



STATE OF VERMONT
JOINT FISCAL OFFICE

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



STATE OF VERMONT
JOINT FISCAL OFFICE

MEMORANDUM

To: Joint Fiscal Committee Members
From: Nathan Lavery, Fiscal Analyst
Date: January 25, 2010
Subject: Grant Requests

Enclosed please find four (4) requests that the Joint Fiscal Office has received from the administration.

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]

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 February 8 we will assume that you agree to consider as final the Governor's acceptance of these requests.

cc: James Reardon, Commissioner
Roger Allbee, Secretary
Jason Gibbs, Commissioner
Stephen Dale, Commissioner



STATE OF VERMONT
JOINT FISCAL OFFICE

MEMORANDUM

To: Representative Carolyn Partridge

From: Nathan Lavery, Fiscal Analyst

Date: January 25, 2009

Subject: JFO #2425

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 item.

cc: Rep. Michael Obuchowski

State of Vermont
 Department of Finance & Management
 109 State Street, Pavilion Building
 Montpelier, VT 05620-0401

Agency of Administration

[phone] 802-828-2376
 [fax] 802-828-2428

STATE OF VERMONT
FINANCE & MANAGEMENT GRANT REVIEW FORM

Grant Summary:		This grant is to establish an Agriculture Innovation Center facility for Vermont which will provide technical assistance and business development services for production of value-added agriculture commodities /and or products.			
Date:		12/4/2009			
Department:		Agriculture, Food and Markets			
Legal Title of Grant:		Rural Business Enterprise Grant-Agriculture Innovation Center Demonstration Program.			
Federal Catalog #:					
Grant/Donor Name and Address:		United States Department of Agriculture (USDA) Rural Development, City Center 3 rd Floor, 89 Main Street, Montpelier VT 05602			
Grant Period:		From:	To:		
		10/1/2009	9/30/2010		
Grant/Donation		468,953			
	SFY 1	SFY 2	SFY 3	Total	Comments
Grant Amount:	\$312,635	\$156,318	\$	\$468,953	There is an in-kind state match of \$12,750 for this grant. There is also additional cash match (\$165,650) and in-kind (\$64,950) from outside entities (see 11/23/09 memo attached with breakout).
Position Information:		# Positions	Explanation/Comments		
		0			

RECEIVED
 JAN 12 2010
JOINT FISCAL OFFICE

Memo

To: James Reardon, Budget & Management

From: Diane Bothfeld, Deputy Secretary

CC: Mary Morrison and Roger Allbee

Date: 12/10/2009

Re: Agriculture Innovation Center

The Vermont Agency of Agriculture, Food and Markets has received federal funding through Senator Leahy for the Agriculture Innovation Center. More than \$1,000,000 in additional federal funds are expected to continue this project at least through the next two years. This center's existence is based on these funds and would cease to exist if the funds are not allocated at the federal level. If federal funds are not allocated, the Center would close – **State funds would not be used to continue the Center.**

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 3 rd 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.			
10. BUDGET INFORMATION				
	SFY 1	SFY 2	SFY 3	Comments
	FY 2010	FY 2011	FY	
Expenditures:				
Personal Services	\$215,335	\$107,668	\$	
Operating Expenses	\$68,133	\$34,067	\$	
Grants	\$37,667	\$18,833	\$	
Total	\$321,135	\$160,568	\$	
Revenues:				
State Funds:	\$	\$	\$	
Cash	\$	\$	\$	
In-Kind	\$8,500	\$4,250	\$	
Federal Funds:	\$	\$	\$	
(Direct Costs)	\$312,635	\$156,318	\$	
(Statewide Indirect)	\$	\$	\$	
(Departmental Indirect)	\$	\$	\$	
Other Funds:	\$	\$	\$	
Grant (source)	\$	\$	\$	See attached memo
Total	\$321,135	\$160,568	\$	
Appropriation No:	2200030000	Amount:	\$468,953	

REC'D DEC 01 2009

STATE OF VERMONT REQUEST FOR GRANT ACCEPTANCE (Form AA-1)

		\$
		\$
		\$
	Total	\$

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: DB (initial)
Diane Botfield for Roger

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.

