

Vermont Agency of Agriculture

State Contact: Kelly Loftus

USDA AMS Agreement Number: Specialty Crop Block Grant

12-25-B-0628

Final Performance Report

May 14, 2010

I. General Specialty Crops Support

Project Summary

Many Vermont specialty crop producers market their products directly to consumers through small wholesale venues including restaurants and retailers. Due to the state's small population base and its reliance on tourism Vermont producers rely on both residents and tourists as prospective customers.

It was established that the most beneficial utilization of this round of SCBG funding would be to: provide print and broadcast marketing support for specialty crops. Two seasonal publications, Vermont Harvest were printed – approximately 165,000 copies of each issue. They were distributed widely through newspapers, visitor's centers and at special events such as The Big E. Radio promotions were also created and targeted specifically growing seasons to capitalize on specialty crop exposure such as Christmas and Thanksgiving.

Project Approach

The two seasonal publications improved awareness of Vermont agricultural products and provided residents and visitors with direct access to suppliers, leading to greater sales of Vermont agricultural products and increased profits to farmers and exposure to consumers. Reader and listener feedback was quantified in part by tracking visits to the Agency website.

The *Vermont Harvest* publication is one way to reach new consumers, through broad distribution of an educational piece that informs Vermonters and visitors to Vermont of their options for accessing local foods as well as recipes and tips for using these ingredients.

The Vermont Agency of Agriculture designed and published a four color, 16 page brochure featuring seasonal Vermont products. The two issues funded with Specialty Crop Funds were released for fall and the holidays. These issues featured:

- Cranberries
- Christmas trees
- Maple Syrup
- Apples
- Wine and Spirits
- Beer
- Pumpkins
- Honey

Vermont Agency of Agriculture communications specialist Kelly Loftus took the lead in developing these materials, with graphic design assistance from Tim Newcomb Studios.

The primary distribution mechanism was as an insert in 7 print newspapers: Brattleboro Reformer, the Bennington Banner Daily, Valley News, the Caledonian Record, Burlington Free Press, Seven Days and Rutland Herald newspapers (reaching approximately 160,000 households). Nearly 9,000 copies were distributed at the 2008 Eastern States Exposition in West Springfield, Massachusetts, which attracts over 1 million visitors each year. Distribution continues in the Vermont State Welcome Centers.

The Agency also participated in a wintertime specialty crop promotion through an activity with the Vermont Ski Areas Association with a new Ski Vermont Farmhouse Chowder. Specialty Crop Block Grant money went specifically towards marketing the Vermont potatoes that were used in the Farmhouse Chowder, which was distributed to Vermont ski areas by Black River Produce of Cavendish, Vermont. Over 30 locations took part in the activity. Participants were primarily ski resorts, but also included the University of Vermont and area restaurants. A legislative reception at the state house unveiled the new product.

The Agency also sponsored a VPT (Vermont Public Television) Cooks! Show in December 2008, featuring Vermont wines and beers. SCBG funds went towards the purchase of Vermont Apple cookbooks and other specialty food products made from specialty crops to showcase during the show.

Goals & Outcomes

An approximate increase in traffic to the websites specialty crop area was 25 percent within 30 days of distribution of the publications and broadcasting of ads. Agency staff built on already strong partnerships within state government as well outside entities. These included the Vermont Department of Tourism, specialty crop producers, and Chamber of Commerce. The Vermont Department of Tourism and the Chamber of Commerce assisted significantly with distribution of the items, Agency staff contributed in terms of assembling the ads and publications, and specialty crop producers provided insight in terms of how the content might best assist their markets.

The success of the initial stages of the Ski Vermont Farmhouse Chowder led the Agency and its partners to expand the program using 2009-2011 Specialty Crop Block Grant funds. Ski Vermont continues to use Vermont potatoes for its Farmhouse Chowder, the recipe for which is being improved for the next ski season.

The publications and ads benefitted an estimated 3,656 specialty crop production operation in Vermont: apple (243), berry & grape (326), vegetable (413), Christmas tree (359), maple syrup (1,723), honey (160), nursery & floricultural (432). The Agency perceives the outcomes of these activities to be completely in line with goals and expected measurable outcomes listed above.

Lessons Learned

We learned that this project was an effective utilization of the SCBG funds in support of specialty crop producers and in connecting consumers and visitors with specialty products increasing markets, sales and awareness.

