

# Governor's Commission on the Future of Vermont Agriculture: 2022 Supplemental Report

November 15, 2022

## I. Background

Pursuant to [Executive Order No. 03-21](#), the Governor's Commission on the Future of Vermont Agriculture was convened on April 1, 2021 and submitted an initial [Action Plan](#) to the Governor on November 15, 2021.<sup>1</sup> The Executive Order further required the Commission to measure and evaluate progress and submit a supplemental report to the Governor assessing the impact of its work and implemented strategies on or before November 15, 2022.<sup>2</sup> This report constitutes the Commission's fulfillment of its obligation under the Executive Order.

The Commission's 2021 Action Plan included four intersecting and mutually reinforcing high-level priorities for the future of Vermont agriculture:

- I. All Vermonters benefit from healthy nutritious food and a robust local food system
- II. Vermont fuels agricultural business entrepreneurship, growth, and sustainability, so that food producers and businesses are profitable across a range of sizes, stages, and business models
- III. Vermont attracts and supports the next generation of farmers
- IV. Vermont strengthens and supports its brand

The report identified specific goals for each priority, a list of 18 high-impact strategies to advance the priorities and goals over the next three to five years, and a five-step action plan that focused on a subset of the strategies that the Commission recommended to the Governor for immediate implementation.<sup>3</sup> The report further specified that it will be critical for the state to promote both equity and healthy natural systems across all four priorities.

Since the Commission released the 2021 Action Plan, it has received invaluable feedback from a variety of stakeholders on the report contents, including goals and strategies that were especially resonant as well as potentially impactful ideas and areas of focus that did not make their way into the report. The Commission has observed significant uptake and progress on advancing many of its strategies, though remaining gaps or barriers with respect to other strategies still exist. It has also seen new realities within and beyond the agricultural sector reshape the landscape for advancing its goals in important ways. These include, for example:

- A receding of the COVID emergency and gradual (though not complete) return to shared indoor activities and loosening of supply chain constraints.

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<sup>1</sup> The Action Plan was released to the public on February 7, 2022. A list of Commission members and their affiliations is in [Appendix I](#). Facilitation support for the Commission is provided by Toby Berkman and Brandon Chambers at the [Consensus Building Institute](#).

<sup>2</sup> A second Supplemental Report shall be submitted on or before November 15, 2023.

<sup>3</sup> Many of the selected priority strategies were previously identified during an 18-month stakeholder engagement process which led to the publication of the [Vermont Agriculture & Food System Strategic Plan 2021-2030](#) in February 2021. The Strategic Plan and its multiple issue briefs served as initial and foundational documents that Commissioners selected from, adapted, and added to, based on their expertise and additional stakeholder input.

- A significant, unprecedented influx of one-time federal funding through the American Rescue Plan Act (ARPA), the Inflation Reduction Act (IRA), and other federal legislation, as well as the state budget surplus, that can be leveraged to support food system goals.
- Heightened concerns around inflation and the impact of high food prices, housing, and childcare costs on low-income Vermonters.
- An ongoing trend of increased migration into Vermont linked to COVID and climate issues.
- Continued challenges among farms and food businesses seeking to identify and hire qualified workers.
- An overall interest in understanding and adapting to a new “post-COVID” market reality.

Commission activities January to November 2022:

- 12 total meetings
- Environmental advocacy organization panel
- Agriculture and food business assistance coaches panel
- Marketing, branding and agritourism experts panel
- Informal consultations with stakeholders and experts

**Overall, the Commission believes that these factors have created a generational opportunity to identify and leverage transformative investments in the food and agriculture system. The conditions for such meaningful change may not arrive again for decades or longer. The Commission strongly urges the Administration and legislature to be highly ambitious and forward-thinking in their decisions on investments, in particular where there are opportunities to use state funding to leverage federal cost share and other opportunities.**

The Commission met 13 times since submitting its initial report on November 15, 2021, including one in-person meeting. As part of these meetings, the Commission hosted three panel discussions with representatives from environmental advocacy organizations, business assistance coaches for small- and medium-sized agriculture and food businesses, and experts in marketing, branding, and agritourism.

Commissioners also engaged in dozens of informal consultations with stakeholders and experts within their own professional networks including trade associations, industry groups, individual farmers, product producers, direct market aggregators, and others.

Current conditions have created a generational opportunity to identify and leverage transformative investments in the food and agriculture system.

In this 2022 Supplemental Report, the Commission reports back on specific areas of success pursuing the strategies from the 2021 report, identifies areas where progress has been more difficult or slow, and offers additional recommendations to fill gaps in the 2021 report and adapt to changed realities.

## II. Summary of 2022 Recommendations

The table below summarizes the Commission’s 2022 recommendations and any associated funding requests, organized by area of focus. Additional details and the rationale for each focus area and recommendation are provided in [Section IV](#).

Recommendation	Funding request
<b>2022 Core Focus Area: Leverage economic development and local food funding opportunities for maximum impact</b>	
<i>Recommendations to align funding with needs and opportunities across the sector</i>	
1. <u>Appropriately Scaled and Consistent WLEF Funding</u> : Increase support for the Working Lands Enterprise Fund and ensure it is predictable over the long-term.	FY23: \$1M (GF base funding) and

	\$4M (GF one-time funding). Future years: \$3M (GF base funding).
2. <u>Dairy Modernization Fund</u> : Create a specialized grant program at VAAFM to support innovation and modernization among the next generation of conventional and organic dairy farmers and farm workers and address funding gaps in storage, handling, and other infrastructure.	\$20M (GF one-time funding)
3. <u>Dairy Succession and Transition Support</u> : Support the next generation of conventional and organic dairy farm families with startup and transition costs, with a focus on farm succession/transfers.	FY24 and FY25: \$2.5M (GF one-time funding, each year)
4. <u>Food Producers and Value-Added Processors Funding</u> : Allocate funding to VAAFM to provide dedicated, competitively awarded, grant funding for small and mid-sized agricultural producers and value-added processors in the meat, vegetable, and maple sectors.	\$15M
5. <u>Distribution Hub Expansion</u> : Allocate support for expansion of distribution hubs (cold, freezer, and dry storage, cross docking capacity, strategically located in different parts of the state) to enable small and mid-scale producers to more easily get their products on trucks headed for New England and New York markets in response to consumer demand.	\$5M (GF one-time funding)
6. <u>Agritourism Expansion</u> : VACCD in collaboration with VAAFM should promote the Community Recovery and Revitalization Grant program to farms interested in making infrastructure improvements to their farm-based agritourism operations (e.g., parking and sanitation improvements, on-site marketing capacity).	At least \$2.5M of grants should be available for such projects
7. <u>Implement Ag and the Environment Investments</u> : The Administration should take measures to effectively shepherd strategic investments in agriculture and the environment, optimizing current funding for climate-smart agriculture, PES, and other initiatives to maximize positive outcomes.	\$0 new funding (~\$6M already funded)
<i>Recommendations to ensure funding accessibility and equity, and address regulatory hurdles</i>	
8. <u>Permitting, Regulation, and Funding “Navigator” Pilot Program</u> : The Administration should revisit the Commission’s 2021 recommendation to establish a new full-time permitting, regulation, and funding “navigator” position or positions to assist a range of farm and food businesses by streamlining their experience of government programs and resources, beginning with an initial 3-year pilot program to assess the need and evaluate impact.	\$1M
9. <u>Grant Program Outreach and Accessibility</u> : VAAFM and VACCD should continue to improve their websites and outreach efforts to draw users to their on-line repository of grant programs and webinars, which explain eligibility guidelines for grant programs run by state and partner agencies.	\$150K (one-time)
10. <u>Dedicated Outreach to BIPOC Farmers and Food Entrepreneurs</u> : Devise and deploy a robust communications plan to conduct outreach to BIPOC farmers and food entrepreneurs with all new initiatives listed above.	\$500K for yr 1; \$250K/yr thereafter
11. <u>Advancing Racial Equity Within State Government</u> : The Administration should build on and accelerate agencies’ work to respond to racial equity efforts.	\$300K
<b>2022 Enabling Focus Area 1: Clarify and Enhance the Vermont Brand</b>	
12. <u>Cross-Sector Benchmarking Research on the Vermont Brand</u> : Provide funding for research to update and examine the current perception of the Vermont agriculture and food brand.	\$1M (one-time)