13. AUTHORIZATION 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: *Diane Botfield* Date: 11/24/09
 Title: Deputy Secretary For Roger Allbee
 Signature: _____ Date: _____
 Title: _____

14. ACTION BY GOVERNOR

Check One Box: Accepted
 Rejected
 (Governor's signature) *[Signature]* Date: 12/22/09

15. SECRETARY OF ADMINISTRATION

Check One Box: Request to JFO
 Information to JFO
 (Secretary's signature or designee) *[Signature]* Date: 12/22/09

16. DOCUMENTATION REQUIRED

Required GRANT Documentation

- | | |
|---|---|
| <input type="checkbox"/> Request Memo | <input type="checkbox"/> Notice of Donation (if any) |
| <input type="checkbox"/> Dept. project approval (if applicable) | <input type="checkbox"/> Grant (Project) Timeline (if applicable) |
| <input type="checkbox"/> Notice of Award | <input type="checkbox"/> Request for Extension (if applicable) |
| <input type="checkbox"/> Grant Agreement | <input type="checkbox"/> Form AA-1PN attached (if applicable) |
| <input type="checkbox"/> Grant Budget | |

End Form AA-1



Agency of Agriculture
 116 State Street
 Montpelier, VT 05620-2901
 www.VermontAgriculture.com

MEMORANDUM

To: Neale Lunderville, Secretary of Administration
From: Roger Allbee, Secretary *Deanne Battaglia for Secretary Allbee*
Date: 11/23/2009 *Deputy Secretary*
Re: USDA Grant Agreement

The grant agreement from the United States Department of Agriculture for the Agriculture Innovation Center Demonstration Program includes matching funds from various organizations as well as in-kind match by the Agency of Agriculture. Funds from outside entities, cash and in-kind, are not being passed through the Agency but are being expended directly to support various grant projects. Entities providing match for this grant are:

<u>Name</u>	<u>Cash</u>	<u>In-Kind</u>
Merck Foundation	45,000	
Castanea	10,000	
High Meadows Fund	10,000	
Agriculture & Culinary Tourism Council		13,000
New York Fancy Food Show		25,000
Expo East		7,500
New England Specialty Food Show		10,000
Other Shows		7,500
Vermont Specialty Food Association	3,000	1,950
Registration fees	5,150	
Specialty Food Producers	5,000	
Food Systems Research Collaborative	1,000	
Sponsorships	1,500	
VT Sustainable Jobs Fund	10,000	
VT Community Foundation	75,000	

Thanks.



UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL BUSINESS-COOPERATIVE SERVICE

AGRICULTURE INNOVATION CENTER DEMONSTRATION PROGRAM GRANT
AGREEMENT

This Grant Agreement (Agreement) dated 10/1/09, 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 Sub-grantees 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

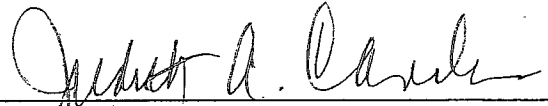
If the grant will not be completed by the end of the funding period, as defined in paragraph 1.C., the Grantee may request an extension. The extension must be requested at least 30 days prior to the end of the funding period or it will not be considered. The request must be in writing and addressed to 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

10/20/09
Date

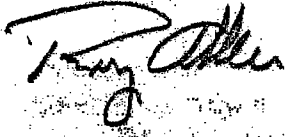
JUDITH A. CANALES

Name

Administrator, Business and Cooperative Programs
Title

Grantee.

Vermont Agency of Agriculture, Food and Markets

A handwritten signature in black ink, appearing to read "Roger Allbee". The signature is written in a cursive style with a large initial "R".

9-24-09

Signature
Roger Allbee

Date

Name
Secretary of Agriculture, Vermont

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, tradeshow 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

VT AIC
BUDGET OVERVIEW

Establish Agricultural Innovation Center:

AIC Funds:

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

Matching Funds:

- o None

Vermont Agricultural Development Corporation

AIC Funds:

- o \$20,000 – Consultant for Phase I Business Analysis
- o \$60,000 – Phase II, Hire Staff for VADC

Matching Funds:

- o \$35,000 – Foundation Investment
- o \$4,000 – VAAFMM In Kind Time
- o Additional funds to be sought in Phase II (January 2010)

Agricultural & Culinary Tourism Council - Establishment

AIC Funds:

- o \$1,800 – Consulting Services of Farmers
- o \$200 - Materials

Matching Funds:

