MEMORANDUM

To: James Reardon, Commissioner of Finance & Management
From: Nathan Lavery, Fiscal Analyst
Date: May 6, 2010
Subject: JFO #2441, #2442, #2444

No Joint Fiscal Committee member has requested that the following items be held for review:

JFO #2441 — $700,000 grant from the U.S. Department of Justice to the Vermont Department of Children and Families. This grant will be used to fund 12 sub-awards to schools and non-profits targeting youth delinquency prevention.
[JFO received 4/06/10]

JFO #2442 — $807,454 grant from the Centers for Disease Control & Prevention to the Vermont Department of Health. These funds will be used to support efforts to reduce tobacco use and expand tobacco cessation quit lines. This grant is awarded under the American Recovery and Reinvestment Act.
[JFO received 4/06/10]

JFO #2444 — Request to establish one (1) limited service position in the Agency of Agriculture, Food & Markets. This position is associated with a grant approved by the Joint Fiscal Committee for the Agriculture Innovation Demonstration Project (JFO #2425).
[JFO received 4/06/10]

The Governor’s approval may now be considered final. We ask that you inform the Secretary of Administration and your staff of this action.

cc: Stephen Dale, Commissioner
    Wendy Davis, Commissioner
    Roger Allbee, Secretary
To: Joint Fiscal Committee Members
From: Nathan Lavery, Fiscal Analyst
Date: April 14, 2010
Subject: Grant Requests

Enclosed please find seven (7) requests that the Joint Fiscal Office has received from the administration. These requests include the establishment of three (3) limited service positions and the retention of two existing positions.

**JFO #2439** — $410,215 grant from the USDA Food and Nutrition Service to the Vermont Department of Health. These funds will support Women, Infants Children program improvement projects in the areas of cash value benefit cards and replacement of the legacy computer system. **The establishment of one (1) limited service position is associated with this request.** This grant is awarded under the American Recovery and Reinvestment Act.

[JFO received 3/29/10]

**JFO #2440** — $6,647 grant from the University of Vermont to Agriculture, Food & Markets. These funds will be used to support the Farm First program in providing dairy producers and their families with counseling, resources, and referral information related to stress and other concerns.

[JFO received 3/29/10]

**JFO #2441** — $700,000 grant from the U.S. Department of Justice to the Vermont Department of Children and Families. This grant will be used to fund 12 sub-awards to schools and non-profits targeting youth delinquency prevention.

[JFO received 4/06/10]

**JFO #2442** — $807,454 grant from the Centers for Disease Control & Prevention to the Vermont Department of Health. These funds will be used to support efforts to reduce tobacco use and expand tobacco cessation quit lines. This grant is awarded under the American Recovery and Reinvestment Act.

[JFO received 4/06/10]

**JFO #2443** — $5,034,328 grant from the U.S. Department of Health & Human Services to the Office of Vermont Health Access. This grant will be used to establish a statewide health information exchange (HIE) network and interstate HIE interoperability. **The establishment of one (1) limited service position is associated with this request.** This grant is awarded under the American Recovery and Reinvestment Act and expedited review of this item has been requested.

Joint Fiscal Committee
members will be contacted within two weeks with a request to waive the statutory review period and accept this item.

[JFO received 4/06/10]

**JFO #2444 — Request to establish one (1) limited service position** in the Agency of Agriculture, Food & Markets. This position is associated with a grant approved by the Joint Fiscal Committee for the Agriculture Innovation Demonstration Project (JFO #2425). This position request was not submitted as part of the request for approval of JFO #2425.

[JFO received 4/06/10]

**JFO #2445 —** $10,000 grant from the Wildlife Management Institute to the Vermont Department of Forests, Parks and Recreation. These funds will be used to create a roost field for American woodcock through reclamation of a gravel pit.

[JFO received 4/12/10]

In accordance with the procedures for processing such requests, we ask you to review the enclosed and notify the Joint Fiscal Office (Nathan Lavery at (802) 828-1488; nlavery@leg.state.vt.us) if you have questions or would like an item held for legislative review. Unless we hear from you to the contrary by April 28 we will assume that you agree to consider as final the Governor’s acceptance of these requests.

cc:  
James Reardon, Commissioner  
Wendy Davis, Commissioner  
Roger Allbee, Secretary  
Stephen Dale, Commissioner  
Susan Besio, Director  
Jason Gibbs, Commissioner
MEMORANDUM

To: Representative Carolyn Partridge

From: Nathan Lavery, Fiscal Analyst

Date: April 14, 2010

Subject: JFO #2440, #2444

Representative Michael Obuchowski asked that I forward to you a copy of the enclosed grant materials and cover memo. He requests your observations regarding the enclosed items.

cc: Rep. Michael Obuchowski
**STATE OF VERMONT**

**FINANCE & MANAGEMENT GRANT REVIEW FORM**

**Grant Summary:**
This request is for a limited service position related to JFO approved grant #2425. This Grant, USDA Agriculture Innovation Demonstration Project, was approved earlier in February 2010 and at that time did not include any positions. This request is for a Program Services Clerk position (paygrade 15) which will be paid for out of the grant. Agriculture has found that it cannot process all the work related to this program without this additional assistance.

**Date:**
3/29/2010

**Department:**
Agency of Agriculture Food and Markets

**Legal Title of Grant:**
Rural Business Enterprise Grant--Agriculture Innovation Center Demonstration Program Grant JFO # 2425

**Federal Catalog #:**
NA

**Grant/Donor Name and Address:**
USA-Rural Development, City Center 3rd Floor 89 Main Street, Montpelier VT 05602

**Grant Period:**
From: 10/1/2009 To: 9/30/2010

**Grant/Donation**

<table>
<thead>
<tr>
<th>SFY 1</th>
<th>SFY 2</th>
<th>SFY 3</th>
<th>Total</th>
<th>Comments</th>
</tr>
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<tbody>
<tr>
<td>$321,135</td>
<td>$160,568</td>
<td>$</td>
<td>$468,953</td>
<td>JFO approved this grant 2/10</td>
</tr>
</tbody>
</table>

**Position Information:**

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<tr>
<th># Positions</th>
<th>Explanation/Comments</th>
</tr>
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<tbody>
<tr>
<td>1</td>
<td>After grant was approved and work started--Agriculture found it needs a program services clerk to help with work related to the center.</td>
</tr>
</tbody>
</table>

**Additional Comments:**
See Bothfeld Memo for explanation of request.

Department of Finance & Management
Secretary of Administration
Sent To Joint Fiscal Office

[Stamp: Received APR 03 2010]
[Stamp: Joint Fiscal Office]
STATE OF VERMONT
Joint Fiscal Committee Review
Limited Service - Grant Funded
Position Request Form

This form is to be used by agencies and departments when additional grant funded positions are being requested. Review and approval by the Department of Human Resources must be obtained prior to review by the Department of Finance and Management. The Department of Finance will forward requests to the Joint Fiscal Office for JFC review. A Request for Classification Review Form (RFR) and an updated organizational chart showing to whom the new position(s) would report must be attached to this form. Please attach additional pages as necessary to provide enough detail.

Agency/Department: Agriculture, Food and Markets Date: March 8, 2010

Name and Phone (of the person completing this request): Diane Bothfeld, Deputy Secretary

Request is for:

- Positions funded and attached to a new grant.
- Positions funded and attached to an existing grant approved by JFO #2425

1. Name of Granting Agency, Title of Grant, Grant Funding Detail (attach grant documents):
   Agriculture Innovation Center Demonstration Program - Rural Business Enterprise Grant. USDA Rural Development - See Attached Documents

2. List below titles, number of positions in each title, program area, and limited service end date (information should be based on grant award and should match information provided on the RFR) position(s) will be established only after JFC final approval:

<table>
<thead>
<tr>
<th>Title* of Position(s) Requested</th>
<th># of Positions</th>
<th>Division/Program</th>
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</tr>
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<tbody>
<tr>
<td>Program Services Clerk (15)</td>
<td>1</td>
<td>Ag Development</td>
<td>October 1, 2009 to September 30, 2010</td>
</tr>
</tbody>
</table>

*Final determination of title and pay grade to be made by the Department of Human Resources Classification Division upon submission and review of Request for Classification Review.

3. Justification for this request as an essential grant program need:
   See Attached Document.

I certify that this information is correct and that necessary funding, space and equipment for the above position(s) are available (required by 32 VSA Sec. 5(b).

Diane Bothfeld

Signature of Agency or Department Head

Date

Approved/Denied by Department of Human Resources

Date

Approved/Denied by Finance and Management

Date

Approved/Denied by Secretary of Administration

Date

Comments: [Handwritten note: DHR approval is contingent upon approval by F&M of grant funding.]

DHR – 11/7/05
3. Justification for this request as an essential grant program need:

In 2009, Senator Leahy’s office secured a $469,000 grant through the USDA – RD Agriculture Innovation Demonstration Center program. This federal program is designed to provide value added agricultural businesses with technical assistance, marketing assistance, assistance in organizational development and support for applied research. The program involves: Requests for Proposals for direct grants to farmers as well as contractual agreements for services, working with a board, monitoring grants and contracts for performance, and reporting to USDA on the activities and expenditures of this program. A Program Services Clerk is essential in processing Requests for Proposals, arranging meetings of the Board and review committees, arranging and monitoring grant agreements, preparing and monitoring contracts, preparing reports and preparing information for distribution. The grant authorizes staffing services to assist in start up of the Agricultural Innovation Center.
TO: Neale Lunderville, Secretary of Administration
    Joint Fiscal Committee
FROM: Diane Bothfeld, Deputy Secretary
DATE: March 24, 2010
REASON: Limited Service Position

In 2009, Senator Leahy’s office secured a $469,000 grant through the USDA – RD Agriculture Innovation Demonstration Center program. This federal program is designed to provide value added agricultural businesses with technical assistance, marketing assistance, assistance in organizational development and support for applied research. The program involves: Requests for Proposals for direct grants to farmers as well as contractual agreements for services, working with a board, monitoring grants and contracts for performance, and reporting to USDA on the activities and expenditures of this program. In 2010, an additional $1,000,000 in funds was allocated at the federal level to continue this program in Vermont.

The Vermont Agency of Agriculture is requesting a Limited Service Position at the level of Program Services Clerk to assist in administering the federally funded Agriculture Innovation Center program. The acceptance of these federal funds was approved in February 2010 and the Agency is requesting this position in March of 2010. There were delays in the funds being transferred from the Federal Government and the acceptance of these funds at the state level. The funds expire September 30, 2010 but the next round of funds for this program have been allocated at the Federal level and will be received prior to the expiration of the current funding.

The Agency of Agriculture did not request this position when first seeking approval for this grant due to a lack of understanding on the amount of work required through USDA to implement the Agriculture Innovation Center. The Agency of Ag made an assumption that current staff could manage the program in house with no additional staff. The requirements for reporting, utilizing a competitive process, working with a board to govern the Agriculture Innovation Center and the announcement of increased future funding all prompted the need for assistance in implementing and managing this program at the Agency of Ag.

A Program Services Clerk is essential in processing Requests for Proposals, arranging meetings of the Board and review committees, arranging and monitoring grant agreements, preparing and monitoring contracts, preparing reports and preparing information for distribution. Duties to be performed by the Program Services Clerk include:

Provides clerical support requiring significant knowledge of technical program rules, regulations, and requirements. Provides information on licensing or permitting requirements and procedures or on programs administered by the assigned division. Reviews applications, submissions and other documents for adherence to technical and regulatory requirements. May approve submissions under definite guidelines or refer for review by higher authority. Performs follow up to obtain or provide necessary information. Performs a variety of office management functions such as ordering supplies, collecting and reviewing time and expense reports, and reviewing and processing invoices. Maintains staff schedule and routes requests for services or
information to appropriate personnel. Assists supervisor in planning and implementing office policies and procedures and coordinating training events, conferences, and meetings. May be responsible for the assembly and production of reports and summaries of considerable complexity. May monitor review processes for adherence to deadlines and approval procedures. May supervise subordinate staff. May operate and monitor a variety of office and/or communications equipment. Maintains program manuals and records. Performs related duties as required.

