

Testimony to House Agriculture, Food Resiliency & Forestry Committee - S.60
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Thank you for hearing my testimony today regarding S.60, the Farm Security Special Fund bill. For the record my name is Maddie Kempner, I'm the policy director at NOFA-VT.

I want to start by thanking the committee for your thoughtful consideration of this bill. So many of the questions you've been asking in your discussions are the same questions our coalition thought about in developing the proposal that led to S.60 and H.229.

I'd like to comment today on several specific sections of the bill that have come up in the committee's discussions.

Review Board. First, our coalition strongly supports the existence of the review board. We feel it's important for farmers and organizations providing direct support to farmers to have a role in the administration of the fund. In addition to reviewing applications, the bill directs the board to review the application process, eligibility criteria, distribution, and accessibility of the fund each year, and to recommend improvements to this committee and the Senate Agriculture Committee annually.

I do want to note that the language naming the types of farmer organizations who can serve on the board needs some clarification. Right now it says, "...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 have a proven track record of working with farmers..." We believe the intent here is to have a group of agricultural organizations who can *collectively* represent all sizes and types of farms in Vermont, but the language in the bill currently seems to suggest that each organization on the board must have expertise in dealing with all sizes and types of farms. We'd like to request that the language here be clarified to reflect the legislature's intent.

We recognize it will be hard to get this new fund exactly right the first time, and the review board is in part there to make improvements to this process over time.

If the committee has specific questions about aspects of the fund that seem difficult to answer at this time, we would recommend adding them to the list of things the Review Board considers and reports back on.

Application Review Process. We believe the process would be for the Agency staff to do an initial application review to confirm that applications are complete - this could also include a review of financial information to confirm the farm is an eligible business, before the rest of the application is reviewed by the board and a determination is made.

We would also fully support including language that allows the agency to use some amount of money in the fund for their own staff capacity. We suggest adding language that allows this to happen.

Extreme Weather Events. Some discussion has come up in this committee about determining when an extreme weather event has occurred, and the type of judgment calls that might arise in considering whether an impact was in fact caused by weather or by farming practices themselves. From our perspective, this discussion exemplifies the need for the review board; farmers' own expertise, combined with the ability of the Secretary to confirm the existence of an extreme weather condition feels to us like the best way to make these kinds of determinations.

Conflict of Interest. Regarding conflicts of interest, it's our impression that a review board member could recuse themselves from a given round of application reviews in the event they personally need to apply. We think it would be a rare occurrence - it's never actually happened on our Farmer Emergency Fund review committee, at least in recent years - but we would support the committee including language clarifying the process if/when this situation comes up and establishing alternates for board seats if you want to take that extra step.

Award Amounts. In terms of the amount of awards under this fund, we know there has been some discussion of reducing the maximum amount of awards in proportion to the total amount of funding available. While we appreciate the committee's interest in making sure funds are distributed equitably, we learned from our experience with BEGAP that providing a significant amount of money can make the difference between a farm closing or continuing to operate. Our recommendation is to keep it as is, and if you have questions about it, add them to the review board's reporting and recommendations duties. Again, this is one of the important functions of the review board.

Also related to award amounts, we want to request that the language in § 4633a, subsection 2 be removed. That language reads, "*The Secretary shall establish criteria for the amount of an award based on the annual net income of the farm in relation to the median net income of all farms in Vermont.*"

According to the Vermont Sustainable Jobs Fund, no one, including USDA or the Ag Census, reports the median net farm income of all farms. Therefore, this section is currently directing the Secretary to do something he would not have the ability to do.

Application Process/Eligible Losses. Some questions have also come up around the application process, and the types of losses that are eligible for payment under the fund. The most important thing from our perspective is that the review board and Secretary have the clarity and leeway they need to develop the application.

We also feel it's important that farmers, and forestry operations, if the committee decides to include them, know that they can apply for these funds for the kinds of impacts they will experience. For example, you heard from Bruce last week about the loss of several hundred

turkeys, plus a tractor due to flooding in 2023. I also know farmers whose fields didn't flood but who had farm roads or driveways wash out in 2024, making it impossible for them to get product off the farm or customers on to the farm to shop at their farm stands. What about a farm whose employee housing is destroyed? We want it to be clear to the people needing to apply that all of these types of losses are eligible, and not have people self-select out of applying because they assume they don't qualify. We've seen this happen with our own emergency fund and have had to do outreach to clarify the types of losses that qualify.

Availability of Funds throughout the Year. We know the committee has also discussed setting up quarterly or otherwise seasonal application cycles for the fund. We do not support this -- we talked about this as a coalition when we were working on the proposal for the bill and decided this would set up arbitrary limits on timelines that won't necessarily align with when extreme weather impacts occur, which rarely can be predicted well in advance.

However, if the fund is open to applications on a rolling basis as the bill currently suggests, the agency could leave the application open even after funds are expended, and then if there are funds that get added in later (from federal or philanthropic sources, for example) the agency and board could go back to those applications that weren't funded and fund them in the order they came in.

Our hope is that in time, the State of Vermont will make a real commitment to our working lands enterprises and that this fund would be funded adequately each year. As climate change brings more challenges to us here in Vermont, making sure that we are investing in our farm, food and forest systems will be essential for the security and resiliency of the people who live here.

Our Guiding Principles. The ideas that our coalition agreed on were that this fund be:

- simple to apply for,
- provide immediate payment,
- flexible and proportional, and
- predictable and sustainably funded over time.

We still feel these principles are the right ones, and thank the committee again for your work and your thoughtful consideration.