- o \$4,000 – VAAFMM In Kind Time
- o \$13,000 – Council In Kind Time

Agricultural & Culinary Tourism Council – Tasting Trails

AIC Funds:

- o \$28,000 – Professional Development Services, Farmer Trainings, Marketing

Matching Funds:

- o \$2,500 – VAAFMM In Kind Time

Agricultural & Culinary Tourism Council - Website

AIC Funds:

- o \$6,000 – Phase I Consultant (Planning & Project Development)
- o 46,000 – Phase II Consultant (Technical Development)

Matching Funds:

- o \$30,000 – John Merck Fund
- o \$1,250 – VAAFMM In Kind Time
- o Additional funds to be raised for Phase II work (2010)

Specialty Food Trade Show Participation

AIC Funds:

- o \$50,000 – Entrance & Marketing Fees

Matching Funds:

- o \$50,000 – Producers’ Match from Entrance & Marketing Fees, Supplies

- \$1,500 – VSFA In Kind Time

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:

- \$4,250 – 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:

- o \$20,000 – Consultant Fees for Applied Research and Materials Development and Publication

Matching Funds:

- o \$1,000 – VAAFm In Kind Time

Distribution Networks – Applied Research

AIC Funds:

- o \$35,000 – Consultant Fees

Matching Funds:

- o \$10,000 – VT Sustainable Jobs Fund, Farm to Plate

Grants for Service Providers

AIC Funds:

- o \$50,000 – Grants for Capacity Building of TA Providers
- o \$5,000 – Consultant Fees – VT Community Foundation

Matching Funds:

- o \$75,000 – VT Community Foundation

Total Spending:

- o AIC Funds: 468,750 (awarded up to \$469k)
- o 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	<u>\$ 12,750</u>	
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	<u>\$ 55,000</u>	
Total Match Not Confirmed		<u>\$ 94,650</u>
Total Proposed Match		\$242,350

			VSFA Administration 15 hrs at \$30 / hr	\$450					
Taste of Place technical assistance to producers - Hardwick Region		\$60,000					\$0	\$8,000	
	Preliminary Information Sessions	\$9,000	Time Match by UVM*	\$5,000				\$2,000	
			VAAFMM Budget*	\$2,000					
	Convening Work by Center for an Agricultural Economy	\$27,000	Time Match by CAE*	\$5,000				\$2,000	
			Castanea Foundation	\$5,000					
			RBEg**	\$15,000					
	Technical Sessions -- Food Systems Research Collaborative; AIC Funds Graduate Student Support	\$24,000	VT Dairy Promotion Council*	\$5,000				\$4,000	
			RBEg**	\$15,000					
Taste of Place technical assistance to producers - Tarentaise Cheese		\$9,250					\$0	\$4,250	
	Phase I research	\$9,250	Hatch**	\$5,000				\$4,250	
Taste of Place background information, case studies, and best practices		\$34,500					\$4,500	\$18,500	
	Quebec Tours	\$9,500	Food Systems Research Collaborative	\$1,000				\$5,000	
			Costs Covered by Participants	\$2,000					
	Center for Rural Studies market study	\$17,000	RBEg**	\$10,000				\$7,000	
	Working Day	\$8,000	Sponsors	\$1,500				\$6,500	
Taste of Place cultural heritage study		\$21,000					\$1,000	\$20,000	
	Consultant to perform applied research & planning	\$16,000			Total of 20 hours	1000		\$15,000	
	Materials development & publication	\$5,000						\$5,000	
Distribution networks study		\$45,000					\$10,000	\$35,000	
		\$45,000	Farm to Plate	\$10,000				\$35,000	
Grants for service providers		\$130,000					75000	\$55,000	
	Vermont Community Foundation fees	\$5,000						\$5,000	
	Grants distributed	\$125,000	Vermont Community	\$75,000				\$50,000	
Grand Totals		\$797,100					\$242,350	\$468,750	
							Additional Match		
							\$84,500		
	**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- \$ 94,650								
	Total Proposed Match- \$242,350								