The salary for a Program Services Clerk, Paygrade 15 from approximately May 1 through September 30, 2010, (10 pay periods) would be $10,592 plus benefits.
**STATE OF VERMONT REQUEST FOR GRANT ACCEPTANCE** (Form AA-1)

### BASIC GRANT INFORMATION

1. **Agency:** Agency of Agriculture, Food & Markets  
2. **Department:**  
3. **Program:** Agriculture Innovation Center Demonstration Program  
4. **Legal Title of Grant:** Rural Business Enterprise Grant  
5. **Federal Catalog #:**  
6. **Grant/Donor Name and Address:** United States Department of Agriculture  
   Rural Development  
   City Center 3rd Floor, 89 Main Street  
   Montpelier, VT 05602  
7. **Grant Period:** From: 10/1/2009 To: 9/30/2010  
8. **Purpose of Grant:** The purpose of this Agreement is for the grantee to establish or expand an Agriculture Innovation Center (AIC) facility to provide technical assistance and business development services to agricultural producers who wish to engage in the production of value-added agricultural commodities or products.  
9. **Impact on existing program if grant is not Accepted:** None.

### BUDGET INFORMATION

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<thead>
<tr>
<th>SFY 1</th>
<th>SFY 2</th>
<th>SFY 3</th>
<th>Comments</th>
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<td>Cash</td>
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<td>(Statewide Indirect)</td>
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<td>(Departmental Indirect)</td>
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<tr>
<td>Other Funds:</td>
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<td>See attached memo</td>
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<tr>
<td>Grant (source )</td>
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<tr>
<td><strong>Total</strong></td>
<td>$321,135</td>
<td>$160,568</td>
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<td><strong>Appropriation No:</strong></td>
<td>2200030000</td>
<td><strong>Amount:</strong></td>
<td>$468,953</td>
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[Department of Finance & Management]  
**Page 1 of 3**
STATE OF VERMONT REQUEST FOR GRANT ACCEPTANCE  (Form AA-1)

<table>
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<td>$</td>
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<td>$</td>
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<tr>
<td>$</td>
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</tbody>
</table>

PERSONAL SERVICE INFORMATION

11. Will monies from this grant be used to fund one or more Personal Service Contracts?  
× Yes  □ No
If "Yes", appointing authority must initial here to indicate intent to follow current competitive bidding process/policy.

Appointing Authority Name: Roger Allbee  
Agreed by:  

12. Limited Service
Position Information:  
# Positions  
Title  

Total Positions  

12a. Equipment and space for these positions:

☐ Is presently available.  
☐ Can be obtained with available funds.

AUTHORIZED AGENCY/DEPARTMENT

I/we certify that no funds beyond basic application preparation and filing costs have been expended or committed in anticipation of Joint Fiscal Committee approval of this grant, unless previous notification was made on Form AA-1PN (if applicable):

Signature:  
Title:  
Date:  

Signature:  
Title:  
Date:  

ACTION BY GOVERNOR

☐ Check One Box:  
Accepted  
(Governor's signature)  
Date:  

☐ Rejected  
Date:  

SECRETARY OF ADMINISTRATION

☐ Check One Box:  
Request to JFO  
Date:  

☐ Information to JFO  
(Secretary's signature or designee)  
Date:  

DOCUMENTATION REQUIRED

☐ Request Memo  
☐ Notice of Donation (if any)
☐ Dept. project approval (if applicable)  
☐ Grant (Project) Timeline (if applicable)
☐ Notice of Award  
☐ Request for Extension (if applicable)
☐ Grant Agreement  
☐ Form AA-1PN attached (if applicable)
☐ Grant Budget
End Form AA-1
MEMORANDUM

To: James Reardon, Commissioner of Finance & Management
From: Nathan Lavery, Fiscal Analyst
Date: February 16, 2010
Subject: JFO #2425 #2426 #2427 #2428

No Joint Fiscal Committee member has requested that the following items be held for review:

**JFO #2425** — $468,953 grant from the U.S. Department of Agriculture Forest Service to Agriculture, Food and Markets. These funds will be used to support the Agriculture Innovation Center (AIC). AIC provides technical assistance and business development services to agricultural producers engaged in valued-added agriculture. [JFO received 1/13/10]

**JFO #2426** — $35,000 grant from the Vermont Woodlands Association to Forests, Parks and Recreation. These funds will be used to align Vermont's Use Value Appraisal (UVA) Standards and the U.S. Forest Service State & Private Forestry Forest Stewardship Program with the American Tree Farm and the Program for the Endorsement of Forest Certification programs, including updating the UVA database. [JFO received 1/13/10]

**JFO #2427** — $200,000 grant from the U.S. Department of Justice to the Vermont Department of Children and Families. These funds will be used to augment annual grants made to Vermont communities and state partners through the Children and Family Council for Prevention Programs and the Children's Trust Fund. Projects will serve children and their families by focusing on early prevention, education, parenting and positive youth development. [JFO received 1/13/10]

**JFO #2428** — $1,000,000 grant from the U.S. Department of Health and Human Services to the Vermont Department of Children and Families. These funds will be used to improve collaboration with VT Coalition of Runaway and Homeless Youth and the N.E. Network for Children, Youth and families to strengthen services to homeless youths and youths who are aging out of Vermont's foster care system. [JFO received 1/13/10]
The Governor's approval may now be considered final. We ask that you inform the Secretary of Administration and your staff of this action.

cc: Roger Allbee, Secretary
    Jason Gibbs, Commissioner
    Stephen Dale, Commissioner
**Grant Summary:**

This request is for a limited service position related to JFO approved grant #2425. This Grant, USDA Agriculture Innovation Demonstration Project, was approved earlier in February 2010 and at that time did not include any positions. This request is for a Program Services Clerk position (paygrade 15) which will be paid for out of the grant. Agriculture has found that it cannot process all the work related to this program without this additional assistance.

<table>
<thead>
<tr>
<th>Date:</th>
<th>3/29/2010</th>
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</thead>
<tbody>
<tr>
<td><strong>Department:</strong></td>
<td>Agency of Agriculture Food and Markets</td>
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<tr>
<td><strong>Legal Title of Grant:</strong></td>
<td>Rural Business Enterprise Grant--Agriculture Innovation Center Demonstration Program Grant JFO # 2425</td>
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<tr>
<td><strong>Federal Catalog #:</strong></td>
<td>NA</td>
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<tr>
<td><strong>Grant/Donor Name and Address:</strong></td>
<td>USA-Rural Development, City Center 3rd Floor 89 Main Street, Montpelier VT 05602</td>
</tr>
<tr>
<td><strong>Grant Period:</strong></td>
<td>From: 10/1/2009 To: 9/30/2010</td>
</tr>
<tr>
<td><strong>Grant/Donation Amount:</strong></td>
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<tr>
<td>SFY 1</td>
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<td>SFY 2</td>
<td>$160,568</td>
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<td>SFY 3</td>
<td>$</td>
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<td><strong>Comments</strong></td>
<td>JFO approved this grant 2/10</td>
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**Position Information:**

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<tr>
<td>1</td>
<td>After grant was approved and work started--Agriculture found it needs a program services clerk to help with work related to the center.</td>
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</table>

**Additional Comments:**

See Bothfeld Memo for expansion of request.

Department of Finance & Management
Secretary of Administration
Sent To Joint Fiscal Office

(Date)
STATE OF VERMONT
Joint Fiscal Committee Review
Limited Service - Grant Funded
Position Request Form

This form is to be used by agencies and departments when additional grant funded positions are being requested. Review and approval by the Department of Human Resources must be obtained prior to review by the Department of Finance and Management. The Department of Finance will forward requests to the Joint Fiscal Office for JFC review. A Request for Classification Review Form (RFR) and an updated organizational chart showing to whom the new position(s) would report must be attached to this form. Please attach additional pages as necessary to provide enough detail.

Agency/Department: Agriculture, Food and Markets Date: March 8, 2010

Name and Phone (of the person completing this request): Diane Bothfeld, Deputy Secretary

Request is for:

☐ Positions funded and attached to a new grant.
☒ Positions funded and attached to an existing grant approved by JFO #2425

1. Name of Granting Agency, Title of Grant, Grant Funding Detail (attach grant documents):

Agriculture Innovation Center Demonstration Program - Rural Business Enterprise Grant. USDA Rural Development - See Attached Documents

2. List below titles, number of positions in each title, program area, and limited service end date (information should be based on grant award and should match information provided on the RFR) position(s) will be established only after JFC final approval:

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<td>Ag Development</td>
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*Final determination of title and pay grade to be made by the Department of Human Resources Classification Division upon submission and review of Request for Classification Review.

3. Justification for this request as an essential grant program need:

See Attached Document.

I certify that this information is correct and that necessary funding, space and equipment for the above position(s) are available required by 32 VSA Sec. 5(b).

Diane Bothfeld
Signature of Agency or Department Head

Date

Approved/Denied by Department of Human Resources

Date

Approved/Denied by Finance and Management

Date

Approved/Denied by Secretary of Administration

Date

Comments: DHR approval is contingent upon approval by F&M of grant funding.

DHR - 11/7/05
3. Justification for this request as an essential grant program need:

In 2009, Senator Leahy’s office secured a $469,000 grant through the USDA – RD Agriculture Innovation Demonstration Center program. This federal program is designed to provide value added agricultural businesses with technical assistance, marketing assistance, assistance in organizational development and support for applied research. The program involves: Requests for Proposals for direct grants to farmers as well as contractual agreements for services, working with a board, monitoring grants and contracts for performance, and reporting to USDA on the activities and expenditures of this program. A Program Services Clerk is essential in processing Requests for Proposals, arranging meetings of the Board and review committees, arranging and monitoring grant agreements, preparing and monitoring contracts, preparing reports and preparing information for distribution. The grant authorizes staffing services to assist in start up of the Agricultural Innovation Center.
In 2009, Senator Leahy’s office secured a $469,000 grant through the USDA – RD Agriculture Innovation Demonstration Center program. This federal program is designed to provide value added agricultural businesses with technical assistance, marketing assistance, assistance in organizational development and support for applied research. The program involves: Requests for Proposals for direct grants to farmers as well as contractual agreements for services, working with a board, monitoring grants and contracts for performance, and reporting to USDA on the activities and expenditures of this program. In 2010, an additional $1,000,000 in funds was allocated at the federal level to continue this program in Vermont.

The Vermont Agency of Agriculture is requesting a Limited Service Position at the level of Program Services Clerk to assist in administering the federally funded Agriculture Innovation Center program. The acceptance of these federal funds was approved in February 2010 and the Agency is requesting this position in March of 2010. There were delays in the funds being transferred from the Federal Government and the acceptance of these funds at the state level. The funds expire September 30, 2010 but the next round of funds for this program have been allocated at the Federal level and will be received prior to the expiration of the current funding.

The Agency of Agriculture did not request this position when first seeking approval for this grant due to a lack of understanding on the amount of work required through USDA to implement the Agriculture Innovation Center. The Agency of Ag made an assumption that current staff could manage the program in house with no additional staff. The requirements for reporting, utilizing a competitive process, working with a board to govern the Agriculture Innovation Center and the announcement of increased future funding all prompted the need for assistance in implementing and managing this program at the Agency of Ag.

A Program Services Clerk is essential in processing Requests for Proposals, arranging meetings of the Board and review committees, arranging and monitoring grant agreements, preparing and monitoring contracts, preparing reports and preparing information for distribution. Duties to be performed by the Program Services Clerk include:

Provides clerical support requiring significant knowledge of technical program rules, regulations, and requirements. Provides information on licensing or permitting requirements and procedures or on programs administered by the assigned division. Reviews applications, submissions and other documents for adherence to technical and regulatory requirements. May approve submissions under definite guidelines or refer for review by higher authority. Performs follow up to obtain or provide necessary information. Performs a variety of office management functions such as ordering supplies, collecting and reviewing time and expense reports, and reviewing and processing invoices. Maintains staff schedule and routes requests for services or
information to appropriate personnel. Assists supervisor in planning and implementing office policies and procedures and coordinating training events, conferences, and meetings. May be responsible for the assembly and production of reports and summaries of considerable complexity. May monitor review processes for adherence to deadlines and approval procedures. May supervise subordinate staff. May operate and monitor a variety of office and/or communications equipment. Maintains program manuals and records. Performs related duties as required.