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II. Apple Industry Support

Project Summary

Vermont's apple growers produce and ship nearly ¾ of a million bushels of apples annually through wholesale (supermarket) channels and 1.4 million through direct to consumer marketing. Vermont does not have the resources necessary to sponsor health studies, conduct meetings with consumer and media representatives, address public relations and be ready to counter special interest groups lack of understanding of agricultural production issues (use of pesticides, H-2A, etc.). This project builds on previously funded projects through SCBG 12-25-G-0577 to implement programs to increase apple sales in local, regional, national and international markets.

Project Approach

Past SCBG funds were used to sponsor Apple Marketing Board members' participation in Fruita Logistica in Berlin, Germany to explore export opportunities for apple growers. The two Apple Marketing Board members who attended the Fruita Logistica International Trade Fair for Fruit and Vegetable Marketing in Berlin, Germany in February, 2008, were funded under SCBGP 12-25-G-0577. No funding from SCBGP 12-25-B-0628 went towards Fruita Logistica attendance.

This project utilized the SCBG funds to continue similar efforts including conferences, workshops and coordination of marketing efforts with the US Apple Association and US Apple Export Council. These funds also allowed for the continued representation of Vermont apple growers on the New England Apple Association, Vermont Apple Board, Vermont Tree Fruit Growers' Association, US Apple Association's State Advisory Committee and the US Apple Export Council, influencing planning of major public relations initiatives and other key industry priorities and activities.

Funding went towards the VT Fruit growers Association annual meeting which included speakers from the University of Massachusetts, Cornell University and the University of Vermont. Issues covered included: OP-Alternatives in Apple Arthropod Management; Money-Making Apple Cultivars and How Best to Grow Them; Monitoring for Arthropod Pests to Determine the Need to Spray; Orchard Diversification with Other Tree Fruit – Opportunities & Challenges in New England; and, Diversification & Marketing – What are VT growers doing to address customer Needs and Interest? (Annual program meeting brochure appended) Approximately 80 people from VT, NH, NY and MA attended.

Funds from SCBGP 12-25-B-0628 were utilized to pay approximately 78% (\$5,000 of \$6,351) of Vermont's .007mil/bushel membership dues on it's 907,285 bushel annual average for the U.S.

Apple Association. Vermont's 243 apple orchards were benefitted by USApple's education of consumers about the health benefits of consuming apples and apple products, by sponsoring research, and by developing and distributing communications tailored to:

- national health, nutrition and food media;
- health educators, groups and other influential organizations;
- schools; and
- industry and industry publications.

The US Apple Export Council conducts promotion programs around the world - Western Europe, Central America, Mexico, Canada, Brazil, Southeast Asia, India, Taiwan, and Russia. The council is constantly exploring and starting other activities in other potential markets. Although New England's membership and Vermont's representation in the USAEC benefitted all of Vermont's 243 apple orchards, no funds from SCBGP 12-25-B-0628 went towards membership or any other activities with this organization.

Goals and Outcomes Achieved

The anticipated goals for this project were to increase the base price of Vermont apples for the 2008-2009 marketing year and to increase US per capita utilization of fresh apples. Unfortunately, according to preliminary USDA Research Service calculations, per capita apple utilization in the U.S. actually decreased from 16.12 pounds in 2003/2004 to 15.82 pounds in 2008/2009. USDA Research Service data supporting this is attached.

However, additional goals included improving the image of US apples and to increase overall consumption of apples in the US with an emphasis on increasing sales of Vermont apples and increasing income to growers. These projects positively impacted an estimated 500 individual/family and commercial operations. The goals and outcomes of this project met the expectations of the Agency.

Lessons Learned

The apple industry is integral to Vermont's specialty crop industry and economy. It contributes significantly to the open working landscape which in turn protects our environment and draws thousands of tourists to our state each year. There is also opportunity in the future to partner with other entities including the Vermont Foodbank which would benefit apple growers and food insecure Vermonters.

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III. Vegetable and Berry Industry Support

Project Summary

Vermont vegetable and berry growers are looking to improve their market options by being more competitive in the world market. To achieve this, they need to develop skills to learn new

production techniques, identification of new crops and markets, and how to enhance marketing methods. An additional objective is to assist Vermont producers in becoming more cognizant of food safety issues and procedures.

Project Approach

The Agency, partnering with industry representatives, University of Vermont, extension leaders and others, organized industry education and training programs incorporating with existing events such as the Vermont Farm Show, Vermont Vegetable & Berry Growers Association annual trade show and the NOFA VT annual trade show and conference as well as new regional and topic specific events.