VT AIC

Service Provided	Project Phases	Cost	Funding Partners	Matching Amount	VAAFM Staff Time Match	Cost Equivalent	AIC Match	AIC Funds		
Establish Agricultural Innovation Center		\$91,000						\$91,000		
	Administration Costs (2/3 FTE, plus supervisor)	\$46,000						\$46,000		
	Taste of Place Administrator (Consultant)	\$45,000						\$45,000		
Vermont Agricultural Development Corporation		\$119,000					\$39,000	\$80,000		
	Business Analysis - Phase I	\$40,000	John Merck Fund	\$6,000	Ave. 5 hours / week x 16 weeks	\$4,000		\$20,000		
			Castanea Foundation	\$5,000						
			High Meadows Fund	\$5,000						
	Business Plan Implementation & Launch - Phase II	\$79,000	John Merck Fund	\$9,000				\$60,000		
			Castanea Foundation	\$5,000						
			High Meadows Fund	\$5,000						
Agricultural & Culinary Tourism Council		\$19,000					\$17,000	\$2,000		
	Council Participation	\$18,800	Matched by participation at council meetings 5 hours quarterly; total 260 hours	\$13,000	Staff time in addition to meetings = ave 20 hours quarterly	\$4,000		\$1,800		
	Materials	\$200						\$200		
Improvement of Tasting & Food Trails		\$38,000					\$2,500	\$28,000		
	Implementation	\$38,000	FSMIP**	7,500	Total of 50 hours	\$2,500		\$28,000		
Agricultural & Culinary Tourism Website		\$93,250					\$31,250	\$52,000		
	Phase I - Planning		Specialty Crop Block Grant**	\$5,000	25 hours in planning outside tourism council	\$1,250		\$6,000		
			John Merck Fund	\$30,000						
	Phase II - Site Development 6 months of a 9 month phase		Specialty Crop Block Grant**	\$5,000				\$46,000		
Specialty Food Trade Show Participation		\$101,500					\$51,500	\$50,000		
	NY Fancy Food Show; AIC Funds Towards Marketing, Entrance Fees	\$50,000	Matched by producer time & expense	\$25,000				\$25,000		
	Expo East	\$15,000		\$7,500				\$7,500		
	New England Specialty Food Show	\$20,000		\$10,000				\$10,000		
	Other Shows	\$15,000		\$7,500				\$7,500		
			VSFA In-Kind Time 50 hours at \$30 / hr	\$1,500						
Introductory manual for specialty food producers		\$7,000					0	\$7,000		
	Consultant time for manual development	\$5,000						\$5,000		
	Publishing	\$2,000						\$2,000		
Workshops; presentations, learning opportunities for specialty food producers		\$18,150					\$5,150	\$13,000		
	NOFA-VT Conference Track	\$500						\$500		
	VSFA Annual Meeting	\$2,500	VSFA	\$2,000				\$500		
	Three Workshops	\$15,150	Registration fees (Ave 30 people at \$35)	\$3,150				\$12,000		
Support for specialty food producer professional development assistance		\$10,450					\$5,450	\$5,000		
			Match required by applicant	\$5,000				\$5,000		

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; VAAFMM 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.

VAAFMM 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 VAAFMM staff recommendations for future VAIC work in the areas identified in 2009 proposal.

June, 2010

- Board meets to review, revise, and approve final VAAFMM 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

- Wineries, Breweries & Cideries Trail
- VT Farm & Food Trail
- VT Farm to Table Tours
- Open Farm / Open Studio Weekend
- Ski & Maple Map
- VT Farms! Association standards development program

(January, 2010)

- 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).
(March 2010)
- Fourth Meeting (Central Vermont): Review activities of previous year, set a Chairperson to take over managing Council, choose priority projects for next year.
(June 2010)

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).

Support improvement of existing tasting & food trails

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.

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.

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.

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.

VAAFMT 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 VAAFMT 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.

VAAFAM 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.

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.

VAAFAM 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 VAAFAM and VSFA that establishes VSFA as program administrator

Meeting: October, 2009

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

- VAAFAM & 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 VAAFAM and VSFA will outline any adjustments to be made to continue a program in support of professional development.

Build a Framework for Place-Based Marketing for Vermont Foods

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.

Develop methods for delivering technical assistance to producers interested in Taste of Place and geographical indicators systems – Hardwick Region

Background to Current Activity: In the spring of 2009, VAAFAM 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.

VAAFAM 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 VAAFAM, 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

- VAAF 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.

Develop methods for delivering technical assistance to producers interested in Taste of Place and geographical indicators systems – Tarentaise Cheese

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.