The salary for a Program Services Clerk, Paygrade 15 from approximately May 1 through September 30, 2010, (10 pay periods) would be $10,592 plus benefits.
**STATE OF VERMONT REQUEST FOR GRANT ACCEPTANCE**  (Form AA-1)

### BASIC GRANT INFORMATION

1. **Agency:** Agency of Agriculture, Food & Markets  
2. **Department:**  
3. **Program:** Agriculture Innovation Center Demonstration Program  
4. **Legal Title of Grant:** Rural Business Enterprise Grant  
5. **Federal Catalog #:**  
6. **Grant/Donor Name and Address:**  
   - United States Department of Agriculture  
   - Rural Development  
   - City Center 3rd Floor, 89 Main Street  
   - Montpelier, VT 05602  
7. **Grant Period:**  
   - From: 10/1/2009  
   - To: 9/30/2010  
8. **Purpose of Grant:**  
   - The purpose of this Agreement is for the grantee to establish or expand an Agriculture Innovation Center (AIC) facility to provide technical assistance and business development services to agricultural producers who wish to engage in the production of value-added agricultural commodities or products.  
9. **Impact on existing program if grant is not Accepted:** None.  

### BUDGET INFORMATION

<table>
<thead>
<tr>
<th>SFY 1</th>
<th>SFY 2</th>
<th>SFY 3</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2010</td>
<td>FY 2011</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
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<tr>
<td>Personal Services</td>
<td>$215,335</td>
<td>$107,668</td>
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<tr>
<td>Operating Expenses</td>
<td>$68,133</td>
<td>$34,067</td>
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<tr>
<td>Grants</td>
<td>$37,667</td>
<td>$18,833</td>
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<tr>
<td><strong>Total</strong></td>
<td>$321,135</td>
<td>$160,568</td>
<td>$</td>
</tr>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
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<tr>
<td>State Funds</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Cash</td>
<td>$</td>
<td>$</td>
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<tr>
<td>In-Kind</td>
<td>$8,500</td>
<td>$4,250</td>
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<tr>
<td>Federal Funds:</td>
<td>$</td>
<td>$</td>
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<tr>
<td>(Direct Costs)</td>
<td>$312,635</td>
<td>$156,318</td>
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<tr>
<td>(Statewide Indirect)</td>
<td>$</td>
<td>$</td>
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<tr>
<td>(Departmental Indirect)</td>
<td>$</td>
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<tr>
<td>Other Funds:</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Grant (source)</td>
<td>$</td>
<td>$</td>
<td>See attached memo</td>
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<tr>
<td><strong>Total</strong></td>
<td>$321,135</td>
<td>$160,568</td>
<td>$</td>
</tr>
</tbody>
</table>

**Appropriation No:** 2200030000  
**Amount:** $468,953
STATE OF VERMONT REQUEST FOR GRANT ACCEPTANCE (Form AA-1)

PERSONAL SERVICE INFORMATION

11. Will monies from this grant be used to fund one or more Personal Service Contracts? ☑ Yes ☐ No

If "Yes", appointing authority must initial here to indicate intent to follow current competitive bidding process/policy.

Appointing Authority Name: Roger Allbee
Agreed by: (initial)

12. Limited Service Position Information:

<table>
<thead>
<tr>
<th># Positions</th>
<th>Title</th>
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<tr>
<td></td>
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</tr>
</tbody>
</table>

Total Positions

12a. Equipment and space for these positions:

☐ Is presently available  ☐ Can be obtained with available funds

AUTHORIZATION/AGENCY/DEPARTMENT

Signature: Date:

Title: 

Title: 

ACTION BY GOVERNOR

☐ Check One Box:

☑ Accepted

☐ Rejected

(Governor's signature) 

Date:

SECRETARY OF ADMINISTRATION

☐ Check One Box:

☑ Request to JFO

☐ Information to JFO

(Secretary's signature or designee) 

Date:

DOCUMENTATION REQUIRED

☑ Request Memo  ☐ Notice of Donation (if any)

☑ Dept. project approval (if applicable)  ☐ Grant (Project) Timeline (if applicable)

☐ Notice of Award  ☐ Request for Extension (if applicable)

☐ Grant Agreement  ☐ Form AA-1PN attached (if applicable)

Grant Budget:

End Form AA-1
MEMORANDUM

To: James Reardon, Commissioner of Finance & Management
From: Nathan Lavery, Fiscal Analyst
Date: February 16, 2010
Subject: JFO #2425 #2426 #2427 #2428

No Joint Fiscal Committee member has requested that the following items be held for review:

JFO #2425 — $468,953 grant from the U.S. Department of Agriculture Forest Service to Agriculture, Food and Markets. These funds will be used to support the Agriculture Innovation Center (AIC). AIC provides technical assistance and business development services to agricultural producers engaged in valued-added agriculture. [JFO received 1/13/10]

JFO #2426 — $35,000 grant from the Vermont Woodlands Association to Forests, Parks and Recreation. These funds will be used to align Vermont's Use Value Appraisal (UVA) Standards and the U.S. Forest Service State & Private Forestry Forest Stewardship Program with the American Tree Farm and the Program for the Endorsement of Forest Certification programs, including updating the UVA database. [JFO received 1/13/10]

JFO #2427 — $200,000 grant from the U.S. Department of Justice to the Vermont Department of Children and Families. These funds will be used to augment annual grants made to Vermont communities and state partners through the Children and Family Council for Prevention Programs and the Children's Trust Fund. Projects will serve children and their families by focusing on early prevention, education, parenting and positive youth development. [JFO received 1/13/10]

JFO #2428 — $1,000,000 grant from the U.S. Department of Health and Human Services to the Vermont Department of Children and Families. These funds will be used to improve collaboration with VT Coalition of Runaway and Homeless Youth and the N.E. Network for Children, Youth and families to strengthen services to homeless youths and youths who are aging out of Vermont's foster care system. [JFO received 1/13/10]
The Governor’s approval may now be considered final. We ask that you inform the Secretary of Administration and your staff of this action.

cc: Roger Allbee, Secretary
    Jason Gibbs, Commissioner
    Stephen Dale, Commissioner
The Governor's approval may now be considered final. We ask that you inform the Secretary of Administration and your staff of this action.

cc: Roger Allbee, Secretary
    Jason Gibbs, Commissioner
    Stephen Dale, Commissioner
UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL BUSINESS-COOPERATIVE SERVICE

AGRICULTURE INNOVATION CENTER DEMONSTRATION PROGRAM GRANT AGREEMENT

This Grant Agreement (Agreement) dated 01109, between the Vermont Agency of Agriculture, Food and Markets (Grantee), and the United States of America, acting through the Rural Business-Cooperative Service of the Department of Agriculture (Grantor), for $469,000 in grant funds under the Agriculture Innovation Center Demonstration Program (7 USC 1621 note; P.L. 107-171), delineates the agreement of the parties.

WITNESSETH, in consideration of the grant;

The Grantee has determined to establish or expand an Agriculture Innovation Center (AIC) facility to provide technical assistance and business development services to agricultural producers who wish to engage in the production of value-added agricultural commodities or products;

The Grantee certifies that the Center will be independently governed by a Qualified Board of Directors in accordance with 7 CFR 4284, Subpart K, 4284.1004, and that the hiring of Center employees or project consultants will be at the discretion of the Qualified Board of Directors;

The Grantee certifies the ability to finance or directly fund the amount necessary to supplement grant funds in order to ensure an adequate budget for the operation of the AIC and that the non-Federal funds identified in the budget pursuant to 7 CFR 4284, Subpart K, section 4284.1010 (c)(5)(xi) are committed and available to the project for eligible purposes and will be funded commensurately with grant funds during the grant period;

The Grantee certifies that the United States Government has not obtained an outstanding judgment against the organization in a Federal Court (other than in the United States Tax Court);

The Grantor has agreed to give the Grantee the grant funds, subject to the terms and conditions established by the Grantor, provided that any grant funds actually advanced and not needed for eligible grant purposes shall be returned immediately to the Grantor.

NOW, THEREFORE, in consideration of the grant;

The parties agree that all the terms and provisions of the related Letter of Conditions dated September 24, 2009, and the application submitted by the Grantee are incorporated and included as part of this Agreement. Any changes to these documents or this Agreement must be approved in writing by the Grantor.

The Grantor agrees to make available to the Grantee for the purpose of this Agreement funds in an amount not to exceed the Grant funds, subject to the terms and conditions of this Agreement.
As a condition of the Agreement, the Grantee certifies that at least 51 percent of the outstanding interest in the project has membership or is owned by those who are either citizens of the United States or reside in the United States after being legally admitted for permanent residence.

As a condition of the Agreement, the Grantee certifies that it is in compliance with and will comply in the course of the Agreement with all applicable laws, regulations, Executive Orders, and other generally applicable requirements, including those contained in 7 CFR parts 3015, 3016, 3017, 3018, 3019, 3052 and 4284 Subparts A and K, which are incorporated into this agreement by reference, and such other statutory provisions as are specifically contained herein.

The Grantee and any Sub-grantees (beneficiaries of the AIC receiving matching grants) will comply with title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, the Americans with Disabilities Act, Executive Order 12898, and Executive Order 12250. This requires data collection and maintenance of race, sex and national origin for agricultural producers served by the AIC activities, including the activities of Sub-grantees. This information must be provided to the State Office of USDA Rural Development, as applicable. The Center, its services, and the services of Sub-grantees must be available to all persons without discrimination as to race, color, religion, sex, national origin, age, marital status, or physical disability.

As a condition of the Agreement, the Grantee certifies that its management has read and understands the requirements of 7 CFR parts 3015, 3016, 3017, 3018, 3019, 3052 and 4284 Subparts A and K.

NOW, THEREFORE, the parties do hereby agree as follows:

1. Grant

A. The total amount of grant funds payable to the Grantee by the Grantor shall not exceed $469,000 (Grant). Any unexpended Grant funds remaining at the time of project completion or termination of the Agreement shall be returned to the Grantor within 30 calendar days from the date of project completion or termination of the Agreement.

B. Grantee will match Grant funding with an amount equal to or greater than $234,500. The matching funds will be spent at a rate equal to or in advance of grant funds, with the expenditure of matching funds not to occur until the date the Grant begins.

C. The funding period of this grant will begin on October 1, 2009 and will conclude on September 30, 2010. The Grantee may charge to the Grant only allowable costs resulting from obligations incurred during the funding period.

D. Grantee shall use Grant funds and matching funds only for the eligible purposes specified in 7 CFR 4284, Subpart K, 4284.1008. The project budget and work plan are specified in detail in EXHIBIT A, entitled “GRANT WORK PLAN AND BUDGET,” which is attached hereto and
incorporated herein. Any uses not provided for in EXHIBIT A must be approved in writing by the Grantor in advance of expenditure by the Grantee.

E. Grantee shall submit its final payment request no later than 90 calendar days after the grant period has ended. Any funds that have not been requested by this time will be de-obligated.

2. Financial Management

A. Grantee shall relate financial data to performance data and develop unit cost information whenever practical.

B. Grantee shall maintain a financial management system in accordance with 7 CFR 3016.20.

C. Payment shall be made in accordance with 7 CFR 3016.21. If the Grantee cannot maintain a financial management system in accordance with 7 CFR 3016.20 or if Grantee fails to satisfactorily meet any other conditions set forth in this Agreement, the Grantee may be paid on a reimbursement basis, at the discretion of the Grantor.

i. If payment is to be made by advance, the Grantee shall request advance payment, but not more frequently than once every 30 days, of grant funds by using Standard Form 270, “Request for Advance or Reimbursement.” Receipts, hourly wage rate, personnel payroll records, or other documentation must be provided upon request from the Agency.

ii. If payment is to be made by reimbursement, the Grantee shall request reimbursement of grant funds, but not more frequently than once every 30 days, by using Standard Form 270, “Request for Advance or Reimbursement.” Receipts, hourly wage rate, personnel payroll records, or other documentation, as determined by the Agency, must be provided with the request to justify the amount.

D. If program income is earned during the time period of the grant, it may be used to replace other sources of matching funds if prior approval is received from the Agency. Program income that is not used as matching funds for the grant project must first be added to the total project costs and used to further eligible project or program objectives. Program income earned in excess of funds that can be used for matching funds or eligible expenses must be deducted from the total project or program allowable cost and will result in a reduction of the Federal share. Costs incident to the generation of program income may be deducted from gross income to determine program income, provided these costs have not been charged to the award.