The Agency partnered with UVM to conduct a processing needs survey. As Vermont specialty food producers attempt to expand their markets for local foods, many have faced a need for various levels of processing. Similarly, farmers benefit from processing as it allows them to extend their season by freezing, canning, drying or otherwise preserving their crop. Processing also allows farmers to offer products in the form preferred by large scale buyers, such as cafeterias and restaurants, who want to avoid labor costs of washing, seeding, peeling and/or chopping. Finally, processing can help Vermont specialty food producers access the growing segment of customers looking for ready-to-eat or partially prepared meals in the grocery store and even in the Farmers' Markets. However, many of Vermont's farmers are too small to invest in their own, on-farm processing facilities. This survey allowed the Vermont Agency of Agriculture to understand the range of needs of our specialty food producers and location of the greatest demand for shared facilities.

Project Approach

The Vermont Agency of Agriculture designed the original survey with advice from the Cornell based Northeast Center for Food Entrepreneurship and the Greenfield, MA, based Western Mass Food Center. Its primary areas of questions were:

- Foods produced by the respondent
- Where foods are processed
- Interest in a processing facility
- Preferences for processing services, seasons, and location
- Use of Vermont grown ingredients
- Markets where products are sold & potential impact of processing on those markets

The survey is attached. Please note that this report is only for the specialty crop component of the survey, which incorporated multiple elements, including meat and dairy, to minimize confusion of multiple processing surveys going out at once. As indicated in lessons learned, we discovered that it would be easier to target with smaller surveys instead of doing all at once.

The final survey was printed with a self-addressed, stamped envelope for easy return and distributed to producers in several ways through the fall and winter months in 2009 - 2009.

The survey was distributed by direct mailing to:

- Agriview Subscribers
- Farmer members of the Vermont Fresh Network
- Members of the Vegetable and Berry Growers' Association
- Members of NOFA-VT
- Farmers participating in the Rutland Area Food and Farm Link
- Other Farmers on Vermont Agency of Agriculture databases (eg apples, eggs, dairy)

The survey was also posted online at the VAAFM homepage and a request for publishing the announcement in e-newsletters sent to:

- Center for Sustainable Agriculture newsletter
- NOFA-VT newsletter
- Vital Communities Newsletter
- Vermont Specialty Food Association
- Women's Agricultural Network

Finally, the processing survey was made available as a handout at the Farm Show and NOFA-VT Winter Conference.

The total number of surveys returned was 377.

Goals and Outcomes Achieved

Survey produced the following key results:

- 42% of respondents are currently processing foods in some way
- Primary locations for processing are on-site (89%) and through a subcontractor (24%) – note that respondents were not limited to one answer.
- 74% used Vermont ingredients.
- Most commonly used ingredient was maple syrup (39 respondents), followed by vegetables (24), apples (18) and berries (17)
- The ingredient that respondents most wanted to see available locally was grain.
- The most significant barriers listed for sourcing local ingredients were price and availability.
- 36% of respondents thought they could expand their markets if more processing facilities were available to them.
- A key part of the project was mapping demand for processing facilities by willingness to drive. The map is attached separately.

Beneficiaries

Every specialty crop producer in Vermont was targeted as part of the outreach, with the expectation that the results could inform projects to benefit any producer. This totals approximately 5,500 farms.

Lessons Learned

There are multiple lessons learned for approaches to future surveys that could lead to more robust results:

Future Recommendations for Survey Design:

- Clarifying who is considered a value added food producer for respondents.
- Reworking open ended questions from the original survey as multiple choice answers now that the 2008-2009 survey has shown the types of answers given.
- Asking for specific addresses for respondents to allow for more accurate mapping
- Separating and targeting surveys – especially around producers who consider themselves principally farmers with some value-added and those who consider themselves principally specialty foods with some local ingredients sourced or grown.
- Creating a better way to capture the interests and demand for services by producers who are considering a form of processing but have not yet started.
- Allowing respondents to rank the importance of a physical facility in relation to other areas of potential assistance for processing (eg seminars, assistance navigating the regulatory environment, grants for equipment, etc.)

Future Recommendations for Survey Distribution The following actions could increase the number of surveys returned in the future:

- Using results from the initial survey to create targeted surveys for different producer groups – allowing the surveys to be shorter and easier to complete.
- Including the survey as a paper version in mailed newsletters, in addition to an online link in e-mailed updates.
- Increasing the number of events where surveys are made available.
- Distributing through statewide organizations alone to minimize bias to particular regions.

SCBGP funds were also used for:

Educational speakers for the VBGA annual meeting; speakers presented six talks to a group of 110 participants. Speakers and their topics are listed online at:

<http://www.uvm.edu/vtvegandberry/VVBGAMeeting2009Presentations.html>

The Vegetable and Berry Growers' Association presented on-farm workshops on greenhouse tomatoes, vegetable soil fertility and skills for beginning farmers, to approximately 100 growers. A series of four on-farm energy workshops attracted 120 participants.

