MEMORANDUM

To: James Reardon, Commissioner of Finance & Management

From: Rebecca Buck, Staff Associate

Date: August 24, 2006

Subject: Status of Grant Request

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

JFO #2263 — $12,000 grant from the U.S. Department of Agriculture to the Agency of Agriculture, Food and Markets. These grant funds (with $1,200 of state in-kind match and $1,000 from participating dairy producers) will be used to provide Spanish language teaching workshops to 25 Addison County dairy farm producers. [JFO received 07/25/06]

In accordance with 32 V.S.A. §5, the requisite 30 days having elapsed since this item was submitted to the Joint Fiscal Committee, 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: Michael Smith
    Linda Morse
    Stephen Kerr
From: Michael Obuchowski
To: Rebecca Buck
Date: 8/9/2006 8:00:04 AM
Subject: Re: 2 week request to hold date for JFO #2263

Yes, please let record show I had reservations and the initial submission was not accurate.

>>> Rebecca Buck 8/9/2006 4:38 AM >>>
Hi Obie: Today is the 2 week request to hold date for JFO #2263 ($12,000 USDA grant for Spanish language teaching workshops for Addison County dairy farm producers). Are you ok with this item? -- Becky

CC: Steve Klein
From: "Morrison, Mary" <Mary.Morrison@state.vt.us>
To: "Michael Obuchowski" <obie@leg.state.vt.us>
Date: 8/7/2006 8:56:41 AM
Subject: JFO #2263

Rep. Obuchowski,

Here is the information I received from the program manager:

When the grant application was sent to USDA, the estimated cost of producing the book/CD was approximately $300 each. Since then, the cost has been refined and $150 each is a more realistic figure.

Since the cost of the book/CD is less, we can have additional books/CDs produced. We do have copyright to the book/CD and can re-produce them as the funding becomes available. The classroom training will still only involve 25 producers, but the additional books/CDs can be distributed without classroom training.

The original grant request was for approximately $48,000 with training in more locations (including southern Vermont), but the award was only 25% of the requested amount. It was decided to conduct the pilot project in Addison county, but producers from other counties can attend. It will be on a first come, first serve basis.

Please let me know if you need further information.

Thanks,
Mary

Mary Morrison
Business Manager
Mary.Morrison@state.vt.us
Vt. Agency of Agriculture
828-3567

CC: <rbuck@leg.state.vt.us>, "Hartrich, Toni" <Toni.Hartrich@state.vt.us>, "Lane, David" <David.Lane@state.vt.us>
The narrative in the submission says 25 producers will be trained. Are there 50 producers who need to be trained? What's going on here?

Here is the budget I received from the program manager:

$150/producer to develop and make CD/book combination + other related learning material such as a dairy specific Spanish dictionary. This means purchasing materials for 50 producers.

Hope this helps.

Thanks,
Mary

-----Original Message-----
From: Michael Obuchowski [mailto:obie@leg.state.vt.us]
Sent: Tuesday, August 01, 2006 1:42 PM
To: Morrison, Mary
Cc: Rebecca Buck
Subject: RE: Questions regarding JFO #2263

Request an itemized budget on how and for what purpose the $7,500 will be spent. Thank you.

I talked to the program manager, and she said that the $300 figure had been a tentative budget. Since the grant was awarded, she talked to the producer who has come up with a new figure of $150 each, which means we will be able to purchase more books/CDs and reach more producers.

If you need more, please let me know.

Thanks,
Mary

-----Original Message-----
From: Michael Obuchowski [mailto:obie@leg.state.vt.us]
Sent: Monday, July 31, 2006 2:32 PM
To: Morrison, Mary
Cc: Rebecca Buck
Subject: Re: Questions regarding JFO #2263

$300 per student seems very expensive; do you have any benchmark comparisons?
Representative Obuchowski has the following questions regarding JFO 
#2263 (§12,000 USDA grant for Spanish language teaching workshops to 
25
Addison County dairy farm producers):

1) In the narrative "description of service" on page 2, there is a 
reference to approximately 1,250 dairy producers in Vermont (this same 
approximate number is also referenced in a previous grant --JFO #2260).

Rep. Obuchowski seems to recall that in material distributed by 
Secretary Kerr at the July 18 Emergency Board meeting the number given 
was considerably less: approximately 1,150 or 100 fewer. Why are the 
numbers different and how many dairy producers are there in Vermont?
This grant application was made in February 2006. As recently as August 
2005, there were 1250 active dairy farms in Vermont, and as of January 
1, 2006, there were 1234. By July 1, 2006, the number of active dairy 
farms in Vermont was 1191 -- 1153 farms milk cows, 27 milk goats, 10 
milk sheep and 1 milks water buffalo.

2) The grant budget shows materials and supplies with proposed 
expenditures of $300/25 students for CD's and books totaling $7,500 
(which is over half of the federal grant). Rep. Obuchowski would like 
specific information on why the CD's and books are costing $300 per 
student. Does this expenditure include CD players? The $300 per 
student is the cost for developing a CD and book specifically for dairy 
producers in Vermont -- not an off-the-shelf product. Producers are 
giving us input as to what they would like on/in the CD/book. The 
expenditure does not include CD players.