E. The Grantee is subject to the audit requirements specified in 7 CFR 3016.26, non-Federal Audits for grants to State and Local Governments. Grantees and Sub-grantees are responsible for obtaining audits in accordance with the Single Audit Act Amendments of 1996 (31 USC 7501-7505) and revised OMB Circular A-133, “Audits of States, Local Governments, and Non-Profit Organizations.” The audits shall be made by an independent auditor in accordance with generally accepted government auditing standards covering financial audits. In USDA, revised OMB Circular A-133 is implemented in 7 CFR part 3052, “Audits of States, Local Governments, and Non-Profit Organizations.”
3. Property Standards

Funds provided for this Agreement may not be used for (1) planning, repair, rehabilitation, acquisition, or construction of a building or facility (including a processing facility); or (2) the purchase, rental, or installation of fixed equipment. As otherwise applicable, the Grantee must adhere to the property standards outlined in 7 CFR 3016.30 through 3016.35.

4. Procurement Standards

The Grantee must adhere to the procurement standards outlined in 7 CFR 3016.36.

5. Reports

The Grantee shall submit financial and project performance reports satisfactory to the Grantor in accordance with EXHIBIT B, entitled “REPORTING REQUIREMENTS,” which is attached hereto and incorporated herein.

6. Site Visits

The Grantee will allow the Grantor to conduct site visits as needed for monitoring the Grantee’s progress and auditing the Grantee’s financial records related to the performance under the Agreement. Failure to allow the Grantor to conduct site visits shall be grounds for terminating the grant.

7. Records

The Grantee shall retain and provide access to records as required by 7 CFR 3016.42. All financial and programmatic reports, records, and supporting documents of Grantees and Subgrantees must be retained for a period of three years from the date of the final expenditure report submission to the Agency, or three years from the date of final resolution of any litigation, claim, negotiation, audit, or other action involving the records, whichever is later.

8. Termination

The award that is the subject of this Agreement shall only be terminated in accordance with 7 CFR 3016.44.

9. Enforcement

The terms and conditions of this award will be enforced using the provisions of 7 CFR 3016.43.
10. Extensions

If the grant will not be completed by the end of the funding period, as defined in paragraph 1.C., the Grantee may request an extension. The extension must be requested at least 30 days prior to the end of the funding period or it will not be considered. The request must be in writing and addressed to the State Director. It must include the following information: (1) the time period of the extension requested; (2) a revised budget and work plan demonstrating that funds will be completely expended by the end of the extension; (3) the reason(s) why the extension is being requested; and (4) what steps will be taken by the Grantee to ensure that the project is completed by the end of the extension. The State Director will make a recommendation to the RBS Administrator to approve or disapprove the Extension Request, and the Administrator will make a final determination. Submission of a request for an extension does not guarantee that the Agency will approve the extension. The Agency may grant one no-cost extension of up to one year at its discretion. However, extensions will only be approved in cases where significant circumstances beyond the Grantee's control prohibited timely performance of grant activities. Extensions will not be approved for changes in scope.

11. Environmental Reviews

All grants made under this subpart are subject to the requirements of 7 CFR Part 1940, Subpart G or its successor. As applicable, Grantees must consider and document within their plans the important environmental factors within the planning area and the potential environmental impacts of the plan on the planning area, as well as the alternative planning strategies that were reviewed. Applications for technical assistance or planning projects are generally excluded from the environmental review process by 7 CFR 1940.333, provided the assistance is not related to the development of a specific site.

IN WITNESS WHEREOF, Grantee has this day authorized and caused this Agreement to be signed in its name and its corporate seal to be hereunto affixed and attested by its duly authorized officers thereunto, and the Grantor has caused this Agreement to be duly executed on its behalf by:

Grantor
UNITED STATES OF AMERICA
RURAL BUSINESS-COOPERATIVE SERVICE

[Signature]
[Date] 10/20/09

JUDITH A. CANALES
Name

Administrator, Business and Cooperative Programs
Title
Grantee

Vermont Agency of Agriculture, Food and Markets

Signature
Roger Allbee

Name
Secretary of Agriculture, Vermont

Date
9-24-09

Title
EXHIBIT B

REPORTING REQUIREMENTS

You must provide the Vermont State Office of USDA Rural Development with a paper copy original or an electronic copy that includes all required signatures of the following reports. The reports should be submitted to David Robinson, Business and Cooperative Programs Director, USDA Rural Development, City Center, 3rd Floor, 89 Main Street, Montpelier VT 05602 or David.Robinson@vt.usda.gov. Failure to submit satisfactory reports on time may result in suspension or termination of your grant. Both performance reports and financial reports must be in compliance with 7 CFR 3016.40 through 3016.41.

A. Form SF-269 or SF-269A. A “Financial Status Report,” listing expenditures according to agreed upon budget categories, on a semi-annual basis. Reporting periods end each March 31 and September 30. Reports are due 30 days after the reporting period ends. A final “Financial Status Report” is due within 90 calendar days of the completion of the project. Reports will be on a cash basis.

B. Semi-annual performance reports. Reports are due as provided in paragraph (A) of this section. These reports shall include the following:

i. A comparison of actual accomplishments to the objectives for that period. Objectives should be reported by specific task breakdown as described in the approved work plan and budget.

ii. Reasons why established objectives were not met, if applicable.

iii. Reasons for any problems, delays, or adverse conditions which will affect attainment of overall program objectives, prevent meeting time schedules or objectives, or preclude the attainment of particular objectives during established time periods. This disclosure shall be accomplished by a statement of the action taken or planned to resolve the situation.

iv. Objectives and timetables established for the next reporting period.

v. Compliance with any special condition on the use of award funds should be discussed.

C. Final project performance reports. Reports are due as provided in paragraph (A) of this section. These reports shall include the following:

i. A comparison of actual accomplishments to the objectives for that period. Objectives should be reported by specific task breakdown as described in the approved work plan and budget.

ii. Reasons why established objectives were not met, if applicable.

iii. Reasons for any problems, delays, or adverse conditions which will affect attainment of overall program objectives, prevent meeting time schedules or objectives, or preclude the
attainment of particular objectives during established time periods. This disclosure shall be accomplished by a statement of the action taken or planned to resolve the situation.

iv. Objectives and timetables established for the next reporting period.

v. Compliance with any special condition on the use of award funds should be discussed.

vi. Responses to the following:

   a. What have been the most challenging or unexpected aspects of this program?
   
   b. What advice you would give to other organizations planning a similar program. These should include strengths and limitations of the program. If you had the opportunity, what would you have done differently?
   
   c. If an innovative approach was used successfully, the Grantee should describe their program in detail so that other organizations might consider replication in their areas.

vii. The Grantee must submit supporting documentation for completed tasks, which includes, but are not limited to, legal and/or governance documents for the AIC, market demand studies or service reports, tradeshows impact reports, copies of new or updated guides or manuals, educational materials developed, Distribution Network Studies, feasibility studies, business plans, and an accounting of how project funds were spent.

D. SF-272. If the Grantee receives advance payments, the Grantee shall submit a “Report of Federal Cash Transactions,” listing expenditures according to agreed upon budget categories, on a quarterly basis. Reporting periods end each March 31, June 30, September 30, and December 31. Reports are due 15 calendar days after the reporting period ends.
EXHIBIT A

GRANT WORK PLAN AND BUDGET
Establish Agricultural Innovation Center:

AIC Funds:
- $46,000 – Admin Indirect Costs VAAFM (2/3 FTE and supervisor’s time)
- $45,000 – Consulting Services for Taste of Place Initiative

Matching Funds:
- None

Vermont Agricultural Development Corporation

AIC Funds:
- $20,000 – Consultant for Phase I Business Analysis
- $60,000 – Phase II, Hire Staff for VADC

Matching Funds:
- $35,000 – Foundation Investment
- $4,000 – VAAFM In Kind Time
- Additional funds to be sought in Phase II (January 2010)

Agricultural & Culinary Tourism Council - Establishment

AIC Funds:
- $1,800 – Consulting Services of Farmers
- $200 - Materials

Matching Funds:
- $4,000 – VAAFM In Kind Time
- $13,000 – Council In Kind Time

Agricultural & Culinary Tourism Council - Tasting Trails

AIC Funds:
- $28,000 – Professional Development Services, Farmer Trainings, Marketing

Matching Funds:
- $2,500 – VAAFM In Kind Time

Agricultural & Culinary Tourism Council - Website

AIC Funds:
- $6,000 – Phase I Consultant (Planning & Project Development)
- $46,000 – Phase II Consultant (Technical Development)

Matching Funds:
- $30,000 – John Merck Fund
- $1,250 – VAAFM In Kind Time
- Additional funds to be raised for Phase II work (2010)

Specialty Food Trade Show Participation

AIC Funds:
- $50,000 – Entrance & Marketing Fees

Matching Funds:
- $50,000 – Producers’ Match from Entrance & Marketing Fees, Supplies
Introductory Manual for Specialty Foods
AIC Funds:
- $7,000 Consultant to Produce Manual, includes publishing costs
Matching Funds:
- None

Workshops, Presentations, Learning Opportunities for Specialty Foods
AIC Funds:
- $13,000 – Educational Services / Workshop Costs/Presenter Fees
Matching Funds:
- $2,000 – VSFA
- $3,150 – Registration Fees from participants

Professional Development & Consulting Services for Specialty Food Producers
AIC Funds:
- $5,000 – Consulting & Education Fees
Matching Funds:
- $5,000 – Participant Match
- $450 – VSFA In Kind Time

Taste of Place Technical Assistance - Hardwick
AIC Funds:
- $8,000 – Consultant Fees for Center for Agricultural Economy & Applied Research Assistant
Matching Funds:
- None

Taste of Place Technical Assistance – Tarentaise Cheese
AIC Funds:
- $4,275 – Consultant Fees for Sensory and Terroir
Matching Funds:
- None

Taste of Place – Applied Research
AIC Funds:
- $18,500 – Consultant & Researcher Services, Visit Quebec to Explore Destination of Origin System
Matching Funds:
- $1,000 – Food Systems Research Collaborative
- $2,000 – Registration Fees
- $1,500 – Sponsorships
Taste of Place – Cultural Heritage

AIC Funds:
- $20,000 – Consultant Fees for Applied Research and Materials Development and Publication

Matching Funds:
- $1,000 – VAAFM In Kind Time

Distribution Networks – Applied Research

AIC Funds:
- $35,000 – Consultant Fees

Matching Funds:
- $10,000 – VT Sustainable Jobs Fund, Farm to Plate

Grants for Service Providers

AIC Funds:
- $50,000 – Grants for Capacity Building of TAAFM providers
- $5,000 – Consultant Fees – VT Community Foundation

Matching Funds:
- $75,000 – VT Community Foundation

Total Spending:
- AIC Funds: 468,750 (awarded up to $469k)
- Matching Funds: 242,350

*Detailed budget sheet includes funds directed towards projects that do not count as matching funds (from federal sources). Those sources not considered in this overview.