13. <u>Brand Toolkit for Small and Medium-Sized Enterprises</u> : Allocate funding to develop a Vermont agriculture and food brand toolkit, trainings, and technical assistance hub to support small and medium-sized farm and food businesses and aggregators, and to grow Vermont brand.	\$1M (one-time)
<b>2022 Enabling Focus Area 2: Connect and build trust among agriculture and environmental stakeholders</b>	
14. <u>Convene a Structured Stakeholder Dialogue Process on Ag and the Environment</u> : The Administration should support a structured dialogue among key agriculture and environmental organization stakeholders, with a goal of improving communication and enabling cross-sectoral agriculture and eNGO collaboration.	\$250K for yr 1; \$100K/yr thereafter

### III. Progress Report

In this section, the Commission provides details on its 2021 priorities, goals, and strategies, and measures and evaluates progress. Specifically, the Commission specifies 2021 strategies that received some degree of funding in the FY23 budget or other support and the level or nature of the support, and measures that did not. The Commission then offers some general reflections on the funding situation, successes and gaps, and what this suggests in terms of progress and investments moving forward. For a complete list of the Commission’s goals and strategies from the 2021 Report, please see [Appendix II](#).

13 out of the Commission’s 18 strategies from 2021 received some degree of funding or other support from the Administration or legislature, with total potential funding outlays well in excess of \$70 million.

Overall, there was remarkable support for the Commission’s strategies in the FY23 budget and other federal sources. **13 out of the Commission’s 18 strategies received some degree of funding or other support from the Administration or legislature, with total potential funding outlays well in excess of \$70 million.** Some of the priority Action Plan items were supported and many overall strategies outlined in the report were supported and funded. While important gaps remain, this degree of fiscal support and overall progress within a single year represents an unprecedented success. The Commission is grateful to the Governor and legislature for giving the Commission’s recommendations such serious consideration and support. For a summary of FY23 budget outcomes for each individual 2021 strategy, please see [Appendix III](#).

The four priority areas offered valuable categorization of the various FY23 state budget appropriations and federal investments. Outlined below is a narrative description progress report, organized by priority areas, of the FY23 investments. In light of the FY23 investment successes and as described in more detail below, moving forward it will be critical to ensure the significant amount funding already directed to specific goals and strategies articulated in the Commission’s 2021 Report is leveraged for maximum impact. For Commission goals and strategies that did not gain as much immediate traction and/or funding in the past year, or where the Commission believes there are opportunities to further leverage recent successes, the Commission has selected and/or refashioned select recommendations that it believes merit more consideration for the upcoming year.

Importantly, the Commission is limited in its capacity to provide a detailed report on the equity impacts of specific recommendations based on information currently available. This challenge underscores the benefits of gathering and making available demographic information around program participants and grant recipients, so we can better measure and improve equity impacts.

### *2021 Priority I: All Vermonters benefit from healthy nutritious food and a robust local food system*

Numerous one-time commitments and general fund appropriations were provided to VAAFM, their partners, or through Agency of Education and Department for Children and Families to support a robust food system and food secure communities. Meaningful investments were made in established programs, including: Vermonters Feeding Vermonters, Farm to School and Early Childcare grants, and Child Nutrition grants to schools. Each of these efforts is currently utilizing these resources as they promote and execute programming in FY23.

One-time appropriations were invested in areas in need of immediate support, such as: support for the Northeast Organic Farming Association of Vermont (NOFA-VT) established food security programs and resources to assist in the establishment of a statewide food security action plan lead by the Vermont Sustainable Jobs Fund (VSJF). Both appropriations responded to increased food insecurity and community need as a result of the COVID-19 pandemic. Since these were investments in established programs or underway organizational efforts, the appropriations are showing impact already in FY23 through more grants, better community engagement, and expanded support to vulnerable Vermonters.

Additionally, VAAFM was driven to engage in diversity, equity, and inclusion work by contracting with a consultant — [MMG Earth](#) — in 2023 to provide a baseline racial equity and belonging audit (REBA) report and outline strategies to address the need for a plan of action within the Agency and greater agricultural community. This report will be finalized and made publicly available in fall of 2022.

### *2021 Priority II: Vermont fuels agricultural business entrepreneurship, growth, and sustainability, so that food producers and businesses are profitable across a range of sizes, stages, and business models*

ARPA resources to the Vermont Agency of Commerce Community Development (VACCD) were a majority contributor in addressing the sustainability needs of agricultural businesses. \$40 million was dedicated to support the Community Recovery and Revitalization Program (CRRP), previously entitled Capital Investment Grant (CIP) program. CIP invested approximately \$2 million in agricultural businesses with the understanding that the ongoing need remains high, especially within the meat slaughter and processing and food system supply chain sectors. CRRP will make awards of up to \$1 million to primary working lands producers (businesses with NAICS code 11) or to businesses with 50% of revenue derived from agritourism. Consequently, a small but critical cross-section of the agricultural sector will be eligible applicants for this \$40M program.

One-time FY23 appropriations were secured to support organic farming, produce safety, and on-farm infrastructure — each representing a critical sector support for expanding industries, as well as established roles at VAAFM and with Natural Resources Conservation Districts. Many of these investments are just now being developed and impact will not be actualized until later in FY24.

Many established and proven programs were supported in the FY23 budget, including: Working Lands Enterprise Initiative, Current Use Program, Farm and Forest Viability Program at VHCBC, and support to the Payment for Ecosystem Services Working Group. The first three of these efforts have proven track records of making meaningful investments, strong return on investment, and recognition by the

community; the latter represents an initiative still in its planning stages that has high potential to deliver critical investments and innovation moving forward. The Working Lands ARPA Request for Applications for \$1 million was launched in October 2022. The second \$1 million will be released later in 2023. Additional resources in each of these areas is a valuable investment that can quickly return dividends as more entrepreneurs expand and explore new business needs.