If you need more information, please let me know.

Thanks.

Mary Morrison
Business Manager
Mary.Morrison@state.vt.us
Vt. Agency of Agriculture
828-3567

CC: Rebecca Buck; Steve Klein
$300 per student seems very expensive; do you have any benchmark comparisons?

Representative Obuchowski has the following questions regarding JFO #2263 ($12,000 USDA grant for Spanish language teaching workshops to 25 Addison County dairy farm producers):

1) In the narrative "description of service" on page 2, there is a reference to approximately 1,250 dairy producers in Vermont (this same approximate number is also referenced in a previous grant --JFO #2260). Rep. Obuchowski seems to recall that in material distributed by Secretary Kerr at the July 18 Emergency Board meeting the number given was considerably less: approximately 1,150 or 100 fewer. Why are the numbers different and how many dairy producers are there in Vermont? This grant application was made in February 2006. As recently as August 2005, there were 1250 active dairy farms in Vermont, and as of January 1, 2006, there were 1234. By July 1, 2006, the number of active dairy farms in Vermont was 1191 -- 1153 farms milk cows, 27 milk goats, 10 milk sheep and 1 milks water buffalo.

2) The grant budget shows materials and supplies with proposed expenditures of $300/25 students for CD's and books totaling $7,500 (which is over half of the federal grant). Rep. Obuchowski would like specific information on why the CD's and books are costing $300 per student. Does this expenditure include CD players? The $300 per student is the cost for developing a CD and book specifically for dairy producers in Vermont -- not an off-the-shelf product. Producers are giving us input as to what they would like on/in the CD/book. The expenditure does not include CD players.

If you need more information, please let me know.

Thanks.

Mary Morrison
Business Manager
Mary.Morrison@state.vt.us
Vt. Agency of Agriculture
828-3567

CC: Rebecca Buck
Representative Obuchowski has the following questions regarding JFO #2263 ($12,000 USDA grant for Spanish language teaching workshops to 25 Addison County dairy farm producers):

1) In the narrative "description of service" on page 2, there is a reference to approximately 1,250 dairy producers in Vermont (this same approximate number is also referenced in a previous grant -- JFO #2260). Rep. Obuchowski seems to recall that in material distributed by Secretary Kerr at the July 18 Emergency Board meeting the number given was considerably less: approximately 1,150 or 100 fewer. Why are the numbers different and how many dairy producers are there in Vermont? This grant application was made in February 2006. As recently as August 2005, there were 1250 active dairy farms in Vermont, and as of January 1, 2006, there were 1234. By July 1, 2006, the number of active dairy farms in Vermont was 1191 -- 1153 farms milk cows, 27 milk goats, 10 milk sheep and 1 milks water buffalo.

2) The grant budget shows materials and supplies with proposed expenditures of $300/25 students for CD's and books totaling $7,500 (which is over half of the federal grant). Rep. Obuchowski would like specific information on why the CD's and books are costing $300 per student. Does this expenditure include CD players? The $300 per student is the cost for developing a CD and book specifically for dairy producers in Vermont -- not an off-the-shelf product. Producers are giving us input as to what they would like on/in the CD/book. The expenditure does not include CD players.

If you need more information, please let me know.

Thanks.

Mary Morrison
Business Manager
Mary.Morrison@state.vt.us
Vt. Agency of Agriculture
828-3567

CC: <rbuck@leg.state.vt.us>, "Hartrich, Toni" <Toni.Hartrich@state.vt.us>, "Lane, David" <David.Lane@state.vt.us>
### Vermont Target Payment Program

#### Target Payment on Vermont Milk, Above the MILC

<table>
<thead>
<tr>
<th></th>
<th>Prod'n</th>
<th>Adjustmt</th>
<th>2006 Blend</th>
<th>2006 MILC</th>
<th>MILC + SUP</th>
<th>Cwt</th>
<th>Total Cost for Month</th>
<th>Cumulative Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Milk</td>
<td>2006</td>
<td>4.8m cap</td>
<td>in Vt</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Milk</td>
<td>Paymt</td>
<td>mil. lbs.</td>
<td>$12.01</td>
<td>$1.00</td>
<td>13.01</td>
<td>$0.99</td>
<td>2,240,000</td>
<td>$2,217,600</td>
</tr>
<tr>
<td>Milk</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jun</td>
<td>Jul</td>
<td>224</td>
<td>0</td>
<td>$12.23</td>
<td>13.03</td>
<td>$0.97</td>
<td>2,240,000</td>
<td>$2,172,800</td>
</tr>
<tr>
<td>Jul</td>
<td>Aug</td>
<td>224</td>
<td>10.5</td>
<td>$12.29</td>
<td>13.21</td>
<td>$0.79</td>
<td>2,115,000</td>
<td>$1,670,850</td>
</tr>
<tr>
<td>Aug</td>
<td>Sep</td>
<td>222</td>
<td>27.0</td>
<td>$12.63</td>
<td>13.45</td>
<td>$0.55</td>
<td>1,830,000</td>
<td>$1,006,500</td>
</tr>
<tr>
<td>Sep</td>
<td>Oct</td>
<td>210</td>
<td>34.0</td>
<td>$13.00</td>
<td>13.63</td>
<td>$0.37</td>
<td>1,800,000</td>
<td>$666,000</td>
</tr>
<tr>
<td>Oct</td>
<td>Nov</td>
<td>214</td>
<td>46.2</td>
<td>$13.13</td>
<td>13.61</td>
<td>$0.39</td>
<td>1,618,000</td>
<td>$631,020</td>
</tr>
<tr>
<td>Nov</td>
<td>Dec</td>
<td>208</td>
<td>49.7</td>
<td>$13.13</td>
<td>13.65</td>
<td>$0.14</td>
<td>1,703,000</td>
<td>$235,230</td>
</tr>
<tr>
<td>Dec</td>
<td>Jan</td>
<td>220</td>
<td></td>
<td>$13.13</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AVG.</td>
<td>217</td>
<td>19.6</td>
<td>$12.55</td>
<td>$0.78</td>
<td>$13.32</td>
<td>$0.68</td>
<td>1,973,833</td>
<td>$1,394,128</td>
</tr>
</tbody>
</table>

