



Agency of Agriculture, Food & Markets
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Office of the Secretary

To: Senate Committee on Agriculture, Senate Committee on Appropriations
From: Secretary of Agency of Agriculture, Food & Markets, Anson Tebbetts
Re: Working Lands and Food Producers and Value-Added Processors
Appropriations
Date: April 4, 2023

A handwritten signature in black ink, appearing to read "C. S. Tebbetts".

Dear Senator Starr, Senator Kitchel, and Members of the Senate Agriculture and Appropriation Committees,

The Vermont Agency of Agriculture, Food & Markets writes to you today to provide pertinent information about the implications of the proposed budget cuts to two critical programs.

First, the Working Lands Enterprise Fund (WLEF) was slated in the Governor's proposed budget to receive a \$3,000,000 one-time appropriation plus the \$1,000,000 base allocation to support grants and contracts for enterprises and service providers across the farm, forest, and food sectors in Vermont. WLEF is essential to strengthen and grow the economy of Vermont's working landscape. Working lands entrepreneurs are at the heart of Vermont's open and working landscape. They are the backbone of Vermont's rural economy, a top source for job retention and creation, and an integral part of what makes Vermont a quality place to live. The House proposed cutting the requested \$3,000,000 appropriation by two-thirds, or down to \$1,000,000. The proposed reduction would significantly reduce the amount of assistance available to help growing businesses thrive.

During each of the past three years, the Working Lands Program received more than \$10,000,000 in applicant requests, demonstrating the ongoing need and interest in this program to support growing businesses, innovation across many sectors, and entrepreneurs' pursuit of new markets and an expanded customer-base. Predictable state grant funding, like WLEF, can function like equity when working lands businesses seek traditional forms of capital such as debt, enabling these growing entities to achieve a loan-to-value ratio that facilitates additional loans. Without the ability to invest the requested appropriation in Vermont businesses, fewer working lands entrepreneurs will be equipped to grow their food, farming, forestry, or wood manufacturing ventures, and our working lands and rural communities will bear the consequences.

Second, the Governor's proposed budget includes an appropriation of \$10,000,000 to provide competitively awarded grants to small and mid-sized agricultural producers and value-added processors in the meat, produce, and maple sectors. These areas of the food system are under resourced and tend to be ineligible for other assistance programs. At the same time, these industries are poised for growth, in need of critical infrastructure investments, and will add diversity to Vermont's agricultural landscape and economy. The House proposed cutting this appropriation by fifty percent and reducing it to \$5,000,000, which again, significantly reduces the amount of assistance available to support under resourced segments of our agricultural economy.

The Future of Agriculture Commission report focused on infrastructure investments needed for a strong local food system and support for the next generation of farmers and agricultural entrepreneurs.

Investments for the growing economies of meat production, maple, and produce provide for expanded economic development and transition opportunities within our dairy industry and expanded food production for Vermont and the region. When reviewing recent investments made in the meat, maple, and produce compared to dairy, we see an under representation of resources to these important diversified sectors, coupled with an ongoing need for infrastructure development over the next three years. Our agriculture community and consumers need these infrastructure investments to support these businesses.

Vermont relies heavily on its farmers, working land businesses, and food producers. They feed us, support our local communities and rural economy, create the landscape we love, and promote tourism. Because of their commitment and work ethic, we also tend to overlook their contributions and presume that Vermont agriculture will remain robust. A review of our neighboring States demonstrates that productive working lands in a cold Northeast environment are not a foregone conclusion, and they need prioritization, cultivation, and support.

The Governor's proposed investments are critical to preserving our heritage and maintaining and growing a strong local food system. I understand the challenge of managing competing priorities, but respectfully ask you to consider the relative importance of Vermont agriculture and our working lands businesses, and to please restore the requested appropriations so we may help these diligent Vermonters shape our shared future.