This priority area provides the opportunity for alignment and leveraging with federal funded initiatives, such as the Northeast Dairy Business Innovation Center (NE-DBIC). NE-DBIC shares the desire to make meaningful investments in on-farm innovation technologies and equipment purchases by the dairy industry and committed \$1 million in grants across the northeast region. NE-DBIC plans to release this funding in fall 2022.

### *2021 Priority III: Vermont attracts and supports the next generation of farmers*

VAAFM is supported by many partners in concern for our next generation of farmers and how they will navigate a shifting climate, changing markets, and ongoing recovery from the COVID-19 pandemic. These concerns require new innovations and investments.

VAAFM is leading on climate smart farming incentives and work with VHCB Farm and Forest Viability Program to assess the current array of resources and services available to new and beginning farmers combined with recommendations to the Legislature in January 2023 of additional program and support needs. There will likely be opportunities to expand and build upon these services to best serve our next generation farmers into the future.

The Vermont Economic Development Authority (VEDA) just launched its forgivable loan program which provides agricultural businesses an important opportunity for ongoing recovery from the pandemic and expansion of their production, processing, and innovation efforts. This \$19 million program provides key opportunities beyond those within VACCD's Community Recovery and Revitalization Program or Working Lands ARPA funds. Specifically, the VEDA program can support value-added production and processing requests from Vermont's agriculture and food businesses. New businesses are often interested in the innovation and greater retained value associated with value-added processing and these resources will serve as an essential support.

Another partnership investment under development from NE-DBIC will support apprenticeships and/or workforce development initiatives. NE-DBIC will soon release \$735,000 to support these goals, with funding restricted to the dairy industry located in the 11-state northeast region. As a result, there remain mentorship support needs across other agricultural sectors in Vermont as we continue to prepare our agricultural community for the next generation of farmers.

### *2021 Priority IV: Vermont strengthens and supports its brand*

Investing in Vermont's brand is fundamental to our ability to remain competitive in a global marketplace and continue to celebrate the uniqueness and quality of Vermont products. However, legislative commitments to invest in branding and marketing can be challenging to come by. No branding or marketing investments were made in FY23 and the strategies outlined were not directly attributable to

other established initiatives or leveraged collaborations. The focus on strengthening the Vermont Brand will remain a priority, with more specific asks, in FY24 recommendations.

VAAFM is planning to engage a branding consultant in consumer preference research and analysis of how these preferences could influence Vermont brand development and promotion efforts. This work is anticipated to occur in early 2023 and serve as a foundation for future branding efforts in FY24.

## **IV. 2022 Areas of Focus and Recommended Priorities**

Overall, the Commission's recommendations in this 2022 Report focus on specifying high-leverage opportunities to utilize the unprecedented influx of economic development and local food funding to advance the Commission's most pressing goals (as identified in the 2021 Action Plan). Accordingly, the Commission has identified specific investment opportunities and other actions that it recommends the Administration prioritize for FY24 to address areas of the highest and most immediate need and long-term, sustainable impact. At the same time, the Commission's deliberations and consultations suggest a pair of critical, cross-cutting "enabling" areas of focus and associated recommendations that will help ensure these investments are utilized to maximum effect. Specifically, the Commission recommends the following areas of focus for 2023 to build on successes, fill gaps, and adapt to changed realities.

- **2022 Core Focus Area — Leverage economic development and local food funding opportunities for maximum impact:** Considering the significant influx of ARPA money and other funding, the Commission has identified specific measures to ensure infrastructure and other new investments are directed toward supporting the food system in line with the Commission's vision and priorities for economic development, strong local food systems, and support the next generation of farmers and agricultural entrepreneurs. The Commission has narrowed and refashioned the funding recommendations from its 2021 Report into specific immediate opportunities that it believes should be funded in the coming year. The recommendations focus on 1) aligning funding with needs and opportunities across the agriculture and food sector, and 2) ensuring funding accessibility and equity and addressing regulatory hurdles.
- **2022 Enabling Focus Area 1 — Clarify and enhance the Vermont brand:** The strength of the Vermont brand is central to achieving all the Commission's goals. A strong and well-understood brand will attract new entrepreneurs, travelers, and workers to Vermont; help agriculture and food businesses plan and reach additional customers; and provide clarity to the Administration and policymakers on approaches to help the state maintain and enhance its market position. The Commission has identified low-cost, high-impact measures to demonstrate clarify and enhance the state brand, provide tangible tools for businesses to leverage the brand, and open up the potential for broader, even more impactful initiatives should these initial efforts prove successful. Modest investments in this area will pay significant dividends by enhancing the impact of other funding in the agriculture and food sectors and beyond.
- **2022 Enabling Focus Area 2 — Connect and build trust among agriculture and environmental stakeholders:** The Commission has observed that currently, there are challenging relations among agricultural and environmental stakeholders in Vermont. This state of affairs limits the ability of either sector to achieve its core aims, and hinders progress within those areas of shared interest where the sectors could or should be strongly aligned. There is a significant deficit of communication, trust, and collaboration across the two sectors that, if left unaddressed, will limit the transformative potential of available economic development, local food, and climate funding collaborations. While recognizing that there will always be differences

in priority and some amount of healthy friction between these sectors, the Commission believes a series of initial steps to stand up and implement spaces for cross-sector dialogue and relationship building could improve significantly upon the status quo.

More details on each of these areas of focus are provided below, along with specific recommendations for measures to prioritize in 2023.

## ***2022 Core Focus Area: Leverage economic development and local food funding opportunities for maximum impact***

### **Background**

As described in the Commission's 2021 Action Plan, Vermont is facing a dramatic shift in the agricultural sector due to economic and demographic changes. The key to the development and maintenance of the farms and food businesses that form the backbone of our rural communities is to support the next generation of farmers and their ability to access the next generation of technology and infrastructure needed to be financially successful. New and beginning farmers face a number of challenges including shifting markets, exploring alternative business and production models, increasing risk due to climate change, and a variety of barriers to accessing affordable land. The types of support that are critical to their success include assistance in identifying and accessing suitable land, development of strong farm business management skills, sufficient and appropriate production and processing capacity, supportive policies around markets, and access to the right forms of capital.

Expanding agricultural and value-added food production requires on-going infrastructure improvements typically in 5-year cycles as growing consumer demand leads to the need for more supply of Vermont-made products. For many small and mid-sized operations, profit margins are thin and existing equity is insufficient to meet loan-to-value ratios required for most loans. Grants (which function like equity in loan applications) or forgivable loans can bridge this gap and allow for agricultural businesses to expand into new in-state and regional product markets or better serve existing markets.

These issues are exacerbated by the pressing need for skilled workers in the sector, including tradespeople, truckers, and apprentices. The lack of available workers limits businesses' ability to expand, acting as a drag on growth and innovation within the sector overall.