Last monthly payment may be prorated

#### Distribution of Payments for Vermont Target Payment Program

<table>
<thead>
<tr>
<th>Farm Category</th>
<th>Number of Farms</th>
<th>Percent of Farms</th>
<th>Percent of Prod'n &amp; Payments</th>
<th>Total Monthly Production</th>
<th>Total Program Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

ss/Dairy/Vt/Target.wk4 7/31/2006
<table>
<thead>
<tr>
<th>Category</th>
<th>Count</th>
<th>3%</th>
<th>18%</th>
<th>8,518,611</th>
<th>$1,536,584</th>
</tr>
</thead>
<tbody>
<tr>
<td>LFOs &amp; capped MFOs</td>
<td>40</td>
<td>3%</td>
<td>18%</td>
<td>8,518,611</td>
<td>$1,536,584</td>
</tr>
<tr>
<td>MFOs, not capped</td>
<td>150</td>
<td>13%</td>
<td>31%</td>
<td>72,313,333</td>
<td>$2,653,899</td>
</tr>
<tr>
<td>SFOs</td>
<td>967</td>
<td>84%</td>
<td>51%</td>
<td>138,168,056</td>
<td>$4,409,517</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,157</td>
<td></td>
<td></td>
<td>219,000,000</td>
<td>$8,600,000</td>
</tr>
</tbody>
</table>
From: Rebecca Buck  
To: mary.morrison@state.vt.us  
Subject: Questions from Rep. Michael Obuchowski regarding JFO #2263

Good morning Mary:

Representative Obuchowski has the following questions regarding JFO #2263 ($12,000 USDA grant for Spanish language teaching workshops to 25 Addison County dairy farm producers):

1) In the narrative "description of service" on page 2, there is a reference to approximately 1,250 dairy producers in Vermont (this same approximate number is also referenced in a previous grant --JFO #2260). Rep. Obuchowski seems to recall that in material distributed by Secretary Kerr at the July 18 Emergency Board meeting the number given was considerably less: approximately 1,150 or 100 fewer. Why are the numbers different and how many dairy producers are there in Vermont?

2) The grant budget shows materials and supplies with proposed expenditures of $300/25 students for CD's and books totaling $7,500 (which is over half of the federal grant). Rep. Obuchowski would like specific information on why the CD's and books are costing $300 per student. Does this expenditure include CD players?

Please cc me on your response to Representative Obuchowski. Thanks. --Becky

CC: Klein, Steve; Obuchowski, Michael
MEMORANDUM

To: Joint Fiscal Committee Members

From: Rebecca Buck, Staff Associate

Date: July 26, 2006

Subject: Grant Request

Enclosed please find one (1) request which the Joint Fiscal Office recently received from the Administration:

JFO #2263 – $12,000 grant from the U.S. Department of Agriculture to the Agency of Agriculture, Food and Markets. These grant funds (with $1,200 of state in-kind match and $1,000 from participating dairy producers) will be used to provide Spanish language teaching workshops to 25 Addison County dairy farm producers. [JFO received 07/25/06]

The Joint Fiscal Office has reviewed this submission and determined that all appropriate forms bearing the necessary approvals are in order.

In accordance with the procedures for processing such requests, we ask you to review the enclosed and notify the Joint Fiscal Office (Rebecca Buck at 802/828-5969; rbuck@leg.state.vt.us or Stephanie Barrett at 802/828-5973; sbarrett@leg.state.vt.us) if you would like this item held for committee review. Unless we hear from you to the contrary by August 9 we will assume that you agree to consider as final the Governor’s acceptance of this request.

cc: Michael Smith, Secretary
    James Reardon, Commissioner
    Linda Morse, Administrative Assistant
    Stephen Kerr, Secretary
STATE OF VERMONT
GRANT ACCEPTANCE FORM

GRANT SUMMARY: This grant for Vermont Dairy Producer Language and Cultural Training for dealing with a Hispanic workforce through teaching the producers Spanish as a second language.