Please Note Matching Funds Status as of 9/30/2009:

For award of a $469k VT AIC Grant, the match requirement is $234,500. Grant and matching funds have the same use restrictions.

| Cash Match Confirmed | $134,950 |
| VAAFM In Kind Confirmed | $12,750 |
| Total Confirmed Match | $147,700 |

Proposed Matching Funds Without Letters of Commitment:
- Castenea Foundation: $10,000
- High Meadows Fund: $10,000
- Ag Tourism Council Member Time: $13,000
- Sponsors: $1,500
- Participant Fees: $5,150
- Producer Match: $55,000

Total Match Not Confirmed: $94,650

Total Proposed Match: $242,350
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<tr>
<th>Service Provided</th>
<th>Project Phases</th>
<th>Cost</th>
<th>Funding Partners</th>
<th>Matching Amount</th>
<th>VAAFM Staff Time Match</th>
<th>Cost Equivalent</th>
<th>AIC Match</th>
<th>AIC Funds</th>
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<td>Establish Agricultural Innovation Center</td>
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<td>Administration Costs (2/3 FTE, plus supervisor)</td>
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<td>Taste of Place Administrator (Consultant)</td>
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<td>Vermont Agricultural Development Corporation</td>
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<tr>
<td>Business Analysis - Phase I</td>
<td>John Merck Fund</td>
<td>$8,000</td>
<td>Castanea Foundation</td>
<td>$5,000</td>
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<td></td>
<td>High Meadows Fund</td>
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<td>Business Plan Implementation &amp; Launch - Phase II</td>
<td>John Merck Fund</td>
<td>$9,000</td>
<td>Castanea Foundation</td>
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<tr>
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<td>High Meadows Fund</td>
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<tr>
<td>Agricultural &amp; Culinary Tourism Council</td>
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<td>Council Participation</td>
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<td>$18,800</td>
<td>Matched by participation at council meetings 5 hours quarterly, total 266 hours</td>
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<td>Staff time in addition to meetings = ave 20 hours quarterly</td>
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<td>Materials</td>
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<tr>
<td>Improvement of Tasting &amp; Food Trails</td>
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<tr>
<td>Implementation</td>
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<td>Agricultural &amp; Culinary Tourism Website</td>
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<td>$93,500</td>
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<td>Phase II - Site Development</td>
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<td>Specialty Food Trade Show Participation</td>
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<td>$101,500</td>
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<td>NY Fancy Food Show; AIC Funds</td>
<td></td>
<td>$50,000</td>
<td>Matched by producer time &amp; expense</td>
<td>$25,000</td>
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<td>Towards Marketing, Entrance Fees</td>
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<td>$15,000</td>
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<td>Expo East</td>
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<td>$10,000</td>
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<td>Other Shows</td>
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<td>VSFA In-Kind Time</td>
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<td>$3,150</td>
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<tr>
<td>Introductory manual for specialty food producers</td>
<td></td>
<td>$7,000</td>
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<td>Consultant time for manual development</td>
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<td>Publishing</td>
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<td>$2,000</td>
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<td>Workshops, presentations, learning opportunities for specialty food producers</td>
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<td>$16,150</td>
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<td>NOFA-VT Conference Track</td>
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<td>$500</td>
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<td>VSFA Annual Meeting</td>
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<td>$2,500</td>
<td>VSFA</td>
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<td>Three Workshops</td>
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<td>$15,150</td>
<td>Registration fees (Ave 30 people at $35)</td>
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<td>Support for specialty food producer professional development assistance</td>
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<td>$10,450</td>
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<tr>
<td>Match required by applicant</td>
<td></td>
<td>$5,000</td>
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<tr>
<td>Activity Description</td>
<td>Budgeted Amount</td>
<td>Costs Covered by</td>
<td>Additional Match</td>
<td></td>
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<tr>
<td>VSFA Administration 15 hrs at $30 / hr</td>
<td>$450</td>
<td>$0</td>
<td>$8,000</td>
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<td>Preliminary Information Sessions</td>
<td>$9,000</td>
<td>$5,000</td>
<td>$2,000</td>
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<td>Convening Work by Center for an Agricultural Economy</td>
<td>$27,000</td>
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<td>$2,000</td>
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<td>Technical Sessions – Food Systems Research Collaborative; AIC Funds Graduate Student Support</td>
<td>$24,000</td>
<td>$5,000</td>
<td>$4,000</td>
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<tr>
<td>Taste of Place technical assistance to producers - Hardwick Region</td>
<td>$60,000</td>
<td>$0</td>
<td>$4,250</td>
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<tr>
<td>Taste of Place technical assistance to producers - Tarentaise Cheese</td>
<td>$9,250</td>
<td>$5,000</td>
<td>$4,250</td>
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<tr>
<td>Taste of Place background information, case studies, and best practices.</td>
<td>$34,500</td>
<td>$4,500</td>
<td>$18,500</td>
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<td>Quebec Tours</td>
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<td>Center for Rural Studies market study</td>
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<td>Working Day</td>
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<td>$1,500</td>
<td>$6,500</td>
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<tr>
<td>Consultant to perform applied research &amp; planning</td>
<td>$16,000</td>
<td>Total of 20 hours</td>
<td>$15,000</td>
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<td>Materials development &amp; publication</td>
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<td>Distribution networks study</td>
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<td>Grants for service providers</td>
<td>$130,000</td>
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<td>$54,000</td>
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<tr>
<td>Vermont Community Foundation fees</td>
<td>$5,000</td>
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<td>Grants distributed</td>
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<td>Vermont Community</td>
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<td>Grand Totals</td>
<td>$797,100</td>
<td>$242,350</td>
<td>$468,750</td>
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<tr>
<td>Additional Match</td>
<td>$84,500</td>
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</table>

**Federal funds are included in this budget to reflect the full cost of each project, but are not included in the totals for matching funds.**

*Not included in AIC match as these funds have previously been counted as a match to a different federal grant.*

Grant and Matching Funds have the same use restrictions.

Matching Funds Status as of 9/30/09:
- Total Confirmed Match: $147,700
- Total Match Not Confirmed: $4,550
- Total Proposed Match: $282,500
WORK PLAN:
The following work plan presents action items planned from October 1, 2009 — September 30, 2010 to implement the professional services listed in the preceding narrative in a way that will achieve the goals described. Each section is arranged by: Service Provided; Background to Current Activity; VAAFM Lead Staff; Partners in Implementation; Implementation Steps & Timeline; Future Work. The Budget Narrative section describes anticipated costs and matching support.

Establish Vermont Agriculture Innovation Center (VAIC)

Background to Current Activity: The producer services initially provided by VAIC (2009-2010) reflect needs established by several existing advisory groups and agricultural planning committees prior to the 2009 funding cycle. In 2009 the Vermont Agency of Agriculture will formally establish a Vermont Agriculture Innovation Center Board of Directors to independently govern VAIC and shape producer service work.

VAAFM Lead Staff: David Lane & Helen Labun Jordan

Partners in Implementation: See below for Board of Directors.

Implementation Steps & Timeline:
- Announcement of new services offered through 2009 VAIC funding. Kick off will include:
  - Press release & press event to announce establishment of new center (target date — first week of November).
  - Announcement in Agency of Agriculture materials (Agriview newsletter & website).
  - Presentations to farmer service provider groups – UVM Extension, VT Housing & Conservation Board Farm Viability Program, VT Small Business Development Center, Regional Development Centers, Sustainable Agriculture Council
  - Initial meetings with groups involved as direct partners in the VAIC service areas to discuss outreach to their constituent base around those specific projects. Presentations to Boards and membership (eg annual meetings) of partner organizations.
  - Board of directors establishes protocol for acknowledging both USDA-RD and VAIC on printed materials, presentations, etc funded through VAIC.

Marketing and outreach will evolve as VAIC board of directors shapes service development over time, ensuring that farmers and food producers remain aware of emerging opportunities.

October & Early November, 2009

- Convene first Board meeting. The Secretary of Agriculture will appoint representatives from the dairy, cattle & livestock, produce, and maple industries, Vermont’s highest grossing commodities. The Vermont Farm Bureau and Northeast Organic Farming
Association of Vermont (NOFA-VT), as the state’s two agricultural organizations with the greatest membership, will each nominate a representative to serve on the Board of Directors. In addition, the Vermont Secretary of Agriculture or a designee will sit on the Board.

The first agenda will address VAIC goals, review of 2009 producer services, and rules of governance moving forward. Board will review RFP for Taste of Place project manager and work with the Taste of Place steering committee on hiring process.

**November, 2009**

- Rules of governance drafted & sent to Board for review. Rules adjusted in conference call prior to next Board meeting.

**December, 2009**

- Board meets to review / approve rules of governance, review recent strategic planning reports relevant to agricultural innovation (e.g. Farm-to-Plate report, annual Sustainable Agriculture Council report, Council on the Future of Vermont report), and identify areas generally in need of greater support to promote innovation for value added producers.

**February, 2010**

- Board meets to review work to date on 2009 funded projects and VAAFM staff recommendations for future VAIC work in the areas identified in 2009 proposal.

**June, 2010**

- Board meets to review, revise, and approve final VAAFM work plan for 2011 VAIC grants (circulated via e-mail during its development) and outline priorities for next funding cycle.

**September, 2010**

**Future Work:** The VAIC Board of Directors will provide ongoing guidance and governance for VAIC, including project priorities, consultants hired to perform projects, partnerships established with other organizations to complete projects, and overall impact of VAIC work.

**Improve Depth of Assistance to Entrepreneurs with Strategically Important Business Concepts**

A 2008–2009 planning process, called Moving Vermont Agriculture Forward, found that 1.) some agriculture-related businesses in Vermont have had a disproportionate impact on overall agricultural development because they made other, new business models possible (for example, creation of a local foods-focused distributor, or Vermont’s first vineyard, which rewrote laws around wine production in the state) and 2.) an Agriculture Development Corporation was needed to make sure these types of businesses could start and succeed with minimal delays.
Establish the Vermont Agriculture Development Corporation

**Background to Current Activity:** The Vermont Agriculture Development Corporation (VADC) is a product of the Moving Vermont Agriculture Forward planning initiative funded by the John Merck Foundation in 2008 – 2009. The Vermont Agriculture Development Corporation is a proposed organization that can provide comprehensive assistance to promising entrepreneurs whose ideas for new businesses, or new enterprises at existing businesses, have the potential to advance agricultural development in Vermont. The organization will be unique in its ability to be selective, take risks on innovative new clients, and provide direct, wrap-around business assistance that brings entrepreneurs through multiple stages of launching their ventures. Funding at this time is for initial business planning followed by hire of an Executive Director and launch (anticipated for early 2010).

**VAAFM Lead Staff:** David Lane

**Partners in Implementation:** VT Housing & Conservation Board, VT Sustainable Jobs Fund, VEDA, Regional Development Corporations, VT Small Business Development Center, Lyndon State College, Northeastern Vermont Development Association

**Implementation Steps & Timeline:**
- Develop final concept sheet for VADC with advisory group (see Partners in Implementation)
  *Completed – Spring, 2009 – See Appendix A*

- Contract with consulting firm to perform initial business analysis of concept, including documenting market demand for proposed VADC services, refinements to services, criteria for evaluating clients, potential for broad impact on strength of VT agriculture, initial financial projections and proposed legal structure.
  *Consultant Hired Fall, 2009*

- Meetings with consultant over course of project will outline potential for VADC success and next steps towards launching organization. Next hire will be Executive Director to manage the organization through final preparations & launch.
  *Business Analysis Report Completed December 2009*

- Spring 2010 will be spent with the advisory group developing a final business plan, legal structure, and start up capital for VADC with an anticipated launch by the summer.

**Future Work:** The business planning funded in part through VAIC will set the foundation for future steps in launching and sustaining VADC. A final plan for the organization will be available in early 2010. See Appendix A for the current VADC concept paper.

Coordinate Agricultural and Culinary Tourism Support
Tourism and agriculture are two key industries in Vermont. Their importance can be measured both in the percentage of the economy they represent (over 15 percent of all jobs in the state) and the degree to which they define the Vermont image. In spite of the mutual interests of agriculture, cuisine, and tourism, these sectors have not traditionally been well integrated and multiple planning groups have recommended developing greater sophistication for agricultural and culinary tourism in Vermont.

**Establish statewide Agricultural and Culinary Tourism Council**

**Background to Current Activity:** A primary recommendation of the Moving Vermont Agriculture Forward planning process, the work completed under a recent Federal State Marketing Improvement Program grant, and subsequent meetings of those involved in agricultural and culinary tourism is to convene a Vermont Agricultural and Culinary Tourism Council. This Council will represent a range of perspectives and provide a platform to:

- Improve coordination between existing ag-tourism events, businesses and organizations, and between these groups and culinary-focused businesses and organizations.
- Represent agriculture in the tourism sector and tourism in the agricultural sector.
- Develop resources to help businesses ensure a high quality visitor experience.
- Gather funds to support future initiatives including technical assistance, advertising, and professional development.

Council work in 2009 – 2010 will focus on the services of supporting improvement of existing tasting & food trails and creating a consumer-oriented agricultural and culinary tourism website.

**VAAFM Lead Staff:** Koi Boynton

**Partners in Implementation:** While over forty individuals have participated in the process that established a need for the Agricultural and Culinary Tourism Council, the Council itself will have spaces for representatives from the following groups: Vermont Agency of Agriculture, Vermont Department of Tourism & Marketing, Vermont Farms! Association, Vermont Cheese Council, Vermont Maple Foundation, Vermont Brewers’ Association, Vermont Grape & Wine Council, Vermont Hospitality Council, UVM Center for Tourism Data, Vermont Fresh Network, VT Business Rep, VT Cultural Organization Rep, three farmer representatives.

