,981 (\$147,173)	76	\$1,055,095 (7)	\$36,544 - \$269,500	<ul style="list-style-type: none"> • Wash/Pack • Value-added processing capacity • Storage capacity • Tunnel/greenhouse infrastructure • Production capacity
Meat Producer	\$11,149,273 (\$152,729)	73	\$118,791 (3)	\$31,249 - \$44,032	<ul style="list-style-type: none"> • Animal housing and handling (e.g. trailers, handling systems) • Freezer/cooler capacity • Equipment upgrades • Fencing/pasture infrastructure • On-farm processing expansion
Meat Processor	\$3,676,726 (\$153,196)	23	\$458,759 (3)	\$52,364 - \$247,519	<ul style="list-style-type: none"> • Expanded processing • Expanded freezers/coolers • Added processing capacity • Specialty processing (e.g. smokers, hot dogs)
Maple	\$17,867,529 (\$53,817)	332	\$542,354 (12)	\$17,962 - \$100,000	<ul style="list-style-type: none"> • Processing upgrades (e.g. evaporators, ROs) • Increased storage capacity • Production monitoring/efficiency • Production expansion • Infrastructure improvements (e.g. roads, buildings)

Grant Development & Process

Preparation & Development

MAPLE

- Industry stakeholders were engaged in the preparation of the RFA for their recommendations and expertise. These included the Vermont Maple Sugar Makers' Association, UVM Proctor Research Center, and UVM Extension.
- Eligible producers: maple producers or processors in the state of VT. Sap-only operations & start-up businesses were eligible.
- Project range \$15,000 - \$100,000 and needed to address at least **one of three funding priorities**: (1) operational efficiency, (2) climate resilience, or (3) food safety/quality.
- No match or cost share was required.
 - Unique to division funding opportunities. AgDev used this opportunity to identify how no match would change the application process and applicant demand & demographic.
- **352 total applications** totaling over **\$18.1 million requested**. 331 eligible applicants received from every county in Vermont.
- Funding Priorities (applicants could select more than one):
 - 96% addressed operational efficiency
 - 62% addressed climate resilience
 - 58% addressed food safety
- Applicants ranged from back yard operations with 50 taps, to major commercial enterprises with 150,000+ taps.

MEAT & PRODUCE

- Two industry meetings (one produce, one meat) were held in preparation of the RFA.
 - Producer stakeholders: VSJF, UVM, NOFA-VT, Center for an Agricultural Economy, The Intervale Center, VT Vegetable & Berry Grower's Association, VAAFM
 - Meat/processor stakeholders: VSJF, CAE, NOFA-VT, VT Grass Farmers' Association, VT Sheep & Goat Association, Larklea Consulting, VAAFM
- Eligible producers: produce operations, including those with in-house value-added processing; livestock operations; and meat processors.
- Project range \$35,000 - \$300,000 and needed to address at least one **of three funding priorities**: (1) infrastructure, operational efficiency, and capacity growth; (2) climate adaptation and resilience; or (3) worker safety, food safety or product quality.
- No match or cost share was required (see note under Maple).
- **172 total applications** totaling over **\$26.8 million requested**.
- Funding Priorities (applicants selected just one):
 - 90% addressed Infrastructure, Operational Efficiency, and Capacity Growth
 - 9% addressed Climate Adaptation and Resilience
 - 1% addressed Worker Safety, Food Safety, or Product Quality
- Applicants ranged from small family operations to large commercial enterprises.
 - Produce: 45 diversified vegetable operations, 19 orchards, 6 mushroom operations, 3 monoculture vegetable operations, 3 value-added processors

- Meat production: 45 beef farms, 13 sheep farms, 8 poultry farms, 7 pork farms, 2 meat goat farms
- Meat processing: 17 applicants were processors only; 6 were combined producer/processor operations

Review Process:

BOTH PROGRAMS

- **External Review & Scoring**
 - Maple ADG recruited 63 reviewers; Meat & Produce recruited 51 reviewers.
 - Reviewers came primarily from backgrounds of: maple production, maple research, and agricultural business and viability experts.
 - **Applications were scored on criteria as outlined in the RFA:** (1) alignment with funding priorities; (2) alignment with program outcomes, (3) quality of project plan; (4) efficient use of funds; (5) evidence of technical expertise; (6) long-term impact.
 - A holistic score was also given independent of the above criteria.
 - Each application was scored by three individuals and scores were averaged.
 - Maple ADG scores ranged from **23 to 98.67**. Average was **78.47**.
 - Meat & Produce ADG scores ranged from **36 to 100**. Average was **78.24**.
- **Internal Review & Selection**
 - The highest scoring applications in each industry (maple, produce, and meat) were discussed with an internal granting and industry-focused review teams.
 - 84 Maple applications and 70 Meat & Produce applications were discussed.
 - Internal team composed of AgDev grant managers, leadership, and VAAFM industry experts discussed each application. Holistic process addressed the project itself, reviewer scores, and reviewer notes.
 - **Group addressed additional factors in selection, such as:** project score and relation to scoring criteria, alignment with program goals, quality of project plan and impact on operation, feasibility and reasonability of projects, diversity of project types/locations/operations, and applicant's previous Ag Dev Division funding history.

FY24 Agriculture Development Grants – Applications & Funding

Sector	FY24 Allocation	FY24 \$ Requests	% of \$ Request Funded (# of Projects)
Produce	\$1.6 million	\$11 million	9.5% (7)
Meat Production		\$11.2 million	1% (3)
Meat Processing		\$3.7 million	12% (3)
Maple	\$543,000	\$18.1 million	3% (11)
Total	\$2.1 million	\$44 million	4.7% (24)

Awardees

Overview

- Appendix available for full list of awardees, including project summaries, award amounts, and county.
- Awardees represented a range of operation types, from start-up to small producers, to large commercial operation.
- Projects address a range of focuses, priorities, and areas of operation:
 - **Maple:** Equipment purchases (processing, sugarbush monitoring, firewood), sap and syrup storage, road and infrastructure improvements, Maple processing equipment, food safety improvements (including lead mitigation), efficiency upgrades and improvements, VMSMA Sugarhouse Certification eligibility
 - **Meat & Produce:** Equipment purchases (harvesting and meat processing), production expansion infrastructure, wash/pack upgrades and expansion, value-added processing infrastructure, co-packing infrastructure, expansion of livestock/poultry processing, and eligibility for VT State Inspection or other food safety certifications.

Reflection & Recommendations

- After awards were selected, the ADG Grant Managers made the following recommendations for future editions of this program.
 1. Keep **no match** requirement and **streamlined application** process.
 2. Limit eligibility to only **established** VT-based agricultural businesses (no start-ups)
 3. Expand program to **four separate grants** focused on four specific industries. Additionally, run each application at different time of year for VAAFME efficiency.
 4. Use **emerging themes and common requests** from FY24 applications to streamline program/funding priorities and eligible projects while remaining focused on climate mitigation, operational efficiency, and food safety.
 5. **Lower request minimums** across the board to allow for scale-appropriate investments.
- Additionally, the following topics were identified as areas of improvement for future cycles that would require additional consideration and research.
 1. Consider how to balance “innovation” focused grants with traditional “cost of doing business” requests.
 2. Overhaul eligibility considerations, namely how ADG fits into the “gaps” between other sources of funding.
 3. Examine the common theme of “eligible but not competitive” for areas of needed transparency and improvement.
 4. Compare the concept of funding projects vs. funding equipment and high-cost, one-off improvements – which are the most common requests from farmers.
 5. Consider how ADG funds align with disaster relief/climate mitigation funds and adjust ADG eligibility accordingly.