FEDERAL CATALOG No.: 10-769

GRANTOR / DONOR: United States Department of Agriculture
Rural Development
City Center, 3rd Floor, 89 Main Street
Montpelier, Vermont 05602

DATE: 7/7/06

DEPARTMENT: Agriculture, Food and Markets

GRANT / DONATION: This grant will allow the Agency of Agriculture Food and Markets to offer several workshops for farmers for introductory and intermediate Spanish for local farmers. There will also be information offered on Hispanic culture in this program.

AMOUNT / VALUE: $12,000.00 (Federal Funds)

POSITIONS REQUESTED: None

GRANT PERIOD: 7/1/06 to 5/30/07

COMMENTS: There is a state in-kind match of $1,200.00 and $1,000.00 from participating dairy producers. The total program cost is $14,200.
1. Agency: Vermont Agency of Agriculture, Food & Markets
2. Department:
3. Program: Vermont Dairy Producer Language and Cultural Training for a Hispanic Workforce aka Spanish as a Second Language (SSL)
4. Legal Title of Grant: $12,000.00 RBEG number seven
5. Federal Catalog No.: 10-769
6. Grantor and Office Address: United States Department of Agriculture Rural Development
   City Center 3rd Floor * 89 Main Street
   Montpelier, Vermont 05602
7. Grant Period: From: 6/01/06 To: 5/30/07
8. Purpose of Grant: The language barrier makes working with a Hispanic workforce challenging. This project will support dairy producers as they learn Spanish as a Second Language. (Details in attachments)
9. Impact on Existing Programs if Grant is not Accepted: This service will not be available to dairy producers in Vermont.
10. Budget Information:
    | EXPENDITURES:               | (1st State FY) | (2nd State FY) | (3rd State FY) |
    |------------------------------|----------------|----------------|----------------|
    | FY 2007                     | FY 2008        | FY 2009        |
    | Personal Services           | $ 5,200.00     | $              | $              |
    | Operating Expenses          | $ 9,000.00     | $              | $              |
    | Grants                      | $              | $              | $              |
    | TOTAL                       | $14,200.00     | $              | $              |
    | REVENUES:                   |                |                |                |
    | State Funds:                |                |                |                |
    | Cash                        | $              | $              | $              |
    | In-Kind                     | $ 1,200.00     | $              | $              |
    | Federal Funds:              |                |                |                |
    | (Direct Costs)              | $ 12,000.00    | $              | $              |
    | (Statewide Indirect)        | $              | $              | $              |
    | (Department Indirect)       | $              | $              | $              |
    | Other Funds:                |                |                |                |
    | (source) Participating Dairy Producers | $ 1,000.00 | $              | $              |
    | TOTAL                       | $14,200.00     | $              | $              |
Grants will be allocated to these appropriation expenditure accounts:

<table>
<thead>
<tr>
<th>Appropriation Nos.</th>
<th>Amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEPTID 220030000</td>
<td>$12,000.00</td>
</tr>
<tr>
<td>FUND 22005</td>
<td></td>
</tr>
<tr>
<td>PROGRAM to be established</td>
<td></td>
</tr>
</tbody>
</table>
I certify that no funds have been expended or committed in anticipation of Joint Fiscal Committee approval of this grant.

Signature: Agriculture, Food & Markets
Title

14. Action by Governor:
[ ] Approved
[ ] Rejected

Signature
(Date)

15. Secretary of Administration:
[ ] Request to JFO
Information to JFO

Signature
(Date)

16. Action by Joint Fiscal Committee:
[ ] Request to be placed on JFC agenda
[ ] Approved (not placed on agenda in 30 days)
[ ] Approved by JFC
[ ] Rejected by JFC
[ ] Approved by Legislature

Signature
(Date)
Subject: Rural Business Enterprise Grant Request # 7
Grant Amount - $12,000

Dear David:

Enclosed please find your copy of Form RD 1940-1, Request for Obligation of Funds. This should be filed with the Grant Agreement and the other documents required under the RBEG program.

This is your notification that your request for a grant in the amount of $12,000 for the above project has been approved subject to the conditions stated in our letter to you dated June 16, 2006.

USDA Rural Development is pleased to provide the VAAFM with funds for this project. It is our hope that this investment will lead to greater prosperity for Vermont’s Dairy Producers.

At your earliest convenience please send us a copy of the fidelity insurance and Electronic Fund Transfer form.

Sincerely,

JOLINDA H. LaCLAIR
State Director
# REQUEST FOR OBLIGATION OF FUNDS

**INSTRUCTIONS:** TYPE IN CAPITALIZED ELITE TYPE IN SPACES MARKED ( )

Complete Items 1 through 29 and applicable Items 30 through 34. See FMI.