**Implementation Steps & Timeline:**
The Agricultural and Culinary Tourism Council will meet quarterly in locations around the state. The topics covered in the first year of meetings are listed below.

- First Meeting (Montpelier): Introductions, purpose of Council, plan for the year, introduction to the website project (see later section) and first half of tasting / touring trails presentations.  
  *(October, 2009)*

- Second Meeting (Southern VT): Second half of tasting / touring trails presentations, group discussion and initial priorities for projects to strengthen these existing programs. By end of second meeting, presentations will have included:
  - Cheese Trail
Following the second meeting, VAAFM staff will work to organize notes and proposed plan for supporting touring & tasting trails. Council will adjust & discuss plan over e-mail, followed by conference call for final approval. VAAFM implements.

Third Meeting (Northwestern Vermont): Agricultural and Culinary Tourism Website discussion (see notes below on website work plan).

Fourth Meeting (Central Vermont): Review activities of previous year, set a Chairperson to take over managing Council, choose priority projects for next year.

Future Work:
- VAAFM will provide staffing assistance to the Agricultural & Culinary Tourism Council over its first year of projects; future years the Council will operate more autonomously.
- Establishing a roster of projects and programs will allow the Council to diversify its funding sources and seek grants VAAFM has previously directed to tourism-related activities (such as the Federal-State Marketing Improvement Program).

Background to Current Activity: Several versions of touring and tasting trails currently exist for visitors, and Vermonters, interested in exploring our agricultural landscape. These tours fall into different categories: printed brochures linking the same types of foods (e.g. cheese makers); events that bring visitors to visit a region’s farms on a specific day (e.g. Open Farm / Open Studio weekend); private businesses that will provide guided farm and food tours for a fee. These offerings are at an early stage of development, with more work needed to provide the best possible visitor experience. Ensuring a consistent high quality experience will be the foundation for improved marketing of these visitor opportunities. Current areas of weakness include training for farmers on best practices for hosting visitors, standards for screening what stops should be included in a trail or tour, assistance in replicating touring events that have been successful in one region into other regions, and ways to ensure that published information remains accurate.

VAAFM Lead Staff: Koi Boynton

Partners in Implementation: Vermont Agricultural and Culinary Tourism Council
Implementation Steps & Timeline:

- First set of presentations on existing trails to Agricultural & Culinary Tourism Council (October, 2009)

- Second set of presentations and Council discussion of next steps. Initial projects being considered include:
  - Professional development assistance to farmers who are stops on existing trails to help them improve the individual farm experience.
  - Marketing assistance for groups publishing trail guides.
  - Development of touring trail standards, with guide on how to reach standards.
  - Business development assistance to privately managed tours and trail systems.
  - Assistance for regions to replicate successful events based on touring local farms.
  - Assistance integrating existing trails with events or other packages, for example visiting cheese makers on cheese trail before dining at a restaurant featuring these cheeses on the menu, or providing guides to visitor friendly farms as part of conferences or festivals.

  Options to be expanded and refined based on feedback during presentations. (January, 2010)

- VAAFM organizes notes and, through e-mail and conference call correspondence, Council decides on priority projects to complete by Oct 1, 2010. (February, 2010)

- Council discussion of agricultural and culinary tourism website, includes discussion of presenting and updating trail systems and itineraries. (March, 2010)

- Visits to existing trails, tours, and farm visit-based events. Council is informed of upcoming events and attend as their schedule / interests allow. (Summer, 2010)

- Phase I projects (decided in February) finished. (October 1, 2010)

Future Work: February planning will set longer term goals in addition to priority projects to finish before October 1st.

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Create consumer-oriented agricultural and culinary tourism website

Background to Current Activity: A second recommendation of the Moving Vermont Agriculture Forward initiative was to develop a better online presence for Vermont’s agricultural and culinary tourism sector. Simultaneously, the Vermont Fresh Network, which connects local farmers with local chefs, was seeking better ways to reach out to potential customers, particularly online. Today the Vermont Fresh Network has stepped forward to take the lead, with the support of an Agricultural and Culinary Tourism Council, to manage the process of designing a website
tailored particularly to the needs of visitors to Vermont and Vermonters planning in-state activities around food and cuisine.

Lead VAAFM Staff: Koi Boynton

Partners in Implementation: Vermont Fresh Network, Vermont Agricultural & Culinary Tourism Council members

Implementation Steps & Timeline: The Vermont Fresh Network is the primary lead on the following work plan, with VAAFM playing a supporting role.

- First meeting of the Agricultural & Culinary Tourism Council, includes introduction to and initial feedback on website project.  
  October 1st, 2009

- Vermont Fresh Network continues to talk with other organizations to solidify participation from appropriate groups in site design and testing and to outline an RFP for a consultant to perform Phase I work.  
  October 2009

- Request for Proposals posted and consultants solicited.  
  November 2009

- Consultant hired to perform the following general tasks:  
  - assess the host options for the website  
  - define specific functionality of website  
  - establish timeline budget for development of website  
  - identify web development and branding firm  
  - moderate Council’s discussions of protocol (see step below)  
  December 1, 2010

- Agricultural & Culinary Tourism Council meeting in which members give input on design & recommend protocol pertaining to: organizational representation, membership data interface, monitoring and content, marketing, maintenance and sustained funding options for the website.  
  March, 2010

- Work begins on securing matching funding for the second phase of website work (the site development)  
  April, 2010

- Consultant submits draft report for review by participating organizations and (via e-mail and conference call) by Agricultural & Culinary Tourism Council.  
  June, 2010
• Consultant submits final report.
  *July 2010*

• Matching funding secured and website development begins with an expected timeline of 9 months. Phase II funds indicated in attached budget cover initial hire of consultant for website development.
  *September, 2010*

**Future Work:**
- Complete Phase II of website work – site design, including architecture of the site and brand development.
- Secure funding and complete Phase III – marketing and launch of site, including interpretive programming, outreach, and education activities.
- Planning in Phase I will include business outline for ongoing maintenance, customer service, and funding of site.

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**Develop New Opportunities for Vermont Specialty Food Producers**

*High quality, specialty foods are among Vermont's most well-known products and present an important opportunity for small business people and home-based entrepreneurs. Vermont needs to maintain its position as a center of quality foods while cultivating the next generation of specialty food businesses.*

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**Support specialty food producers’ participation in trade shows**

**Background to Current Activity:** Vermont specialty food producers take advantage of several trade shows throughout the year to introduce their products to a wider audience. Smaller and newer Vermont producers are interested in introducing their product to a wider audience through trade shows, but may not have the capacity to enter these shows on their own. The fund allocations for specialty food producers and trade show participation will go towards creating a Vermont Specialty Food booth that provides access to these smaller producers and also towards helping this booth stand out in the trade show, drawing more traffic to the Vermont area.

**VAAFM Lead Staff:** Helen Labun Jordan

**Partners in Implementation:** Vermont Specialty Food Association (VSFA)

**Implementation Steps & Timeline:** The Vermont Specialty Food Association will manage the specialty food trade show work, including securing space, designing and managing a booth, creating activities at the booth, and soliciting business participation.
- Initial meeting between VAAFM and VSFA outlines schedule for payments and reporting requirements as VSFA administers trade show support funds. Agreement will include outline of how to track and categorize matching funds to ensure that they comply with federal requirements to be for the same services and exclude unallowable fees, such
as hotel costs.

Initial Meeting: October 2009

- VSFA Trade Show presence will be supported at:
  - Expo East Natural Products Show, Boston (September 2010)
  - New England Specialty Food Show, Sturbridge, MA (April / May 2010)
  - Metropolitan Cooking & Entertainment Show, Washington DC (November, 2010 –note, payments for shows are required several months in advance)
  - Vermont Cheese Festival, Shelburne, VT (August, 2010)
  - Vermont Grocers’ Show, Essex, VT (September 2010)

Future Work:
- Identify pre-show educational needs and / or post-show follow up that will help small producers make the best use of trade show participation
- Review the impact of each show and determine its usefulness for future participation support – including if other shows not currently receiving support are more promising
- Help producers “graduate” from shared booth space to their own booth at major trade shows

Create introductory manual for Specialty Food producers

Background to Current Activity: Ten years ago, the Vermont Agency of Agriculture published a guide to provide an overview on how to begin a specialty food business that remains a popular reference tool. The guide is now not only outdated in its information, but also not easily available online. The work plan presented here will update both the material and its format.

VAAFM Lead Staff: Helen Labun Jordan

Partners in Implementation: Vermont Specialty Food Association, Vermont Food Venture Center, University of Vermont Extension, Vermont Department of Economic Development, Vermont Micro Business Development Program

Implementation Steps & Timeline:
- Convene meeting of implementation partners to review existing materials for entrepreneurs interested in starting a specialty food business and comment on:
  - Key topics to cover in an introductory manual
  - References for written materials / experts to give input on these topics to the writer hired to design the manual
  - Best formats for presenting material (printed manual, online manual, integrated into workshops, classes, etc.)
  - Criteria for selecting a writer to develop a manual
  - Plan for distributing an RFP for composing the manual
Committee of 3 assigned to review proposals and select consultant for crafting manual

Meeting: Early October 2009
• VAAFM develops and distributes RFP for consultant to develop manual
  RFP Distributed: End of October 2009

• Consultant hired and begins work. VAAFM will set plan for giving input and reviewing
  work prior to composing first draft of full manual.
  Consultant Selected: December 1, 2009

• Draft of written material brought before all partners for review and comment
  Meeting to Review Draft: Early April, 2010

• Final manual submitted
  Final Draft of Manual: Late May, 2010

• Manual distributed per outline developed in initial meeting
  All Distribution (including online posting) Complete: Early August, 2010

**Future Work:** Putting a basic specialty foods manual for Vermont in place sets the foundation
for more targeted educational activities in the future and integrating with other educational
programs.

• Ensure that technical assistance providers who work with specialty food producers are
  aware of the manual resource.

• Utilize the web format version to maintain the manual as consistently up to date and to
  link in other resources as they become available.

• Integrate manual with in-person teaching opportunities (see workshops & presentations
  below).

• Expand information available to specialty food producers on how to utilize more
  Vermont grown or raised ingredients in their products.

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**Support workshops, presentations, & learning opportunities for specialty food producers**

**Background to Current Activity:** In 2008 and 2009 the Vermont Food Venture Center
partnered with the Cornell Cooperative Extension to present a series of workshops covering the
basics of moving a small food venture from popular home recipe to successful business. The
workshops were well-received. This project allows the Food Venture Center to incorporate
lessons learned from the first run of workshops to both build another round of basic workshop
offerings and inform the development of additional educational opportunities. Particular
attention will be paid to understanding how farmers interested in diversifying their business
through specialty foods and/or specialty food producers who partner with Vermont farmers are
making use of these educational opportunities and what educational needs exist for the future.

**VAAFM Lead Staff:** Helen Labun Jordan
Partners in Implementation: Vermont Food Venture Center, Vermont Specialty Foods Association

Implementation Steps & Timeline:

- Convene a meeting of VAAFM, Vermont Food Venture Center, Vermont Specialty Foods Association to finalize a plan for workshop presentations, appropriate presenters, topics, and venues. The following outline represents an initial plan that may be slightly modified based on needs and speaker availability.
  *Meeting: Early October 2009*

- Meet with the Northeast Organic Farming Association to build track on local ingredients in specialty foods into their annual winter conference.
  *Meeting: Early October 2009; Conference February 2010*

- Day-long workshop presented on food safety plans – morning session on pending federal laws, afternoon session on requirements of retailers & distributors
  *Workshop Presented: Late March, 2010*

- Workshop presented on effectively utilizing trade shows to market product.
  *Workshop Presented: Late April, 2010*

- Vermont Specialty Food Association brings in headline keynote speaker for education at annual meeting.
  *Annual Meeting: June 2010*

- Vermont Food Venture Center presents “From Recipe to Market” introductory workshop, including introduction to revised & updated specialty foods manual (see above)
  *Workshop Presented: September, 2010*

Future Work:

- Integrate manual with in-person teaching opportunities (see create manual above).
- Survey participants in educational offerings to identify portion that are create value added products from ingredients they are producing, portion sourcing local ingredients, and where they can identify additional educational needs for utilizing more Vermont farm products in specialty foods.
- Expand education available to specialty food producers on how to utilize more Vermont grown or raised ingredients in their products.
- Seek more in-person workshop and educational opportunities that allow specialty food producers to meet with farmers who can supply ingredients.