In light of these challenges, the Commission believes it is essential to ensure infrastructure funding and other new investments are directed toward supporting the food system in line with the Commission's vision and priorities for economic development, local food, and the next generation of farmers and food entrepreneurs. ARPA and other sources have provided significant one-time funding opportunities, and it is not clear when another, similar opportunity will arise. It will be critical to spend this money wisely, through proven programs and successful models, and in a manner that will support significant impacts over the long-term. The specific recommendations for 2023 priorities identified below are designed to advance these principles, in line with the Commission's 2021 goals and priorities. They include one set of recommendations to align funding with needs and opportunities across the agriculture and food sector, and another set of recommendation to ensure funding accessibility and equity and address regulatory hurdles.



## Recommended Priorities for 2023

### *Recommendations to align funding with needs and opportunities across the sector*

***Recommendation 1: Appropriately Scaled and Consistent WLEF Funding.*** Increase support for the Working Lands Enterprise Fund (WLEF) and ensure it is predictable over the long-term. Specifically, in FY24 the legislature should maintain the \$1 million base in General Fund support of the WLEF and allocate an additional \$4 million in one-time General Fund funding. In future years, the legislature should increase the base to \$3 million annually. Demand for these funds (which are also used to support the forest products industry) consistently outstrips supply and there is a need for long-term consistent funding to support these working land industries. With more predictable funding, working lands businesses are better able to plan for significant capital investments, which may take a couple of years from planning and permitting to complete. State grant funds are able to function like equity when working lands businesses seek traditional forms of capital such as debt, enabling these entities to achieve a loan-to-value ratio that enables the loan to be secured.

***Recommendation 2: Dairy Modernization Fund.*** Create a specialized grant program at VAAFM, funded with \$20 million in one-time General Fund dollars, to support innovation and modernization among the next generation of conventional and organic dairy farmers and farm workers and address funding gaps in storage, handling, and other infrastructure. The goal should be to modernize aging dairy farms by upgrading or retrofitting farm buildings and making investments in technology that make it easier for the next generation to take over the farm, and lead to higher paying jobs, new streams of income and better work-life balance. Grant funds could be used for the following purposes:

- Support the modernization of dairy barn and creamery facilities such as new parlor systems, and use of robotic milkers.
- Support the development of new methane digesters for both nutrient management and renewable energy generation.
- Give young farmers an equity stake in a farm operation or buy additional acreage and thereby free up other funds they may have to invest in modernizing the farm business.

***Recommendation 3: Dairy Succession and Transition Support.*** Provide \$2.5 million in General Fund support in FY24 and FY25 to support the next generation of conventional and organic dairy farm families, especially farm transfers, with startup and transition costs. Special emphasis and outreach should be made to encourage BIPOC farmers to apply, and to capture demographic data on impacts. Funds should be dedicated for the following purposes:

- To provide a combination of a \$50,000 grants paired with a 0% interest 5-year loan through VEDA-VACC to 30 new dairy farmers (could be for transition to the next generation or a purchase by young, non-family member) to make investments in new/modern equipment and new ownership models that set the next generation owner up for success. Funds could be used to diversify to other forms of animal agriculture (e.g., goat dairy, grass-fed dairy, dairy on beef operations, beef).
- To provide up to \$25,000 in college loan forgiveness to 40 young farmers if tied to farm succession, or a new or beginning farmer purchasing an existing dairy farm operation that does not have a family-based succession opportunity.

***Recommendation 4: Food Producers and Value-Added Processors Funding.*** Allocate \$15 million to VAAFM to provide dedicated, competitively awarded, grant funding for small and mid-sized agricultural producers and value-added processors in the meat, vegetable, and maple sectors. This

would include expanding slaughter and processing capacity for meat, processing and distribution for vegetables and grains, and increasing capacity for value-added and new maple products. These aspects of the food system remain under resourced or ineligible for currently available programs. Special emphasis and outreach should be made to encourage BIPOC farmers to apply, and to capture demographic data on impacts. Allocation of these funds would help fulfill a number of the Commission's 2021 recommendations around strategic infrastructure and processing investments.

***Recommendation 5: Distribution Hub Expansion.*** Allocate \$5 million in one-time General Fund support for expansion of distribution hubs (cold, freezer, and dry storage, cross docking capacity, strategically located in different parts of the state) to enable small and mid-scale producers to more easily get their products on trucks headed for New England and New York markets in response to consumer demand and business growth objectives. Allocation of these funds would likewise help fulfill a number of the Commission's 2021 recommendations around distribution investments.

***Recommendation 6: Agritourism Expansion.*** VACCD in collaboration with VAAFV should promote the Community Recovery and Revitalization Grant program to farms interested in making infrastructure improvements to their farm-based agritourism operations (e.g., parking and sanitation improvements, on-site marketing capacity). At least \$2.5 million of this grant funding should be made available for such projects. Agritourism is a critical "force multiplier" within the sector, educating consumers about the local food system, inspiring interest in farming and local food among the next generation, and enhancing the Vermont brand. Relatively modest investments can help agritourism operations scale up and offer more and higher-quality experiences.

***Recommendation 7: Implement Ag and the Environment Investments.*** The Administration should take measures to effectively shepherd strategic investments in agriculture and the environment, optimizing the \$6 million in funding for climate-smart agriculture, PES, and other initiatives to maximize positive outcomes. Overall, the Administration should recognize the urgency of advancing these programs but allow for an appropriate pace to ensure proper program design. Specifically, the Administration should:

- Pay special attention to over-subscribed initiatives and seek additional funding accordingly.
- Ensure these programs structurally deliver benefits in accordance with and relative to their ability to scale positive results.
- Recognize the key role of Conservation Districts and Extension in realizing climate-smart agriculture and PES goals, and consider additional funding opportunities to amplify their capacity for ongoing assistance.
- Ensure that climate-smart agriculture and PES efforts benefit farmers monetarily, our communities ecologically, and both with appropriate urgency.

***Recommendations to ensure funding accessibility and equity, and address regulatory hurdles***

***Recommendation 8: Permitting, Regulation, and Funding "Navigator" Pilot Program.*** The Administration should revisit the Commission's 2021 recommendation to establish a new full-time permitting, regulation, and funding "navigator" position or positions to assist a range of farm and food businesses by streamlining their experience of government programs and resources, beginning with an initial 3-year pilot program to assess the need and evaluate impact. The goal should be to assist farmers and streamline their experience with government bureaucracy through independent/impartial consultations and support. The Commission has continued to receive consistent feedback on the significant need among small- and medium-sized farm and food enterprises for support navigating

state regulatory processes and accessing funding opportunities. Generally speaking, these businesses do not have the resources to hire consultants to do this critical work for them, and the need for support is likely to increase significantly in the coming years given the influx of funding to scale up programs within the sector. This support will allow businesses to focus on using program dollars and assistance to maximum effect, rather than overcoming barriers to access and regulatory hurdles, which will increase the impact and efficiency of programs across the board. The 2021 Report estimated the costs for these positions at \$285K per year; this report estimates the cost of a 3-year pilot at \$1 million to account for inflation and startup and evaluation costs. The Commission offers the following updates and clarifications to its 2021 recommendation:

- To ensure independence/impartiality and trust among stakeholders, the “Navigator” role does not need to be housed within a state agency. It may be more effectively housed within trusted quasi-governmental or agency-affiliated institutions (such as Conservation Districts) that do not themselves have a regulatory/oversight function.
- Regardless of where the role is housed, it will be important to ensure an appropriate feedback loop with state agencies. In addition to responding to and supporting businesses based on their needs, those in the navigator role should also provide proactive feedback to agencies on how to improve and streamline regulatory and funding processes, based on the experiences of the businesses they support.
- The pilot program could take place in the following phases: 1) assessment of small- and mid-sized business needs, example programs, and existing resources; 2) role set-up and training (including development of measures to track outcomes/impacts and ensure continuity and sustainability over the long-term); 3) implementation, and 4) outcome reporting and evaluation.