<table>
<thead>
<tr>
<th>Item</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. CASE NUMBER</td>
<td>ST CO BORROWER ID</td>
</tr>
<tr>
<td>2. BORROWER NAME</td>
<td>State of Vermont</td>
</tr>
<tr>
<td>3. NUMBER NAME FIELDS</td>
<td></td>
</tr>
<tr>
<td>4. STATE NAME</td>
<td>VERMONT</td>
</tr>
<tr>
<td>5. COUNTY NAME</td>
<td>WASHINGTON</td>
</tr>
<tr>
<td>6. RACE/ETHNIC CLASSIFICATION</td>
<td></td>
</tr>
<tr>
<td>7. TYPE OF APPLICANT</td>
<td></td>
</tr>
<tr>
<td>8. COLLATERAL CODE</td>
<td></td>
</tr>
<tr>
<td>9. EMPLOYEE RELATIONSHIP CODE</td>
<td></td>
</tr>
<tr>
<td>10. SEX CODE</td>
<td></td>
</tr>
<tr>
<td>11. MARITAL STATUS</td>
<td></td>
</tr>
<tr>
<td>12. VETERAN CODE</td>
<td></td>
</tr>
<tr>
<td>13. CREDIT REPORT</td>
<td></td>
</tr>
<tr>
<td>14. DIRECT PAYMENT</td>
<td></td>
</tr>
<tr>
<td>15. TYPE OF PAYMENT</td>
<td></td>
</tr>
<tr>
<td>16. FEE INSPECTION</td>
<td></td>
</tr>
<tr>
<td>17. COMMUNITY SIZE</td>
<td></td>
</tr>
<tr>
<td>18. USE OF FUNDS CODE</td>
<td></td>
</tr>
<tr>
<td>19. TYPE OF ASSISTANCE</td>
<td></td>
</tr>
<tr>
<td>20. PURPOSE CODE</td>
<td></td>
</tr>
<tr>
<td>21. SOURCE OF FUNDS</td>
<td></td>
</tr>
<tr>
<td>22. TYPE OF ACTION</td>
<td></td>
</tr>
<tr>
<td>23. TYPE OF SUBMISSION</td>
<td></td>
</tr>
<tr>
<td>24. AMOUNT OF LOAN</td>
<td></td>
</tr>
<tr>
<td>25. AMOUNT OF GRANT</td>
<td></td>
</tr>
<tr>
<td>26. AMOUNT OF IMMEDIATE ADVANCE</td>
<td></td>
</tr>
<tr>
<td>27. DATE OF APPROVAL</td>
<td></td>
</tr>
<tr>
<td>28. INTEREST RATE</td>
<td></td>
</tr>
<tr>
<td>29. REPAYMENT TERMS</td>
<td></td>
</tr>
<tr>
<td>30. PROFIT TYPE</td>
<td></td>
</tr>
<tr>
<td>31. DISASTER DESIGNATION NUMBER</td>
<td></td>
</tr>
<tr>
<td>32. TYPE OF SALE</td>
<td></td>
</tr>
<tr>
<td>33. OBLIGATION DATE</td>
<td></td>
</tr>
<tr>
<td>34. BEGINNING FARMER/RANCHER</td>
<td></td>
</tr>
</tbody>
</table>

If the decision contained above in this form results in denial, reduction or cancellation of USDA assistance, you may appeal this decision and have a hearing or you may request a review in lieu of a hearing. Please use the forms we have included for this purpose.

**Position 2**

**ORIGINAL - Borrower's Case Folder** **COPY 1 - Finance Office** **COPY 2 - Applicant/Lender** **COPY 3 - State Office**
CERTIFICATION APPROVAL

For All Farmers Programs  EM, OL, FO, and SW Loans

This loan is approved subject to the availability of funds. If this loan does not close for any reason within 90 days from the date of approval on this document, the approval official will request updated eligibility information. The undersigned loan applicant agrees that the approval official will have 14 working days to review any updated information prior to submitting this document for obligation of funds. If there have been significant changes that may affect eligibility, a decision as to eligibility and feasibility will be made within 30 days from the time the applicant provides the necessary information.

If this is a loan approval for which a lien and/or title search is necessary, the undersigned applicant agrees that the 15-working-day loan closing requirement may be exceeded for the purposes of the applicant's legal representative completing title work and completing loan closing.

35. COMMENTS AND REQUIREMENTS OF CERTIFYING OFFICIAL

See Attachment

36. I HEREBY CERTIFY that I am unable to obtain sufficient credit elsewhere to finance my actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near my community for loans for similar purposes and periods of time. I agree to use the sum specified herein, subject to and in accordance with regulations applicable to the type of assistance indicated above, and request payment of such sum. I agree to report to USDA any material adverse changes, financial or otherwise, that occur prior to loan closing. I certify that no part of the sum specified herein has been received. I have reviewed the loan approval requirements and comments associated with this loan request and agree to comply with these provisions.

(For FP loans at eligible terms only) If this loan is approved, I elect the interest rate to be charged on my loan to be the lower of the interest rate in effect at the time of loan approval or loan closing. If I check "NO", the interest rate charged on my loan will be the rate specified in Item 28 of this form. YES NO

WARNING: Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than five years, or both.

Date June 16, 2006

David Lane, Deputy Director
(Signature of Applicant)

Date x 20 x

Vermont Agency of Agriculture Food & Markets
(Signature of Co-Applicant)

37. I HEREBY CERTIFY that all of the committee and administrative determinations and certifications required by regulations prerequisite to providing assistance of the type indicated above have been made and that evidence thereof is in the docket, and that all requirements of pertinent regulations have been complied with. I hereby approve the above-described assistance in the amount set forth above, and by this document, subject to the availability of funds, the Government agrees to advance such amount to the applicant for the purpose of and subject to the availability prescribed by regulations applicable to this type of assistance.