VAAFAM 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, VAAFAM'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 VAAFAM 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.

Develop background information, including case studies of business strategies and policymaking, to identify best practices in implementing geographical indicator systems.

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.
- 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.
- Discussions begin with funders for a more detailed marketing study around Taste of Place.
- First Quebec Tour – Charlevoix Lamb

- 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; sub-committee 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, sub-committee 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-iv. 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 VAAFMM 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 – VAAFMM 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:

- VAAFMM reviews findings and develops proposals to meet needs identified in the report.
- VAAFMM uses phase I research, materials, and groups / individuals identified as interested in distribution issues to help all concerned learn more about their distribution options.
- VAAFMM 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.

VAAFMM Lead Staff: Helen Labun Jordan

Partners in Implementation: Vermont Community Foundation (VCF)

Implementation Steps & Timeline:

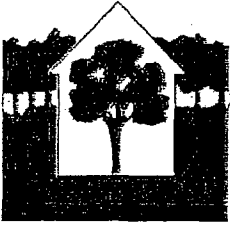
- VAAFM staff meet with Vermont Community Foundation to outline a grant making process, parameters, and how VCF will administer the funds.
October, 2009
- VAAFM and VAIC advisory board review fall funding round applications for organizations to receive matching professional development grants.
November, 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.

**Vermont
Housing &
Conservation
Board**

18 September 2009



58 East State Street
Montpelier
Vermont 05602

TEL 802 828 3250
FAX 802 828 3203
WEB www.vhcb.org

Board of Directors

Christine H. Hart
Chair
Thomas G. Weaver
Vice Chair
Roger Allbee
Sarah E. Carpenter
Kevin L. Dorn
John T. Ewing
Roy Folsom
G. Kenneth Perine
Jonathan L. Wood

Gustave Seelig
Executive Director

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,

A handwritten signature in black ink, appearing to read "Larry Mires". The signature is fluid and cursive, written over the printed name and title.

Larry Mires
Administrative Officer



Vermont Agency of Agriculture
Attn: Helen Labun Jordan
116 State Street
Montpelier, VT 05602

September 18, 2009

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,

A handwritten signature in black ink, appearing to read "Jim Harrison".

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,

A handwritten signature in cursive script that reads "Meghan Sheradin". The signature is fluid and elegant, with a long, sweeping underline.

Meghan Sheradin
Executive Director
Vermont Fresh Network



Vermont Sustainable Jobs Fund

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

Ellen Kahler
Executive Director
Vermont Sustainable Jobs Fund
3 Pitkin Court, Suite 301e
Montpelier, VT 05602
802-828-5320

Vermont Agency of Agriculture
Attn: Helen Labun Jordan
116 State Street
Montpelier, VT 05602

September 22, 2009

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

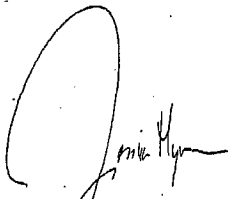
Helen Labun Jordan
Agricultural Development Coordinator
Vermont Agency of Agriculture, Food & Markets
116 State Street
Montpelier, VT 05620-2901

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

State of Vermont
 Department of Finance & Management
 109 State Street, Pavilion Building
 Montpelier, VT 05620-0401

Agency of Administration

[phone] 802-828-2376
 [fax] 802-828-2428

**STATE OF VERMONT
 FINANCE & MANAGEMENT GRANT REVIEW FORM**

Grant Summary:	This grant is to establish an Agriculture Innovation Center facility for Vermont which will provide technical assistance and business development services for production of value-added agriculture commodities /and or products.				
Date:	12/4/2009				
Department:	Agriculture, Food and Markets				
Legal Title of Grant:	Rural Business Enterprise Grant-Agriculture Innovation Center Demonstration Program.				
Federal Catalog #:					
Grant/Donor Name and Address:	United States Department of Agriculture (USDA) Rural Development, City Center 3 rd Floor, 89 Main Street, Montpelier VT 05602				
Grant Period:	From:	10/1/2009	To:	9/30/2010	
Grant/Donation	468,953				
	SFY 1	SFY 2	SFY 3	Total	Comments
Grant Amount:	\$312,635	\$156,318	\$	\$468,953	There is an in-kind state match of \$12,750 for this grant. There is also additional cash match (\$165,650) and in-kind (\$64,950) from outside entities (see 11/23/09 memo attached with breakout).