***Recommendation 9: Grant Program Outreach and Accessibility.*** The Vermont Agency of Agriculture, Food & Markets (VAAF) and the Vermont Agency of Commerce and Community Development (VACCD) should continue to improve their websites and outreach efforts to draw users to their on-line repository of grant programs and webinars, which explain eligibility guidelines for grant programs run by state and partner agencies. For grant dollars to be put to good use, it is critical that prospective applicants be broadly aware of them, in particular when new or expanded opportunities arise. Emphasis should be placed on raising awareness of recently expanded funding sources such as Community Recovery and Revitalization Program Grants, Northern Border Regional Commission, Working Lands Enterprise Fund, and various USDA grant programs. The Commission recommends a \$150,000 one-time investment to upgrade and maintain the websites and ensure effective outreach.

***Recommendation 10: Dedicated Outreach to BIPOC Farmers and Food Entrepreneurs.*** Devise and deploy a robust communications plan to conduct outreach to BIPOC farmers and food entrepreneurs with all new funding and program initiatives listed above. Targeted additional support (business planning, grant writing) should be provided to enable BIPOC farmers, food entrepreneurs, and their dedicated workforce to become aware of and more easily compete for available grant funds. The following awareness and assistance efforts would enhance program participation and expand funding opportunities for marginalized populations of BIPOC farm and food entrepreneurs and workers:

- Collaboration with the Office of Racial Equity on development and implementation of Language Access Plans that outline utilization of translation and interpretation services.
- Collaboration with community partners (via contracts) to ensure appropriate engagement and compensation (through stipends) for public participation by BIPOC community members.

- Identification, engagement, training, and empowerment of these established community partners to ensure shared understanding of industry needs and opportunities around applying for funding.
- Application of alternative communication platforms to reach a more diverse BIPOC farm and food entrepreneur audience.
- Ongoing partnership with Office of Racial Equity around engagement and outreach efforts, including Language Access Plans and IDEAL Vermont.

The Commission recommends an investment of \$500,000 to support these efforts in year one at VAAFM and VACCD, and \$250,000 per year thereafter.

***Recommendation 11: Advancing Racial Equity Within State Government.*** The Administration should build on and accelerate agencies’ work on racial equity efforts. The Commission acknowledges and applauds VAAFM’s important internal work on racial equity with the consultant MMG Earth, while recognizing that additional important work remains to be accomplished. VAAFM’s recently completed Racial Equity and Belonging Audit (REBA) has begun to raise the Agency’s awareness of the need for additional efforts, policies, and practices to support more equitable constituent engagement and internal organizational change. The impact of implementing these items depends on the Agency’s prioritization of specific actions over the next 18 months. The Commission estimates consultant support for internal work at VAAFM and statewide budget and data engagement work by the Office of Racial Equity to be \$150,000 each, for a total of \$300,000. The following measures should be advanced and/or considered:

- Begin implementation of priority recommendations outlined in the VAAFM REBA report.
- Revisit the 2021 recommendation for VAAFM to endorse and operationalize the NASDA Diversity, Inclusion and Racial Equity Policy.
- Continue collaboration with and seek guidance and resources from the Vermont Office of Racial Equity (lead by Xusana Davis, Executive Director) on statewide budget and data needs.
- Work to fully identify and incorporate statewide budget and data requirements, using an equity lens, into more state programs.

## ***2022 Enabling Focus Area 1: Clarify and Enhance the Vermont Brand***

### **Background**

The perception and brand narrative of Vermont agriculture and food products and experiences has shifted over the last 2.5 years due to local, regional, national, and global events. Anecdotally, the pandemic, climate change, politics, economics, social justice movements, and other societal changes have encouraged people to visit, move to, and/or consume more Vermont products and experiences. Nonetheless, at present Vermont lacks a clear understanding of these shifts — and their implications for agriculture and food businesses and policymakers — that is backed by research.

Among small and medium-sized agriculture and food producers, processors and distributors who do not have resources for outside marketing support, the lack of a cohesive, well communicated, and highly attractive Vermont brand (and associated tools) limits their ability to more competitively promote their products and reach new consumers. These gaps are more acute at present but not new: many of the

briefs in the 2021-2030 Agriculture and Food System Strategic Plan identified the need for improved branding support and data to help agriculture and food businesses across the sector.<sup>4</sup>

A stronger brand will also help the state achieve its local food consumption goals.<sup>5</sup> While local food consumption has increased steadily from 5% to 17.6% since 2010, representing an increase of over \$298 million in annual local food sales, it will be extremely difficult to achieve the 25% local food sales in Vermont by 2030 goal without a needed lift from statewide branding support.

The Commission believes this moment provides a unique opportunity to reconnect with the Vermont brand and seize upon the present paradigm: the state should collect data to support the anecdotal narrative on the appeal of Vermont to consumers (place, people, products, and experiences) and, using this data, invest in growing and managing the brand to the benefit of our economy and communities through tangible and accessible tools for businesses. The Commission further believes that a cross-sector approach — addressing all types of agriculture and food businesses, including agritourism — could be both fiscally prudent and impactful. This effort would follow the lead of other states who have successfully conveyed a cohesive and well-articulated brand.<sup>6</sup> These efforts will generate multiple concrete, positive outcomes, including:

- Valuable, up-to-date data on current perceptions of Vermont, and why people choose to move here, travel here, and purchase Vermont products.
- Businesses within the agriculture and food sector and elsewhere will be able to use this data and these tools to identify and target customers, markets, and marketing approaches to grow their revenue, expand operations, and support economic development.
- Policymakers and agency staff will be able to use the data to identify high-leverage investments and strategies to attract new Vermonters, workers, and travelers to the state.
- Tangible brand tools and support that businesses can utilize to help them better leverage the Vermont brand to grow their operations more effectively and efficiently.
- Benefits to consumers in making decisions, and in experiencing and understanding what differentiates Vermont products and experiences.

The Commission has identified two specific recommendations for 2023 priorities to help advance these issues. The Commission has also articulated some longer-term measures that should be considered for implementation in future years.

### **Recommended Priorities for 2023**

***Recommendation 12: Cross-Sector Benchmarking Research on the Vermont Brand.* Provide \$1 million in funding for research to update and examine the current perception of the Vermont agriculture and food brand. Funding should be used to enable a collaboration among VAAFAM, Vermont Department of**

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<sup>4</sup> See, e.g., Farm to Plate, “2021-2030 Agriculture and Food System Strategic Plan,” Priority Strategy 17, p. 31; Product Brief, Bees and Honey, p. 48; Product Brief, Grapes, p. 69; Product Brief, Hops, p. 76; Product Brief, Specialty Foods, p. 93; Market Brief, Major Metropolitan Markets, p. 113; Issue Brief, Marketing, pp. 170, 172.