Rhonda L. Shippee
(Signature of Approving Official)

Date Approved: 06-16-2006 Title: Business & Cooperative Programs Director

38. TO THE APPLICANT: As of this date 6-27-2006, this is notice that your application for financial assistance from the USDA has been approved, as indicated above, subject to the availability of funds and other conditions required by the USDA. If you have any questions contact the appropriate USDA Servicing Office.
Request For Obligation Of Funds

Borrower: State of Vermont VT Agency of Agr, Food & Markets

Comments And Requirements Of Certifying Official

State of Vermont, Agency of Agriculture, Food & Markets Rural Business Enterprise Grant FY 06 $12,000

The Grantee understands the requirements for receipt of funds under the Rural Business Enterprise grant program. The grantee assures and certifies that it is in compliance with and will continue to comply with all applicable laws; regulations; Executive Orders; and other generally applicable requirements, including those contained in 7 CFR part 1942, subpart G, Attachment 1, "General Requirements for Administration of Rural Business Enterprise and Television Demonstration Grants," 7 CFR parts 3015, 3016, 3017, and 3019 and 3052, including revisions through June 16, 2006; approved Scope of Work/Work Plan, and the Letter of Conditions dated June 16, 2006.
APPLICATION FOR FEDERAL ASSISTANCE

1. TYPE OF SUBMISSION:
   Application
   Con hang  
   Non-Construction

2. DATE SUBMITTED
   April 3, 2006
   Applicant Identifier

3. DATE RECEIVED BY STATE
   April 3, 2006
   State Application Identifier

4. DATE RECEIVED BY FEDERAL AGENCY
   Federal Identifier

5. APPLICANT INFORMATION
   Legal Name: State of Vermont, Agriculture, Food & Markets
   Organizational DUNS: 809376718
   Address: 116 State Street, Drawer 20 Montpelier, Vermont 05602-2901
   Phone Number (give area code) 802-828-3831
   Fax Number (give area code) 802-828-6900
   Email: waterman@agr.state.vt.us

6. EMPLOYER IDENTIFICATION NUMBER (EIN):
   03-800264

7. TYPE OF APPLICATION:
   Type: Construction
   Revision: 1
   If Revision, enter appropriate letter(s) in box(es)
   (See back of form for description of letters.)

8. TYPE OF APPLICANT:
   Other (specify)

9. NAME OF FEDERAL AGENCY:
   USDA Rural Development

10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER:
    10-769

11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT:
    Vermont Diary Producer Language and Cultural Training for a Hispanic Workforce aka Spanish as a Second Language (SSL)

12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.):
    Addison County Vermont

13. PROPOSED PROJECT
    Start Date: June 1, 2006
    Ending Date: May 30, 2007

14. CONGRESSIONAL DISTRICTS OF:
    a. Applicant
    b. Project

15. ESTIMATED FUNDING:
    a. Federal $12,000
    b. Applicant $1,200
    c. State $1,000
    d. Local $1,000
    e. Other $1,000
    f. Program Income $12,000
    g. TOTAL $14,200

16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?
    a. Yes
definition
    b. No

17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?
    a. Yes If "Yes" attach an explanation.
definition
    b. No

18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.

Authorized Representative

Prefix First Name Last Name

Middle Name Lane

Suffix

Title

Date Signed April 3, 2006

Previous Edition Usable

Authorized for Local Reproduction

Standard Form 424 (Rev.9-2003)

Prescribed by OMB Circular A-102
### SECTION A - BUDGET SUMMARY

<table>
<thead>
<tr>
<th>Grant Program</th>
<th>Function or Activity</th>
<th>Catalog of Federal Domestic Assistance Number</th>
<th>Estimated Unobligated Funds</th>
<th>New or Revised Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Federal (c)</td>
<td>Non-Federal (d)</td>
</tr>
<tr>
<td>1. RBEG</td>
<td></td>
<td>10.769</td>
<td>$12,000.00</td>
<td>$2,200.00</td>
</tr>
<tr>
<td>2.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Totals</td>
<td></td>
<td></td>
<td>$12,000.00</td>
<td>$2,200.00</td>
</tr>
</tbody>
</table>

### SECTION B - BUDGET CATEGORIES

<table>
<thead>
<tr>
<th>Object Class Categories</th>
<th>Grant Program, Function or Activity</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(1) RBEG (2) VAAFM (3) Stkhldrs (4) Stkhldrs</td>
<td>(5)</td>
</tr>
<tr>
<td>a. Personnel</td>
<td>$1,200.00</td>
<td>$1,200.00</td>
</tr>
<tr>
<td>b. Fringe Benefits</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>c. Travel</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>d. Equipment</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>e. Supplies</td>
<td>7,500.00</td>
<td>7,500.00</td>
</tr>
<tr>
<td>f. Contractual</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>g. Construction</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>h. Other</td>
<td>4,500.00</td>
<td>1,000.00</td>
</tr>
<tr>
<td>i. Total Direct Charges (sum of 6a-6h)</td>
<td>12,000.00</td>
<td>1,200.00</td>
</tr>
<tr>
<td>j. Indirect Charges</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>k. TOTALS (sum of 6i and 6j)</td>
<td>$12,000.00</td>
<td>$1,200.00</td>
</tr>
<tr>
<td>7. Program Income</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
</tbody>
</table>
## SECTION C - NON-FEDERAL RESOURCES