Initiating water and soil quality testing programs for vegetable growers.

Sharing costs to have a licensed GAP/GHP auditor for Vermont; the GAP / GHP auditor has completed 5 initial audits, 3 unscheduled audits, and is working with another 10 farms to prepare them for initial audits.

Vermont berry and vegetable growers were featured in both the summer and fall 2008 issues of *Vermont Harvest*.

Goals and Outcomes

The goals of this project were to increase vegetable and berry growers' management capabilities and knowledge levels for crop management, pest control, and marketing practices to improve incomes and market options. Participation of produce industry members in educational activities and conferences increased 15 percent. Educational and training opportunities were offered to approximately 739 berry and vegetable growers across the state with an annual farm gate value of over \$20 million. Value-added products using Vermont produce contribute an estimated \$5 million to the Vermont economy.

Lessons Learned

Consumer demand to know where their food comes from and how it is grown and who grows it has driven the need to assist Vermont specialty crop producers to meet this demand. This further expands markets and income potential for specialty producers in Vermont. The goals of this project were achieved as defined in the original proposal.

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IV. Grape and Wine Industry Support

Project Summary

Vermont's first commercial winery was established in 1985 using crops such as apples and other fruits to make wine. The industry has grown to 13 licensed wineries including at least seven of which use Vermont produced grapes. With the commercial introduction of cold-hardy wine grapes developed by the University of Minnesota, Vermont's wine industry has grown rapidly. The wine industry has been identified as an important new sector of agriculture and agri-tourism. As a relatively new wine producing region, Vermont vintners and fruit producers need assistance in developing marketing materials for consumers in Vermont and those visiting Vermont. This project builds on previous projects funded through SCBG-12-25-G-0577.

Project Approach

The Agency was instrumental in establishing the Vermont Grape and Wine Council. This council was formed to foster development of Vermont's emerging wine industry. The Agency's goal is to develop

a sustainable private industry organization to address important marketing, research, education, production and other matters. The council worked to coordinate a number of new activities including wine tastings, production seminars, and other culinary partnerships. The Council was legally formed in February 2008. Work began immediately to create a new, interactive website and planning industry training and education activities. The funds were used to support efforts to improve educational opportunities for producers of grapes and other fruits for wine production. The Council continues to focus on industry education and consumer marketing.

The Agency contracted with Dr. Lorraine Berkett at the University of Vermont to prepare a newsletter for grape growers for pest management. The newsletter is distributed electronically and posted online.

The Council contracted with experts to deliver educational presentations to wine producers. Dr. Anna Katherine Mansfield (Cornell University) offered instruction in acidity management and in cold hardy grape cultivars. Ms. Dellie Rex, a wine educator at the New England Culinary Institute, delivered a presentation on marketing strategies for Vermont wines. Approximately 80 people attended these presentations.

Additional funds were used by the Vermont Grape & Wine Council to participate in marketing events in late summer and early fall 2008. These events included the inaugural Vermont Life Wine and Harvest Festival.

Vermont vineyards and fruit wineries were featured in both the summer and fall 2008 issues of *Vermont Harvest*.

Goals and Outcomes Achieved

At the time of the grant, Vermont had 13 licensed wineries and at least 200 growers supplying grapes, apples, blueberries and other produce from which wine is made. This new industry has benefitted tremendously from the tourism with 13.4 million trips made annually to the state valued at \$1.57 billion. Industry representatives were surveyed to ascertain their satisfaction with the development activities. Industry representatives responded overwhelmingly positive to the steps taken so far. These actions and activities will enable the grape and wine industry in Vermont to help this industry become an important economic driver in Vermont's agricultural economy.

Lessons Learned

The grape and wine industry has significant potential to be an important agriculture economic driver for Vermont. After soliciting feedback from key industry representatives, the work the Agency has done through SCBG funds, whether marketing, production or technical assistance, has helped producers move forward rapidly but also effectively. We look for this area of agriculture in Vermont to continue to expand.

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V. Christmas Tree Marketing Support

Project Summary

Vermont has over 360 commercial Christmas tree farms producing over 150,000 trees annually for wholesale and direct market sales. The industry has expressed a need to renew its marketing efforts specifically through website improvements, the development of new printed materials and participation in trade shows. The purpose of this project was to increase the wholesale and direct market sales of Vermont Christmas trees by increasing the effectiveness of the industry in sales, marketing and quality control. This project builds on a previous project funded through SCBG-12-25-G-0577.