<sup>5</sup> Farm to Plate set a goal that by 2030, Vermont food products will be 25% of all in-state food purchases, by dollar value. [Vermont Agriculture & Food System Strategic Plan 2021-2030, Goal 2, p. 16.](#)

<sup>6</sup> While there are obvious benefits to a clear and compelling brand, the Commission acknowledges that it can also be important to maintain a brand’s ability to appeal to different people for different reasons. The diversity of perspectives on the Vermont brand and its implications for statewide branding support should be one of the topics for research, discussed below.

**Tourism & Marketing (VDTM), and the Vermont Sustainable Jobs Fund to collect and manage a repository of information on the Vermont brand as it relates to agriculture and food products and experiences.** Key steps post-funding should include developing a Request for Proposal and retaining an entity (internal or external) to compile and review existing research and then design and disseminate a poll/survey widely amongst a broad range of constituents. Potential questions of interest could include, for example:

- What is the market position and marketability of the Vermont agriculture and food brand to consumers and producers? (Who are we competing with? How are we performing?)
- What do people think and feel about the Vermont agriculture and food brand? (How are we perceived?)
- How does the perception of the Vermont brand among consumers inform decisions to spend time and/or resources on Vermont agriculture and food products and experiences? (How much does that perception matter?)
- What are the consumer personas/psychographics that Vermont agriculture and food appeals to? (Whom should we engage?)
- What opportunities are there to reach new consumers, visitors, and/or people considering moving to Vermont to work or engage in the agriculture and food sector? (How do we effectively engage them?)

The initiative should provide financial incentives for trade/member associations, industry groups, organizations, and individuals to participate in this brand research. Eventually, the goal should be to make information on the Vermont agriculture and food brand accessible through a free central repository to trade groups and organizations, especially businesses and organizations who cannot afford a marketing or brand study for their industry.

The research should be designed to enable the development of a robust Experience Vermont/Made in Vermont platform and campaign to effectively communicate the Vermont brand, as explained in more detail below. Immediate, low cost/high return steps to improve brand communication should be taken in the interim, such as:

- Bringing existing and new research together into a central, accessible repository
- Updating and aligning existing websites (like Think Vermont, Visit Vermont, Explore Vermont, and Vermont Vacation) based on brand research outcomes.
- Optimizing these sites for key search terms identified through the research.

***Recommendation 13: Brand Toolkit for Small and Medium-Sized Enterprises.*** Allocate \$1 million to develop a Vermont agriculture and food brand toolkit, trainings, and technical assistance hub to support small and medium-sized farm and food businesses and aggregators, and to grow Vermont brand. Alongside efforts to clarify current perceptions of the Vermont brand, the Administration should provide concrete tools for small and mid-sized food, agriculture, and agritourism businesses and aggregators to leverage the Vermont brand more effectively in developing and marketing their own products and experiences. The goal should be to help farmers, producers, trade associations, aggregators, and other food businesses reach new customers by developing tailored assistance services and programs specific to various market channels. Funding could go to individual farm and food businesses to improve their branding via coaching and mentorship (focused on storytelling and the

“seven P’s of marketing”), graphic design consultants, and grants to attend national sales and marketing industry events.<sup>7</sup> Key elements of the initiative could include:

- Development of a funding model to sustain the Vermont brand program over time — including an option for affordable subscriptions or memberships for farmers, producers, farmers markets, and others — while keeping resources accessible to stakeholders who may be small scale or have limited budgets.
- Resources to run a marketing coaching program that is accessible to agriculture and food organizations and businesses of all scales, helping them learn to tell their stories, get their products on shelves, and/or leverage e-commerce. Ensure the coaching model provides sustainable support over time (e.g., regular check-ins not “one-offs”), encourages follow through among grantees, and includes measures to track impact.
- A marketing and branding-focused innovation challenge and associated mentorship opportunities as a way to maximize the impact of dedicated funding.<sup>8</sup>
- Creation and management of a regularly updated and accessible brand toolkit (style guide, brand assets) and resource library for stakeholders to improve and align their content and visual marketing campaigns.
- Collaboration across state departments, including the Department of Tourism and Marketing, to house the brand identity and resources.
- Grants to trade associations, agricultural organizations (including food hubs, farmers markets, aggregators) to access and deliver trainings, technical assistance, marketing resources and subsidized tools (including graphic design, website, and social media management programs) to their members.

***Recommended longer-term measure: Robust Brand Platform and Communications.*** Moving forward, Vermont should utilize its brand research and tools to maximum effect by developing and launching a robust Experience Vermont/Made in Vermont platform and an associated coordinated marketing initiative to effectively build and communicate the Vermont brand. The goal should be to provide an engaging hub that promotes Vermont as a place to visit, stay, eat, shop, and live, and to incorporate existing and updated information from local businesses, organizations, and governmental entities. Because the design and scope of the initiative should be based on the outcomes of the brand research, this is not a recommendation for 2023. However, the Commission strongly recommends that Recommendation 11 (above) should be implemented in a manner that facilitates the potential development of this platform and communications effort. Elements of this initiative could include, for example:

- A statewide website and multimedia campaign (digital, TV, print, radio, influencer campaign, etc.) to immerse and engage people in the Made in Vermont experience and showcase local agricultural products (building off existing sites like Think Vermont but at a larger scale)
- Marketing support to Vermont farm and food businesses in emerging metropolitan markets
- Shared marketing broker positions to promote Vermont products and companies
- Shared communications and content creator position between the VDTM and VAAFM to push out success stories and content about Vermont agriculture and food entrepreneurs
- Marketing materials for specific products or associations
- Measuring the efficacy of campaigns across industries with revenue and engagement data.

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<sup>7</sup> The “seven P’s of marketing” are product, price, promotion, place, people, process, and physical evidence.

<sup>8</sup> Funding for an innovation challenge should be additional to not in place of coaching/mentorship program funding.

- Developing a budget model to keep campaigns up to date and continuously responsive to evolving consumer preferences.

## ***2022 Enabling Focus Area 2: Connect and build trust among agriculture and environmental stakeholders***

### **Background**

The 2021-2022 Vermont legislative session resulted in unprecedented funding totaling over \$6 million for Commission-recommended priorities related to agriculture and the environment.<sup>9</sup> The related projects are now in the early stages of multi-year implementation and while we anxiously await meaningful results, outcomes are not yet available for this Commission reporting cycle.

However, the recent legislative session highlighted both the potential benefits and the strong need for improved stakeholder relations among agriculture stakeholder groups and environmental non-governmental organizations (eNGOs). On a variety of issues from water quality to wetlands protection to regulation of on farm businesses, both groups of stakeholders have seen many of their key priorities stalled due to skepticism or opposition from the other.