Support specialty food producers seeking professional development assistance / consulting services for their business plans.
Background to Current Activity: Vermont specialty food producers are seeking assistance from multiple sources, from workshops (such as the ones described above) to one-on-one working sessions with local experts in developing a specialty food business. However, in the context of starting a new business, the costs associated with seeking this assistance can be a barrier for some producers and cause them to either cut back on the full amount of assistance they need, by reducing services paid by the hour, or avoid some learning opportunities altogether. This project supports trainings and the time of consultants working with specialty food producers.

VAAFM Lead Staff: Helen Labun Jordan

Partners in Implementation: Vermont Specialty Food Association (VSFA)

Implementation Steps & Timeline:
- Initial meeting with Vermont Specialty Food Association to outline the parameters of the assistance program, including:
  - Approved uses for the funds
  - Matching requirements from applicants – including ensuring that matches comply with federal guidelines.
  - Information required in application
  - Timeline for distributing funds
  - Outreach strategy to announce grant availability
  - Evaluation form for grant recipients to use to give feedback
  - MOU between VAAFM and VSFA that establishes VSFA as program administrator

  Meeting: October, 2009

- VSFA distributes funds throughout 2009 – 2010
  Funds Distributed by end of September, 2010

- VAAFM & VSFA reconvene at end of grant cycle to discuss the program:
  - Where did funds go? Which producers and for what purpose?
  - Were individual allocations of the appropriate size?
  - How quickly was the initial allocation used?
  - Any adjustments to the application?
  - Were specialty food producers (and prospective producers) well informed about the funds available?
  - Are there recommendations for other actions to increase producers’ access to education and professional development?

  Closing Meeting: September 2010

Future Work:
The closing meeting between VAAFM and VSFA will outline any adjustments to be made to continue a program in support of professional development.
Europe has led the world in enhancing rural economic development through creating and marketing food products that are proven to reflect the unique character of a place, through both their taste and their place in a region’s cultural heritage. The sentiment behind this work is often referred to as terroir and the specific programs designed to convey terroir principles to consumers are geographical indicator systems. Today Vermont is positioned to become the first U.S. state to successfully employ this European approach in marketing its own unique products (beyond wine, which has a separate place-based labeling system in place in the U.S.). The projects described below are those components of the Taste of Place initiative expected to receive funds from the Agriculture Innovation Center. A more detailed overview of the entire initiative is attached as Appendix B.

**Background to Current Activity:** In the spring of 2009, VAAFM applied for and received a USDA Rural Business Enterprise Grant for a Hardwick area study that connects resource teams of experts in flavor profiling, cultural heritage and business planning, with area cheese makers to explore identifying a common character to the region’s cheese products. This feasibility study will test methods for facilitating cheese makers’, and prospective cheese makers’, producer-to-producer discussions of what they perceive as a unique regional character to their cheeses and methods for building collaborations between producers and researchers to test those hypotheses. A final result will be recommendations for how to take the next step from discussion and testing to implementing product development & marketing plans (see also a separate market study component). Vermont Agriculture Innovation Center funding allows preliminary research to be brought further towards implementation, shortening the time between the feasibility study (described below) and providing tools to help farmers incorporate terroir principles into their product development & marketing strategy.

**VAAFM Lead Staff:** Helen Labun Jordan

**Partners in Implementation:** University of Vermont (Center for Rural Studies and the Food Systems Research Collaborative); Center for an Agricultural Economy

**Implementation Steps & Timeline:** The Center for an Agricultural Economy is the convener for Hardwick area producers, the University of Vermont will provide the matching experts for each session, and the Vermont Agency of Agriculture designs and manages each meeting agenda and administers the funds.

- Assemble VAAFM, UVM, and Center for an Agricultural Economy teams to announce award, confirm goals of project, review common talking points for project outreach. Center for an Agricultural Economy begins local outreach around project.
August 2009

- Center for an Agricultural Economy plans outreach strategy and meeting schedule (approximate schedule is described below)

September 2009

- VAAFM and UVM develop educational materials on Taste of Place and design preliminary information sessions.

September 2009

- First information session – introducing the concept of Taste of Place along with specific goals of the Hardwick area project. Open discussion of how producers see / don’t see the terroir model as an opportunity for their business. Center for an Agricultural Economy follows up with particular farmers who are interested / are target participants but could not attend group session.

October 2009

- Second information session – recap of general concept, time for additional question and answer to ensure that everyone is on the same page moving forward. Review of structure for next three meetings, opportunity for farmers to adjust plans and highlight particular questions they hope to have answered in meetings with expert teams.

November / December, 2009

- First Technical Meeting: Discussion of interaction between environmental / natural elements and sensory profile of final product. Each session begins with farmers giving their perspective on the topic (in this case how the natural environment affects their cheese tastes), followed by UVM team discussing what research exists to support those views, what more research might be needed, and how an individual farmer might authenticate the links between place and product. UVM will follow up each of the technical meetings with materials, information, replies to questions that are raised without answers in the session (for example, reports from different studies, examples of particular projects in other regions, etc.)

January, 2010

- Second Technical Meeting: Discussion of role of culture, tradition, and shared processing techniques to produce a unique cheese.

February, 2010

- Third Technical Meeting: Discussion of business structure for a Taste of Place style product. For example, are cheese makers / prospective cheese makers interested in working collaboratively on a common product? In taking some aspects of terroir and applying it to their individual cheeses? In identifying a Hardwick-centered cheese character? And other options for operationalizing the information determined to date.

March, 2010
Project partners reconvene to review what was learned during the project, including specific technical assistance required by producers, plans for moving from exploring character of a cheese to verifying its connection to place and communicating that to customers, more detail on the role of UVM research in the Taste of Place initiative, strategies for convening and managing producer discussions and considerations introduced by the market studies (see following sections on market study).

April, 2010

Follow up interviews and evaluations with:
- Producers – to determine interest in moving forward & areas that need more study
- Researchers from Technical Team – to determine areas that need more study

June, 2010

Final report written and presented to participants, Taste of Place Steering Committee, and Project Funders, along with recommendations for next steps.

August / September, 2010

Future Work: The 2009 work described above is designed to develop a proposed road map for future work, and so second stage plans will be established at its completion.

Background to Current Activity: As Vermont discusses how to adapt the European model of geographical indicators, particularly the French approach to indicators, to a U.S. context, it is important to perform the experiment of assessing a current Vermont product using the particular framework that already exists in Europe. Professor Amy Trubek at the University of Vermont has proposed this case study, bringing a European approach to terroir research to the examination of two Vermont Tarentaise cheeses. The results will provide an important complementary model to the broader explorations of terroir principles presented in other Taste of Place projects.

VAAFM Lead Staff: Helen Labun Jordan

Partners in Implementation: University of Vermont (Professor Amy Trubek)

Implementation Steps and Timeline: Prof. Trubek will be the lead researcher in this project, VAAFM’s role will begin after the results are complete and compared with the lessons learned in other Taste of Place research. The following timeline is taken from Prof. Trubek’s project plan. Her work is designed to answer three primary questions: 1. do the cheese makers identify taste of place as part of their cheese making? And if so how? 2. do shared practices & knowledge of Tarentaise cheese making influence the sensory profile of the cheese? 3. do natural, environmental factors at the two farms influence the sensory profile of the cheese?
• Develop methodology for environmental and cultural surveys of both the two comparison farms, Springbrook and Thistle Hill. Structure the case study approach, with input from VAAFM on key information required to move from study to policy/technical assistance programs.

_October 2009—June 2010_

• Interview stakeholders at Thistle Hill and Spring Brook Farms; Investigate overall organization of operation; Observe and document cheese making process; Convene expert sensory panel to taste cheeses from both farms from different seasons (part 1).

_June 2010—September 30th, 2010_

This completes Phase I work funded through 2009 Agricultural Innovation Center Grant. Phase II work planned for 2010—2011 includes:

• Perform physical-chemical analysis of cheeses; Code qualitative data; Convene expert sensory panels to taste cheeses from both farms from different seasons (part 2); Perform sensory evaluation of cheeses using Smart Nose technology.

_November 2010—April 2011_

• Analyze results and present report with recommendations.

_May 2011—September 2011_

**Future Work:**

- Review research tools presented in Tarentaise cheese study, along with the market demand and Hardwick region studies described in other sections, and determine with the University of Vermont the range of research tools they can offer to farmers interested in _terroir_.
- Using business planning and market demand information developed initially in 2009—2010 (see below), and in detail in 2010—2011, determine the specific tools most needed by producers to incorporate _terroir_ into their production practices.
- Develop an agreement with UVM for assistance moving forward.
- Recognize research areas that will contribute to new knowledge, but do not qualify as applied research or direct producer services, and therefore fall outside the scope of Agriculture Innovation Center work.

Background to Current Activity: The initial phase of the Taste of Place initiative (2009—2010) focuses on collecting basic information on how the concept of _terroir_ appears in Vermont’s food production and food culture and in particular identifying the type of work needed to establish critical links between specific foods and their region (for example the influence of environmental factors on taste). The second phase will focus more closely on how to...
move from starting knowledge to a viable marketing plan. The following activities for 2009 – 2010 will set the stage for more detailed market studies in 2010 – 2011.

**VAAFM Lead Staff:** Helen Labun Jordan

**Partners in Implementation:** UVM – Center for Rural Studies, Taste of Place Steering Committee

**Implementation Steps and Timeline:**

- Develop contract with the UVM Center for Rural Studies to perform preliminary market analysis for products bearing a form of geographical indicator. The work will be designed to:
  - Test how targeted consumers respond to the Vermont name as a brand and whether they can differentiate a reputation-based brand name from an authenticated geographical indicator with strict standards for how a food reflects the tastes of a place.
  - Test study designs for best ways to target those consumers most likely to be interested in geographical indicators and ways to engage target consumers in evaluating the (likely unfamiliar) concept of terroir and geographical indicators.

  *Work plan completed in early September, 2009*

- UVM Graduate Student assistant hired to help with consumer study, Hardwick area artisan cheese study (described above), collect documents describing how other regions implemented geographical indicator systems, and identify other projects within the U.S. that are comparable to all or some components of Vermont’s Taste of Place initiative.

  *Graduate student hired September 2009*

- Establish an organizing committee to design two tours to Quebec for Vermont producers, researchers and policymakers to learn in detail about how this province recently started its own protected designation of origin system. General topics areas to be covered:
  - Case study of Charlevoix Lamb
  - Creating a Culture of Terroir in North America, including how highlighting cultural heritage connections translates into business decisions for farmers.

  *Committee established at Taste of Place Steering Committee meeting, September 2009*

- UVM Center for Rural Studies works with Taste of Place Steering Committee to design an accurate system for measuring consumers’ understanding of and interest in geographical indicators.

  *September / October, 2009*

- Discussions begin with funders for a more detailed marketing study around Taste of Place.

  *September / October, 2009*

- First Quebec Tour – Charlevoix Lamb

  *Early November, 2009*
• Information from first Quebec Tour presented at Taste of Place Steering Committee quarterly meeting. Update on cultural heritage study (see section below) and graduate student information relevant to culture and tradition presented and more specific guidance provided for second Quebec trip. 
*December, 2009*

• Initial results from Center for Rural Studies market demand study available. 
*Early March, 2010*

• Center for Rural Studies presentation to Taste of Place Steering Committee on results of market study. Steering committee frames most important next questions to answer; subcommittee established to convene a working day on the business, marketing and economics aspects of Taste of Place and geographical indicators. 
*Early March, 2010*

• UVM Graduate Student assistant assists in background research for working day, subcommittee sets agenda, invitee list, and specific outcomes. 
*Spring, 2010*

• Second Quebec Tour — Creating a Culture of *Terroir* in North America 
*June, 2010*

• Working day on business, marketing, and economics aspects of Taste of Place and geographical indicators. 
*July, 2010*

• Working day subcommittee builds RFP for detailed marketing study based on results of Working Day, informed by other Taste of Place research initiatives and experiences of other regions. RFP reviewed and approved by Taste of Place steering committee at their late summer quarterly meeting. 
*August / September, 2010*

The following step of work is not included in 2009 Agricultural Innovation Center funds.