Position Information:	# Positions	Explanation/Comments
	0	



Memo

To: James Reardon, Budget & Management
From: Diane Bothfeld, Deputy Secretary
CC: Mary Morrison and Roger Allbee
Date: 12/10/2009
Re: Agriculture Innovation Center

The Vermont Agency of Agriculture, Food and Markets has received federal funding through Senator Leahy for the Agriculture Innovation Center. More than \$1,000,000 in additional federal funds are expected to continue this project at least through the next two years. This center's existence is based on these funds and would cease to exist if the funds are not allocated at the federal level. If federal funds are not allocated, the Center would close – **State funds would not be used to continue the Center.**

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 3 rd 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.			
10. BUDGET INFORMATION				
	SFY 1	SFY 2	SFY 3	Comments
Expenditures:	FY 2010	FY 2011	FY	
Personal Services	\$215,335	\$107,668	\$	
Operating Expenses	\$68,133	\$34,067	\$	
Grants	\$37,667	\$18,833	\$	
Total	\$321,135	\$160,568	\$	
Revenues:				
State Funds:	\$	\$	\$	
Cash	\$	\$	\$	
In-Kind	\$8,500	\$4,250	\$	
Federal Funds:	\$	\$	\$	
(Direct Costs)	\$312,635	\$156,318	\$	
(Statewide Indirect)	\$	\$	\$	
(Departmental Indirect)	\$	\$	\$	
Other Funds:	\$	\$	\$	See attached memo
Grant (source)	\$	\$	\$	
Total	\$321,135	\$160,568	\$	
Appropriation No:	2200030000	Amount:	\$468,953	

REC'D DEC 0 1 2009

STATE OF VERMONT REQUEST FOR GRANT ACCEPTANCE (Form AA-1)

		\$
		\$
		\$
	Total	\$

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: DB (initial)
Diane Bethfield for Roger

12. Limited Service Position Information:	# Positions	Title
Total Positions		

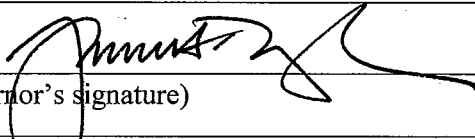
12a. Equipment and space for these positions: Is presently available. Can be obtained with available funds.

13. AUTHORIZATION AGENCY/DEPARTMENT

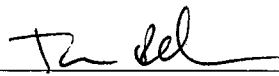
I/we certify that no funds beyond basic application preparation and filing costs have been expended or committed in anticipation of Joint Fiscal Committee approval of this grant, unless previous notification was made on Form AA-1PN (if applicable):

Signature: <i>Diane Bethfield</i>	Date: <i>11/24/09</i>
Title: <i>Deputy Secretary For Roger Allbee</i>	
Signature: <i>Roger Allbee</i>	Date: <i> </i>
Title: <i> </i>	

14. ACTION BY GOVERNOR

<input checked="" type="checkbox"/> Check One Box: Accepted	 (Governor's signature)	<i>12/22/09</i> Date:
<input type="checkbox"/> Rejected		

15. SECRETARY OF ADMINISTRATION

<input checked="" type="checkbox"/> Check One Box: Request to JFO	 (Secretary's signature or designee)	<i>12/2/09</i> Date:
<input type="checkbox"/> Information to JFO		

16. DOCUMENTATION REQUIRED

Required GRANT Documentation	
<input type="checkbox"/> Request Memo	<input type="checkbox"/> Notice of Donation (if any)
<input type="checkbox"/> Dept. project approval (if applicable)	<input type="checkbox"/> Grant (Project) Timeline (if applicable)
<input type="checkbox"/> Notice of Award	<input type="checkbox"/> Request for Extension (if applicable)
<input type="checkbox"/> Grant Agreement	<input type="checkbox"/> Form AA-1PN attached (if applicable)
<input type="checkbox"/> Grant Budget	

End Form AA-1

Department of Budget and Management

Grant Routing Sheet

Department Agriculture Amount B 468,953

Legal Title Rural Business Enterprise Grant

Grantor USDA Rural Development

Agri Innovation Ctr.