Moving forward, the Commission is concerned that challenging relationships, lack of trust and lack of communication across these sectors will cause ongoing delays and inefficiencies in implementing critical programs and funding opportunities. To put the issue in stark terms: none of the Commission's recommended investments will have their desired impact if they become embroiled in litigation, disagreements on regulatory authority, and other battles. Many of these battles have their roots in distrust and poor communication among agricultural and environmental stakeholders, due in part to the lack of trusted, well-facilitated, appropriately resourced space for ongoing stakeholder dialogue. Stakeholders from all sides of this issue report that there is no clear place for them to go to simply check-in with representatives from the other sector, identify shared priorities where they exist, and work through their differences. While the Vermont Dairy and Water Collaborative engaged in a similar effort in 2018, with specific attention to the complexity of dairy pricing, farmland stewardship, and issues tied to water quality in Vermont, circumstances and players have shifted enough that another effort is warranted.

While recognizing that the issues between these stakeholder groups in Vermont have a long and difficult history, and wholly transforming relationships in the near term is not a realistic goal, the Commission nonetheless believes it will be essential to invest time and resources in aligning priorities and improving communication. Better understanding and alignment between stakeholders for outcomes that benefit stakeholders and interests at all levels (agency, eNGO, agriculture, the environment) is *the* priority recommendation within this focus area for the year ahead. Focused outreach and communication will be critical to identify areas where improved cross-sector collaboration has high potential to yield meaningful, mutually beneficial results. Potential outcomes from this initiative over time include:

- More efficient and effective delivery of state programs to advance environmental and agricultural goals

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<sup>9</sup> This total includes \$1 million for continued support for the PES work group and close to \$5 million for climate smart agricultural incentives.



- Fewer state and private resources devoted to litigation and problem-solving around program and policy implementation
- Stakeholder commitments to collaborate on advancing select issues, resulting in more responsive governance and less gridlock
- Increased trust among influential stakeholders and groups
- Improved clarity and communication on the cross-sectoral impacts of specific regulations, policies, and programs, resulting in better decisions and more effective governance

### **Recommended Priorities for 2023**

***Recommendation 14: Convene a Structured Stakeholder Dialogue Process.*** The Administration should support a structured dialogue among key agriculture and environmental organization stakeholders, with a goal of improving communication and enabling cross-sectoral agriculture and eNGO collaboration. Specifically, the Administration should discuss internally and engage in outreach to key eNGO and agricultural community members to clarify their interest in and the potential contours of a dialogue process, including identifying one or more trusted institutions or agencies to convene the initiative. It will be critical to ensure that the convening institution (or group of co-convening institutions) is seen as appropriately impartial and capable of managing a robust and inclusive process. The Commission believes it would send a powerful message about the Administration's commitment to improve relationships if the initiative were to include high-level representation and support from both the Agency of Natural Resources and VAAF. Agency outreach may be further enabled and enhanced by including/leveraging Commissioners' direct support.

From there, key design questions should include: the goals for the dialogue, which stakeholders or groups to include as participants and in what capacities (including clarity on the role of agency heads/staff, and how to equitably and effectively engage farmers), and key process choices (frequency of meetings, where/when to meet, issues to address, meeting outputs/products, agendas, etc.). Given the high levels of distrust, many of these design questions will best be answered with guidance from an experienced facilitator and based on input from stakeholders on all sides of the issues. Any dialogue process should be preceded by a thoughtful assessment of stakeholder interests, concerns, and needs to inform key design choices. It will also be important to clarify the successes and failures of the Vermont Dairy and Water Collaborative initiative that took place from 2018-2019, and identify lessons learned.

Possible goals and design choices for the initiative could include the following:

- An overall emphasis on ensuring practical progress and clear outcomes, to ensure a sense of momentum and purpose
- Initial efforts to build relationships and clarify a shared future vision among agricultural and environmental stakeholder groups.
- Clarification of shared goals around land use and other key issues, based on the shared vision, as well as key areas of difference.
- Communication around each group's key legislative and regulatory priorities, and the motivating interests/needs behind them.
- Information sharing on the impacts of different current or potential policy or regulatory options on stakeholders/interests within each sector.
- Exploration of the potential for coordination around advancing shared priorities/areas of joint interest. Immediate opportunities for/interest in collaboration would be identified as part of the dialogue process itself but could include, for example:

- An effort to maintain and/or expand the Current Use exemption (including forestry expansion) to support the survival of farms and keep land in agriculture
- Efforts to advance/support the Payment for Ecosystems Services program
- Shared support for programs to advance/support climate-smart agriculture
- Supporting Act 250/Accessory On-Farm Business (AOFB) as a tool for providing agricultural businesses with much needed diversification and viability
- Advancing shared interests/goals around the regulation of pesticides/chemicals
- Over the long-term, problem-solving or mediating around difficult issues that might come up between the sectors and stakeholders

The budget and scope for this initiative should be influenced by the interests and needs of stakeholders, but the Commission estimates funding needs in the range of \$250K for year 1 and, assuming continued interest and impact among stakeholders, \$100K per year thereafter

## **V. Conclusion**

The Commission looks forward to feedback from the Governor on this report and to continuing to advance this critical work for the state.

## Appendices

### *I. List of Commissioners*

- Anson Tebbetts, Secretary, Agency of Agriculture, Food and Markets (Co-Chair)
- Lindsay Kurrle, Secretary, Agency of Commerce and Community Development (Co-Chair)
- Jed Davis, Cabot Creamery Cooperative
- Kate Finley Woodruff, UVM College of Agriculture and Life Sciences
- Harold Howrigan, Howrigan Family Farms
- Ellen Kahler, Vermont Sustainable Jobs Fund
- David Mance, Jr., Mance Family Tree Farm
- Leslie McCrorey-Wells, Pizzeria Verità, Trattoria Delia, and Sotto Enoteca, Co-owner
- Mieko Ozeki, Vermont Farmers Market Association
- Josh Poulin, Poulin Grain Inc.
- Nick Richardson, Vermont Land Trust
- David M. Roth, The Wakaya Group
- Steven Schubart, Grass Cattle Company

### *II. 2021 Priorities, Goals and Strategies*

The table below includes the four high-level priorities from the 2021 report, and the goals and recommended strategies associated with each. Strategies that were specifically called out as part of the Commission’s five-step action plan for immediate implementation are marked with an asterisk.

\* Asterisks denote that a recommendation was specifically called out as part of the Commission’s five-step action plan for immediate implementation in 2021.