<table>
<thead>
<tr>
<th></th>
<th>(a) Grant Program</th>
<th>(b) Applicant</th>
<th>(c) State</th>
<th>(d) Other Sources</th>
<th>(e) TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.</td>
<td>VAAFM</td>
<td>$1,200.00</td>
<td>$</td>
<td>$</td>
<td>$1,200.00</td>
</tr>
<tr>
<td>9.</td>
<td>Stakeholders</td>
<td></td>
<td></td>
<td>1,000.00</td>
<td>1,000.00</td>
</tr>
<tr>
<td>10.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.00</td>
</tr>
<tr>
<td>11.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.00</td>
</tr>
<tr>
<td>12.</td>
<td>TOTAL (sum of lines 8-11)</td>
<td>$1,200.00</td>
<td>$</td>
<td>1,000.00</td>
<td>$2,200.00</td>
</tr>
</tbody>
</table>

## SECTION D - FORECASTED CASH NEEDS

<table>
<thead>
<tr>
<th></th>
<th>Total for 1st Year</th>
<th>1st Quarter</th>
<th>2nd Quarter</th>
<th>3rd Quarter</th>
<th>4th Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>13.</td>
<td>Federal</td>
<td>$12,000.00</td>
<td>$3,000.00</td>
<td>$3,000.00</td>
<td>$3,000.00</td>
</tr>
<tr>
<td>14.</td>
<td>Non-Federal</td>
<td>2,200.00</td>
<td>550.00</td>
<td>550.00</td>
<td>550.00</td>
</tr>
<tr>
<td>15.</td>
<td>TOTAL (sum of lines 13 and 14)</td>
<td>$14,200.00</td>
<td>$3,550.00</td>
<td>$3,550.00</td>
<td>$3,550.00</td>
</tr>
</tbody>
</table>

## SECTION E - BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT

<table>
<thead>
<tr>
<th></th>
<th>(a) Grant Program</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>16.</td>
<td>VAAFM</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17.</td>
<td>Stakeholders</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>19.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20.</td>
<td>TOTAL (sum of lines 16-19)</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

## SECTION F - OTHER BUDGET INFORMATION

21. Direct Charges: 

22. Indirect Charges: 

23. Remarks: 

Authorized for Local Reproduction
This Scope of Work is submitted by the grantee. Upon approval by the grantor, the grantee agrees that no changes will be made to the Scope of Work without prior written approval by the grantor.

State of Vermont, Agency of Agriculture, Food and Markets (GRANTEE)

By: [Signature] Deputy Secretary June 16, 2006

(Date)

This Scope of Work is hereby approved by USDA - Rural Development.

USDA - RURAL DEVELOPMENT

By: [Signature] Business Programs Specialist June 16, 2006

(Date)
Scope of Work
Vermont Agency of Agriculture, Food and Markets
Vermont Dairy Producer Language Training for a Hispanic Workforce

Description of Service

The Vermont Agency of Agriculture will provide language training to Addison County Vermont dairy farmers for better communication with a Hispanic workforce.

There are approximately 1250 dairy producers in Vermont. The dairy industry in Vermont generates 80-85% of our agricultural revenue. Hispanic workers have become an essential part of Vermont’s dairy industry and are important to the industries future in Vermont. A recent survey of Vermont’s dairy producers indicates that one-third of all full-time employees on these farms are Hispanic. This number continues to grow. It’s not just large farms that have Hispanic workforces; many small farms are starting to utilize this workforce. Producers are utilizing this workforce resource in an attempt to alleviate the labor shortage crisis in the Vermont dairy industry.

As the number of Hispanic employees increase on farms throughout Vermont it is incumbent on the agricultural community to learn basic language skills that can help with day-to-day communication on the farm. Not only will communication help these employees feel more welcome but it will also increase their effectiveness as employees. Currently there is an estimated 1000+ Spanish speaking dairy farm laborers throughout the state. These workers are found on approximately 25% of the farms and of this number less than 5% of the dairy producers can communicate with basic conversation skills in Spanish. In addition, of the estimated 1000+ Spanish speaking dairy farm laborers less than 5% of this population can hold a conversation in English. Therefore the high percentage of farmers unable to communicate with their workforce makes it highly likely that dairy farmers will take advantage of Spanish classes. A pilot project completed by the Vermont Agency of Agriculture in 2005 was well attended. At the completion of the class, farmers asked for and said they would attend future classes.

The Vermont Agency of Agriculture proposes the following strategy to address the need for better communication with the Hispanic workforce on dairy farms:

- Three workshops will be offered in Addison County over the course of eight months. These workshops will be introductory and or intermediate level Spanish language classes for dairy farmers to help them with basic communication with their Hispanic workforce. These workshops will also include some cultural background to help farmers better understand the needs and values of their workers. These interactive workshops will be developed with the adult learner in mind and will provide opportunities for working on specific issues relevant to the participants in class.
- Spanish dairy language CD’s will be bought and or produced for this project. Twenty-five producers will be participating in this project. Each participant will be given assignments between the workshops requiring them to use the language CDs.
- The CD’s, in conjunction with the workshops, will offer the needed support to make learning a new language successful.
Area to be Served

Addison County - which corresponds to the location in Vermont with the highest number of farms hiring Hispanic labor.