• Funding secured and consultant hired for second stage Taste of Place marketing work. 
*November, 2010*

**Future Work:**

• Engage an experienced consulting firm to fully explore the market for Taste of Place products from Vermont, including confirming whether such a market exists, premiums possible from tapping this market, opportunities and barriers to entry into European and Canadian markets alongside their Protected Designation of Origin products, and best strategies for promoting authentic Taste of Place products.
Develop a stronger cultural heritage component of the place-based foods initiative – Vermont Palate Project

Background to Current Activity: Cultural heritage is an important component of terroir. One part of this component is technical, identifying how changes in traditional production practices affect the character of a food (this aspect is addressed in a Taste of Place project with funding outside of VAIC). A second part is the broader goal of improving how communities use food to tell the story of their heritage. The Vermont Palate Project would develop full meals of complementary local foods that reflect the tastes of the land and are inspired by traditional meals of the region, then develop tools to engage consumers in exploring Vermont food products.

VAAFM Lead Staff: Koi Boynton

Partners in Implementation: Both the Taste of Place Cultural Heritage advisory group and Agricultural & Culinary Tourism Council will provide input into the project, but not directly manage its completion.

Implementation Steps & Timeline:

- Project outline refined & presented to Taste of Place advisory committee for final review, revision and approval.
  
  Early October, 2009

- Request for Proposals for consultant to complete Vermont Palate Project posted & consultant hired.
  
  Selection Complete by November, 2009

- Phase I of consultant’s work:
  i. Review of what we know about traditional cuisine of the Vermont region, including traditions of hunting, community suppers, and changing menus through the seasons.
  ii. Review of ingredients and dishes today that are inspired by traditional foods.
  iii. Investigation into which of the items identified above go best together to create a full, seasonal menu.
  iv. Description of the community culture side of meals – practices of community celebration around a meal historically and the different ways that this tradition appears today.
  v. Implementation plan for information gathered in i-v. Such as recommended menus for each season, story behind the menus, experiential options for introducing consumers to these menus and stories (e.g. special dinners, community events, tie-ins with special events, featured menus in restaurants with accompanying brochures, etc.)
  
  November 2009 – June 2010

- Agricultural & Culinary Tourism Council & Taste of Place Cultural Heritage Advisory committee review findings and VAAFM staff recommendations for next steps in implementation.
June, 2010

- Start implementation (steps to be determined during Phase I studies), with initial products—e.g. brochures, events, webpages—in place by Oct 1, 2010.

Summer 2010

Support Producer Efforts to Diversify Their Markets

_Vermont has been progressive in opening up new marketing opportunities for farmers in the direct-to-consumer sales sector. Vermont now leads the nation in indicators such as the highest number of farmers’ markets and CSA’s per capita. However, we need to continue to push for new sales opportunities and allow farmers to diversify their businesses by entering different types of markets. These projects accomplish those goals by addressing the issue of how to literally reach new markets (with distribution system development) and funding producers directly as they attempt innovations in their individual business model._

Perform analysis to add more detail to general studies of market demands and infrastructure gaps, bringing information to a level of detail needed for business planning. Distribution Infrastructure

**Background to Current Activity:** Distribution is a major component of Vermont’s food system and a particular challenge given our rural landscape and need to aggregate product from many very small farms. The expected rising costs of fuel make it particularly important to have the most efficient system possible for bringing local foods to the marketplace. This project builds on the baseline research into distribution systems and supporting infrastructure (e.g. storage facilities) being performed by the Farm-to-Plate initiative and brings it to a level of detail appropriate for project planning.

**VAAFM Lead Staff:** Helen Labun Jordan

**Partners in Implementation:** Vermont Sustainable Jobs Fund

**Implementation Steps and Timeline:**

- Meet with Farm-to-Plate initiative staff and agree on research plan, timelines, reporting and payment.
  
  _September, 2009_

- Phase I research - Farm-to-Plate funded basic research (see Appendix C for draft summary of research questions)
  
  _Complete by December, 2009_
• Phase I products for VAAFM developed: Overview of findings and overview of constraints / consideration for distribution (e.g. regulations, liability, products that can / cannot be mixed). These reports will be designed to serve as general education documents for anyone interested in distribution options.
  Reports complete by December, 2009

• Phase II research – VAAFM requested studies beyond Farm-to-Plate, focused on demand for expanded distribution options, obstacles and inefficiencies, demand for storage, packing and distribution facilities, and basic fact finding required to check perceived needs (see Appendix C)
  Phase II research complete by April, 2010

**Future Work:**
- VAAFM reviews findings and develops proposals to meet needs identified in the report.
- VAAFM uses phase I research, materials, and groups / individuals identified as interested in distribution issues to help all concerned learn more about their distribution options.
- VAAFM expands circle of partners involved in future phases of distribution system development to include the Vermont food hub network, Vermont Fresh Network, Northeast Organic Farming Association, Vermont Grocers’ Association, UVM Transportation Research Center and other organizations identified as key stakeholders.

**Initiate a grant program to match operating support offered to technical assistance providers through the Vermont Community Foundation**

**Background to Current Activity:** In 2009, the Vermont Community Foundation directed their annual grant giving towards general operating support for Vermont non-profit organizations. This decision reflected a need to provide flexible financial support to help non-profits, including those serving Vermont farmers, maintain valuable services. This funding decision also represents an opportunity to build organizations’ capacity. The Vermont Agricultural Innovation Center will match Vermont Community Foundation funding with up to $5,000 to qualified agriculture-and food systems-focused organizations for use in pursuing professional development opportunities. In the context of the Agricultural Innovations Center program, the focus will be on building service providers’ knowledge of innovative business models and diverse market, and enhancing their ability to collaborate with colleagues throughout the U.S. It is anticipated that organizations will use these funds primarily for pursuing professional development opportunities that take place outside of Vermont and would be unaffordable without financial assistance.

**VAAFM Lead Staff:** Helen Labun Jordan

**Partners in Implementation:** Vermont Community Foundation (VCF)

**Implementation Steps & Timeline:**
• VAAFM staff meet with Vermont Community Foundation to outline a grant making process, parameters, and how VCF will administer the funds.  
  *October, 2009*

• VAAFM and VAIC advisory board review fall funding round applications for organizations to receive matching professional development grants.  
  *November, 2009*

• VAAFM and VCF meet to review any changes that may need to be made in the grant making process for the spring round.  
  *February, 2010*

• Spring application period for VCF.  
  *May, 2010*

• VAAFM and VAIC advisory board review fall funding round applications for organizations to receive matching professional development grants.  
  *July, 2010*

• Vermont Community Foundation prepares report on how funds were distributed, types of professional development opportunities sought, and recommendations for future of the program and further adjustments to be made.  
  *August, 2010*

**Future Work:** Experience in the first round of grantmaking will inform the program’s longevity and adjustments to be made in its procedures.

• Follow up with grant recipients and other funders to determine other missing programs, services, policies, or funding opportunities to maximize producers’ ability to enter new markets and grow a more diverse customer base.

• Follow up with grant recipients to determine particularly valuable learning opportunities and recommendations for other Vermont service providers who would benefit from participation.

• Identify Vermont agricultural innovation leaders who might participate in national, or international, conferences as both audience member and presenter, and identify funding needs associated with this level of national engagement.
Helen Labun Jordan
Agricultural Development Coordinator
Vermont Agency of Agriculture, Food & Markets
116 State Street
Montpelier, Vermont 05602-2901

Dear Helen,

This letter is to certify that the Vermont Housing and Conservation Board is serving as the fiscal agent for the Vermont Agriculture Development Council. We have a commitment of $15,000 from the Merck Fund, and we have spoken with both the Castanea Foundation and the High Meadows Fund. We anticipate receiving $10,000 from each of those two funders. They are waiting to commit the funds until they know that the AIC funding has been approved.

These pledges are for Phase I support of the project. The Vermont Agriculture Development Corporation’s advisory board will reapply for additional funds from these and other supporters to match Vermont Agriculture Innovation Center funding in Phase II.

We look forward to supporting this exciting new venture.

Sincerely,

Larry Mires
Administrative Officer
To Whom it May Concern:

This letter is to certify that the Vermont Specialty Food Association has reviewed the project proposal of the Vermont Agriculture Innovation Center and is prepared to work with the Vermont Agency of Agriculture to administer programs related to the support of specialty food producers. Specifically, we are prepared to contribute the following to this project:

- At least 50 hours of staff time to organizing a Vermont presence at Northeastern trade shows (at a value of $1,500)
- Funds to complete the educational opportunities presented at the annual VT Specialty Foods Association meeting ($3,000)
- At least 15 hours of staff time to administering the professional development grants (at a value of $450)

These contributions represent a total match of $4,950 in addition to the business matches that will be required for professional development grants and trade show participation. Business matches are conservatively estimated at $55,100.

The Vermont specialty food sector overall has the capacity and intent to contribute $60,050 to the first year of VAIC programs.

Sincerely,

Jim Harrison
Vermont Specialty Food Association
September 17, 2009

Vermont Agency of Agriculture, Food and Markets
116 State Street
Montpelier, VT 05620-2901

To Whom This May Concern,

I, Meghan Sheradin, the executive director of the Vermont Fresh Network certify that we have secured $40,000 worth of financial support for the first phase of the VT Statewide Aggregated Agricultural & Culinary Tourism Website. The John Merck Fund will contribute $30,000 and the Vermont Agency of Agriculture will contribute $10,000. Please contact me if you have any questions relating to this project.

Thank you,

Meghan Sheradin
Executive Director
Vermont Fresh Network
September 17, 2009

Helen Labun Jordan
Agricultural Development Coordinator
Vermont Agency of Agriculture, Food & Markets
116 State Street
Montpelier, VT 05620-2901

Dear Ms. Jordan:

This is to confirm our commitment to provide at least $10,000 in cost share towards the Distribution and Storage research project that we will be undertaking at your request.

As part of the Farm to Plate Initiative, we have already raise $100,000 from federal ARRA stimulus funds and $50,000 in private foundation funding. We anticipate additional private foundation funding also being secured over the next couple of months.

Our research agenda is quite extensive and we will be using our private foundation funding as the cost share against the $35,000 in federal CDA funds that you will be providing to us for this research project.

I hope this information will be sufficient, for now, to meet your request for cost share commitments. Please feel free to contact me if you have any further questions or if you require any additional information from us.

Sincerely,

Ellen Kahler
Executive Director
Vermont Sustainable Jobs Fund
3 Pitkin Court, Suite 301e
Montpelier, VT 05602
802-828-5320
To Whom it May Concern:

The Vermont Community Foundation is pleased to be working with the Vermont Agency of Agriculture, through the proposed Vermont Agriculture Innovation Center, to expand our ability to build organizations’ capacity for assisting farmers and other businesses within the food system.

Our current agreement is to work with VAIC to offer matching grants to organizations receiving support for operations and capacity building. The grants from VAIC will be a 1-to-1 match to other development grants or $5,000 (whichever sum is lower). Through our Spring 2009 grant round, the Vermont Community Foundation expended through the VCF Community Funds $140,000 to build capacity at non-profit organizations around the state. These funds were part of an average $1,000,000 of grants dispersed each year with guidance from the Vermont Community Foundation.

The Vermont Agency of Agriculture has requested that their matches from other funding sources reach a minimum of $75,000 in 2009 – 2010. The Vermont Community Foundation has decades of experience matching funders’ goals and resources and feels certain that this requirement will be met.

Please let me know if you require more information.

Sincerely,

Ryan Torres
Sept. 21, 2009

Helen Labun Jordan
Agricultural Development Coordinator
Vermont Agency of Agriculture, Food & Markets
116 State Street
Montpelier, VT 05620-2901

Dear Ms. Labun Jordan,

This letter confirms that the research team made up of Amy Trubek, PhD, Assistant Professor of Nutrition and Food Sciences at the University of Vermont, and the Vermont Agency of Agriculture, Food, and Markets will receive $1,000 to produce the article “Protecting the Vermont Name: Lessons from France, Opportunity for a Taste of Place.” This article is part of the UVM Food System Research Collaborative’s “Opportunities for Agriculture” white paper series.

Please do not hesitate to contact me if you have any questions.

Sincerely,

Jessica Hyman
UVM Food System Research Collaborative