<b><i>High-level Priority</i></b>	<b><i>Goals</i></b>	<b><i>Strategies</i></b>
I. All Vermonters benefit from healthy nutritious food and a robust local food system	<p>A. There is increased access to local, healthy, nutritious food for all Vermonters.</p> <p>B. Vermonters understand the benefits of healthy, locally sourced, nutritious food.</p> <p>C. Vermont builds a robust and sustainable local food system.</p>	<ol style="list-style-type: none"> <li>1. Provide annual pool of grant funding for projects that support access to local, healthy, nutritious food</li> <li>2. Establish program for K-12 local food purchase reimbursements*</li> <li>3. Create a new Director of Food Security position</li> <li>4. Commit to a Plan of Action to promote equity and inclusion in Vermont’s food system and operationalize the NASDA principle on racial equity*</li> </ol>

<p>II. Vermont fuels agricultural business entrepreneurship, growth, and sustainability, so that food producers and businesses are profitable across a range of sizes, stages, and business models</p>	<p>D. There is an expansion in the number, scale and geographic location of strategic infrastructure and facilities that enable distribution and production at multiple scales.</p> <p>E. Agricultural businesses have greater access to the right match of human and financial capital for their stage of development.</p> <p>F. Scale-appropriate policy, regulations, and incubation and business assistance services support successful business growth and viability.</p> <p>G. Vermont’s farmers receive more income streams from the climate and ecosystem services they provide and are recognized for their environmental work and contributions.</p>	<ol style="list-style-type: none"> <li>5. Establish \$20M Strategic Infrastructure Grants Program*</li> <li>6. Provide \$3M in annual base funding to the Working Lands Enterprise Fund*</li> <li>7. Fully fund the Current Use program and maintain other agriculture exemptions*</li> <li>8. Increase funding for the Farm and Forest Viability Program</li> <li>9. Incentivize adoption of new agricultural technologies*</li> <li>10. Create new staff positions to assist farm businesses in navigating funding opportunities, permitting and regulations*</li> <li>11. Maintain support for the Payment for Ecosystems Services Working Group*</li> </ol>
<p>III. Vermont attracts and supports the next generation of farmers</p>	<p>H. There are more family farms in Vermont, through both multi-generational transfers and the addition of new, BIPOC, young, and socially disadvantaged farmers and workers.</p> <p>I. Vermont’s educational institutions are coordinated and connected and train diverse workers, entrepreneurs, and producers to meet evolving market demands.</p> <p>J. Producers and workers receive fair compensation for their efforts within family-friendly, supportive workplaces.</p> <p>K. Vermont’s farms are more diverse, innovative, and resilient in the face of economic realities and climate change, allowing the next generation to farm successfully.</p>	<ol style="list-style-type: none"> <li>12. Create a First-Time Farm Enterprise Owner Purchasing Assistance Program*</li> <li>13. Incentivize climate smart farming practices</li> <li>14. Establish a revolving bridge funding program</li> <li>15. Establish a mentorship cost-share fund</li> <li>16. Create a continuing education voucher program</li> </ol>

<p>IV. Vermont strengthens and supports its brand</p>	<p>L. Vermont’s brand is more powerful than ever, attracting Vermonters, visitors, and consumers nation- and world-wide to our high-quality products and farm and culinary experiences.  M. The thoughts, feelings, and beliefs that come to mind when audiences see and hear “Vermont” as part of a label, advertisement, or social media post are consistent with what represents Vermont agriculture, our farmers, and the state as a whole, including attributes like authenticity, determination, sustainability, working hard, and highest quality.  N. Business owners large and small can market their products effectively.  O. There are stable and accessible marketplaces for farmers and producers to directly market their produce and products, and for consumers to access affordable, healthy local food.</p>	<p>17. Establish a Vermont Agriculture and Food Strategic Brand Initiative, including tailored marketing assistance services and coordinated marketing efforts and materials*  18. Establish eight flagship marketplace hubs across the state</p>
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*III. 2021 Strategies and FY23 Budget Outcomes*

FOA Commission Strategy and \$ Ask	FY23 Final Budget Item or other funding source	FY23 Final Budget \$	Responsible Entity
<i>I. All Vermonters benefit from healthy nutritious food and a robust local food system</i>			
<p>1. Grants for increasing access to local, healthy, nutritious food: \$1M/year</p>	<p>NOFA-VT Food Security and Farm Viability Programs  VTers Feeding VTers Program  Farm to School and Early Childcare Educators grants</p>	<p>One-time GF \$200,000  \$2,000,000  \$329,000 GF added to \$171,000 = \$500K</p>	<p>AAFM/NOFA  DCF/VT FoodBank  AAFM</p>
<p>2. K-12 local food purchase reimbursements: \$2M/year</p>	<p>Child Nutrition Grants to schools</p>	<p>One-time GF \$675,000 (position and grants)</p>	<p>AOE</p>
<p>3. Dir. of Food Security position: \$125k/year</p>			
<p>4. Plan of Action to promote equity and inclusion and support for NASDA principle on racial equity</p>	<p>State food security action plan development  VAAFMM progress identifying and addressing DEI issues through partnership with outside consultant MMG Earth</p>	<p>One-time GF \$150,000  \$85,000</p>	<p>AAFM/VSJF  AAFM</p>
<i>II. Vermont fuels agricultural business entrepreneurship, growth, and sustainability, so that food producers and businesses are profitable across a range of sizes, stages, and business models</i>			

5. Grants for strategic infrastructure investments (storage and distribution): \$10M one-time  Grants for meat processing and waste management; \$10M one-time	Capital Investment Grant (CIG) Program/ Community Recovery and Revitalization Program	ARPA \$30,000,000 GF \$10,000,000 (for all sectors)	ACCD
	Produce Safety Improvement grant program	\$100,000	AAFM
	Assistance to organic dairy farmers transitioning to new buyer	\$200,000	AAFM
	Capital equipment purchases for farms	\$248,000	Conservation Districts
6. WLEF funding increase: \$3M/year	Increase base allocation for the Working Lands Enterprise Initiative Program	\$406,000 GF added to \$594,000 = \$1M	AAFM
	WLEI BBA allocation for NAICS 11 operations	one-time \$2M ARPA	AAFM
7. Fully fund Current Use and maintain other exemptions: Maintain or increase \$9.7M/year	Current Use hold harmless payments to towns – fully funded	\$17,000,000	VT Tax Department
8. Increase FFVP funding: Up to \$3M/year	Farm and forest business advising services	\$1M in state appropriation	VHCB
9. Ag tech incentives: \$3M/annually for 5 years	NE-DBIC USDA appropriation (dairy industry only)	\$1M for NE region	NE-DBIC
10. Additional staff assistance on funding, permitting, and regulations (“Navigator” positions): \$285K/year		\$0	
11. Continued PES Work Group support: \$1M	PES Working Group continuation (pilot program, farmer payments, research needs)	One-time GF \$1,000,000	AAFM
III. <i>Vermont attracts and supports the next generation of farmers</i>			
12. First Time Farm Enterprise Owner Purchasing Assistance Program	Inventory of programs assisting new and beginning VT farm businesses	Legislative report due 1/15/23	AAFM & VHCB
13. Climate smart farming incentives: \$4.5M/year for 5 years	Expand agronomic practices to mitigate climate change	ARPA \$4,760,000	AAFM
14. Revolving bridge funding program: \$10M one-time	Business Assistance Program forgivable loans	ARPA \$19,000,000 (for all sectors)	ACCD/VEDA
15. Mentorship cost-share fund: \$250-500K/year	NE-DBIC USDA appropriation (dairy industry only)	\$735,000 (for NE region)	NE-DBIC
16. Continuing education voucher program: \$500K/year		\$0	
IV. <i>Vermont strengthens and supports its brand</i>			
17. Establish Vermont Ag and Food Brand Strategic Initiative: \$250K one-time	VT Brand Assessment to further sales of VT ag products	\$0	
18. Flagship marketplace hubs: \$400K/year for 5 years		\$0	