Specific Businesses

Project participants will include dairy farmers in Addison County. The names of 25 specific farms to enroll in the workshops are not currently available.

We believe we will be successful in getting 25 farms to participate in the workshops because we have worked and will continue to work with many of these farmers on other projects such as a Spanish class for dairy producers’ pilot project in Addison County and working with the Mexican Consulate to increase Mexican nationals’ documentation. From these projects we have built business relationships and identified needs. These producers have indicated cross-cultural understanding and communication with non-English speaking employees as two challenges they face with this workforce. Cultural and communication issues hamper safety and productivity - impacting farm profitability. By tailoring our approach around these producers we will have success in meeting the challenge of drawing in participants interested in working more effectively with a Hispanic workforce. The producers at these past events were the driving force behind developing this project proposal. They are asking for increased assistance in understanding the Hispanic culture and Spanish language classes to make human resource management easier.

A key to the success of this project is working with Vermont dairy producers who are committed to the success of their businesses. Project participants will be producers who are motivated to move forward with improving employee management practices and giving them specific guidance and follow-up to implement changed practice.

The average farm enrolled will likely employ 5 FTE’s. If one assumes each farm also supports 1.5 FTE in service support from a combination of feed and crop inputs, veterinary services, agricultural credit services and machinery services then the total number of jobs saved for each business assisted is 6.5 FTE’s for a total of 162.5 FTE’s.

Timetable- Based on grant approval by June 1st, 2006

- Sign up 25 producers to participate in this project by July 31st, 2006
- Buy and/or produce Spanish dairy language CD’s by July 31st, 2006
- Three workshops will be held August, 2006 through March, 2007
- Follow-up and evaluation with participants will occur April-May of 2007
**Evaluation**

All participants will have the opportunity to evaluate the quality and usefulness of the CD’s and the workshops. Farmers that complete the workshop will be asked to reflect on the impact that the experience will have on their business.

**Final results**

The end result of this project is participating producers will have a better understanding of the Spanish language. This grant will allow Vermont farms to be more sustainable in the future. Labor availability is consistently cited as a leading factor in management decisions related to size and profitability of farms (especially dairy). It is important to understand that a farm’s profitability is highly dependent on good communication, training and consistency across work shifts and work assignments.

One of the existing opportunities in this scarce labor market is the available pool of farm labor from Mexico. While this is a workable solution in many respects it is not without problems. Most significant is that most farmers in Vermont do not speak Spanish and most incoming employees speak very limited English. These language barriers can result in unnecessary tension and frustration which at times leads to premature termination of the working relationship. In addition to language there are some cultural differences that, when they are not understood, can also lead to unnecessary misunderstandings in the working relationship.

As a result of this project, participants will increase their communication skills and Mexican cultural understanding with their Hispanic workforce. It is our hope that farmers who participated in our project will not only be a source of information for their own farms but also to their neighboring farms which may not have directly participated in the project. As the Hispanic labor force continues to grow throughout Vermont it is pertinent that a core group of farmers can be utilized as a resource for those that are just beginning to work with this population. This will assist the farming community in several ways, specifically by passing along useful information that they attained during class to their fellow farmers throughout the year. At the conclusion of this project we will have assisted in educating farmers to better understand and communicate with their Hispanic labor force.

**Key Personnel**

Louise Waterman, Risk Management Education Coordinator for the Vermont Agency of Agriculture, will be the project coordinator. Responsibilities will include: project design, implementation, direction, farm visits, and coordination of the instructor, follow-up and reporting. Louise has been working with farmers for a number of years. She is the project coordinator for an on going farm transfer planning project, a Vermont dairy benchmarking project, a farm safety project as well as supporting the coordination of the Dairy Profitability Enhancement Program (DPEP) and the Farm Viability Enhancement Program. As such, she is experienced in building business relationships with farmers and other agricultural professionals, coordinating with other service providers, assigning tasks, delegating and follow-through.
Vermont Dairy Producer Language Training for a Hispanic Workforce

Budget Narrative

A. Salaries and Wages — Vermont Agency of Agriculture will supply $1,200 of in-kind labor for the project leader
B. None Requested

C. Nonexpendable Equipment — None Requested

D. Materials and Supplies — CD’s and books for 25 students @ $300/student
   Total request = $7,500.00

E. All Other Direct Costs — Room and Meal Costs for 3 workshops = $1500.
   Instructor/Teacher Fees for three workshops + workshop preparation = $4,000

F. Total Other Costs = $5,500

G. Total Direct Costs - $8,700 + $5,500 = $14,200

H. *Participating Producers will contribute $1,000 towards the Instructor/Trainer Fees.
   *Vermont Agency of Agriculture will supply $1,200.00 of in-kind labor for the project leader.

I. Total Amount Requested = $12,000.00