Project Approach

The Agency worked with existing Christmas tree industry associations in Vermont to improve their marketing efforts through an improve website, wholesale and retail media campaigns, and technical assistance to the industry. The SCBG funds were used to match state and industry funds to leverage resources.

A report was never received from the Vermont Christmas Tree Association; they have been informed that they are ineligible for funds administered by the Vermont Agency of Agriculture without a report.

Goals and Outcomes Achieved

Website updates have also been made to make the website easier to use and to serve both the retail and wholesale Christmas tree growers. The website can be viewed at: <http://www.vermontchristmastrees.org>. Changes made included improving the layout of the site, as well as adding sections appropriate to different categories of Christmas tree growers, including "Wholesale," "Mail Order," and "Choose and Cut."

The Agency also partnered with the state's Christmas Tree growers to publicize the "Trees for Troops" campaign, highlighting the charitable spirit of the industry. The Agency highlighted the initiative with an article in Agriview (see attached), and outreach to media led to a story in the Burlington Free Press (read the article [here](#)) and a television segment on WCAX (view the piece [here](#)). These stories were effectively free advertising for Vermont's Christmas Tree growers during their busiest season, when ad space is in high demand.

Industry members were also surveyed to ascertain the effectiveness of the marketing outreach. The results of this survey led the production of updated marketing print materials using subsequent rounds of SCBG funding.

Lessons Learned

Working closely with the Christmas tree growers a number of issues became apparent. First, the separate needs of the commercial and retail factions of the industry. By creating specific, tailored campaigns and promotional materials, the resources were better utilized and increased the effectiveness of the industry in sales. Another important lesson learned was that Vermont Christmas tree growers are very good at growing the highest quality, beautiful trees but need much assistance in marketing their product effectively. The Agency feels that the industry has benefitted tremendously from these efforts.

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VI. Hop Production and Processing Initiative

Project Summary

In the early 20th century Vermont was one of the leading producers of hops in the United States. The University of Vermont, in coordination with the Agency of Agriculture, initiated hop trials in 1997. Vermont has seen a significant increase in interest in specialty breweries and hop growers in recent years. The interest in using locally produced hops has in turn increased significantly especially with the world shortage of the crop, driving prices up over 400 percent.

Project Approach

The Agency, in coordination with UVM, the American Brewers Guild, the Vermont Brewers' Association, individual brewers and farmers researched hop harvesting and processing equipment scaled to the Northeast U.S. Relationships were established with USDA's Agricultural Research Service as well as the Foreign Agricultural Service to identify domestic and international equipment suppliers.

In response to requests from Vermont's breweries and several prospective hop growers, the Agency organized a mission to the Czech Republic, Germany and Belgium in late August-early September 2008 to look into hop harvesting and processing. The group was chosen by the Agency to represent a range of stakeholders along the hops supply chain, from production to consumption and included: Steve Justis, then Senior Agricultural Development Specialist with the Vermont Agency of Agriculture (who has since retired); Morgan Wolaver, Brewery Owner; Steve Parkes, Master Brewer; Tim Newcomb, marketing specialist; and Gene L'Etoile, hop farmer.

The team visited 10 different farms to learn how growers in this region, with a climate similar to Vermont's, manage the diseases that destroyed the Vermont hops industry in the early 1900's and produce some of the world's highest quality hops. Study followed every step of the production process, from soil conditions to harvesting and bagging. Morgan Wolaver, one of the trip participants, runs a successful Vermont brewery and would like to develop a local supply of hops.

Goals and Outcomes Achieved

Goals associated with this project were to identify at least one supplier of small-scale hop harvest and processing equipment and to establish two commercial hop producers by 2010. Two commercial hop producers were not established, but there was significant progress made on identifying appropriate processing equipment for small-scale hopyards in Vermont. A significant outcome of the trip to Europe was the opportunity to see this equipment first hand, and connect with manufacturers to solicit input on model design.

Revisiting the work plan, it was apparent that partnering with other states could be the most productive and efficient use of these funds. The Agency continues to work with UVM and other states including Massachusetts and Connecticut to partner and leverage resources to assist Vermont producers in cultivating hops for specialty products. Vermont has at least 17 craft breweries with a need for production of 300-400 acres of hops.

Lessons Learned

There is significant potential in this area for Vermont producers. Funding has been provided for both a qualified consultant exploring the business case for hops production and a University of Vermont professor studying best practices for growing hops. The group did find that the necessary equipment for running a commercial hops facility will cost approximately \$250,000 to \$300,000 and will seek this funding at a future date.

The Agency will continue to partner with UVM and farmers to explore how to maximize the potential of the hop crops for Vermont producers and specialty crop expansion.

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