Recipient Demonstration program Date received at Budman 12/2/09

Date to Analyst 12/2/09 Date to Commissioner 12/4/09

Date to SOA 12/21/09 Date to Governor 12/21/09

Date to JFO 12/23/09 JFO # _____

Memo

To: James Reardon, Budget & Management

From: Diane Bothfeld, Deputy Secretary

CC: Mary Morrison and Roger Allbee

Date: 12/10/2009

Re: Agriculture Innovation Center

The Vermont Agency of Agriculture, Food and Markets has received federal funding through Senator Leahy for the Agriculture Innovation Center. More than \$1,000,000 in additional federal funds are expected to continue this project at least through the next two years. This center's existence is based on these funds and would cease to exist if the funds are not allocated at the federal level. If federal funds are not allocated, the Center would close -- **State funds would not be used to continue the Center.**

State of Vermont
 Department of Finance & Management
 109 State Street, Pavilion Building
 Montpelier, VT 05620-0401

Agency of Administration

[phone] 802-828-2376
 [fax] 802-828-2428

**STATE OF VERMONT
 FINANCE & MANAGEMENT GRANT REVIEW FORM**

Grant Summary:		This grant is to establish an Agriculture Innovation Center facility for Vermont which will provide technical assistance and business development services for production of value-added agriculture commodities /and or products.			
Date:		12/4/2009			
Department:		Agriculture, Food and Markets			
Legal Title of Grant:		Rural Business Enterprise Grant-Agriculture Innovation Center Demonstration Program.			
Federal Catalog #:					
Grant/Donor Name and Address:		United States Department of Agriculture (USDA) Rural Development, City Center 3 rd Floor, 89 Main Street, Montpelier VT 05602			
Grant Period:		From:		To:	
		10/1/2009		9/30/2010	
Grant/Donation		468,953			
	SFY 1	SFY 2	SFY 3	Total	Comments
Grant Amount:	\$312,635	\$156,318	\$	\$468,953	There is an in-kind state match of \$12,750 for this grant. There is also additional cash match (\$165,650) and in-kind (\$64,950) from outside entities (see 11/23/09 memo attached with breakout).
Position Information:		# Positions	Explanation/Comments		
		0			



**STATE OF VERMONT
FINANCE & MANAGEMENT GRANT REVIEW FORM**

Additional Comments:

Department of Finance & Management <i>JM</i>	<i>JM 12/20/09</i>	(Initial)
Secretary of Administration <i>Ta Rel</i>	<i>TR 12/10/09</i>	(Initial)
Sent To Joint Fiscal Office	<i>12/23/09</i>	Date



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 3 rd 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.				
10. BUDGET INFORMATION				
	SFY 1	SFY 2	SFY 3	Comments
Expenditures:	FY 2010	FY 2011	FY	
Personal Services	\$215,335	\$107,668	\$	
Operating Expenses	\$68,133	\$34,067	\$	
Grants	\$37,667	\$18,833	\$	
Total	\$321,135	\$160,568	\$	
Revenues:				
State Funds:	\$	\$	\$	
Cash	\$	\$	\$	
In-Kind	\$8,500	\$4,250	\$	
Federal Funds:	\$	\$	\$	
(Direct Costs)	\$312,635	\$156,318	\$	
(Statewide Indirect)	\$	\$	\$	
(Departmental Indirect)	\$	\$	\$	
Other Funds:	\$	\$	\$	See attached memo
Grant (source)	\$	\$	\$	
Total	\$321,135	\$160,568	\$	
Appropriation No:	2200030000	Amount:	\$468,953	

REC'D DEC 0 1 2009



STATE OF VERMONT REQUEST FOR GRANT ACCEPTANCE (Form AA-1)

		\$
		\$
		\$
	Total	\$

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: DB (initial)
Diane Betfield for Roger

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.

13. AUTHORIZATION 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: <i>Diane Betfield</i>	Date: <i>11/24/09</i>
	Title: <i>Deputy Secretary For Roger Allbee</i>	
	Signature: <i>Diane Betfield</i>	Date: <i>11/24/09</i>
	Title: <i>Deputy Secretary For Roger Allbee</i>	

14. ACTION BY GOVERNOR

<input checked="" type="checkbox"/> Check One Box: Accepted	<i>[Signature]</i> (Governor's signature)	<i>12/22/09</i> Date:
<input type="checkbox"/> Rejected		

15. SECRETARY OF ADMINISTRATION

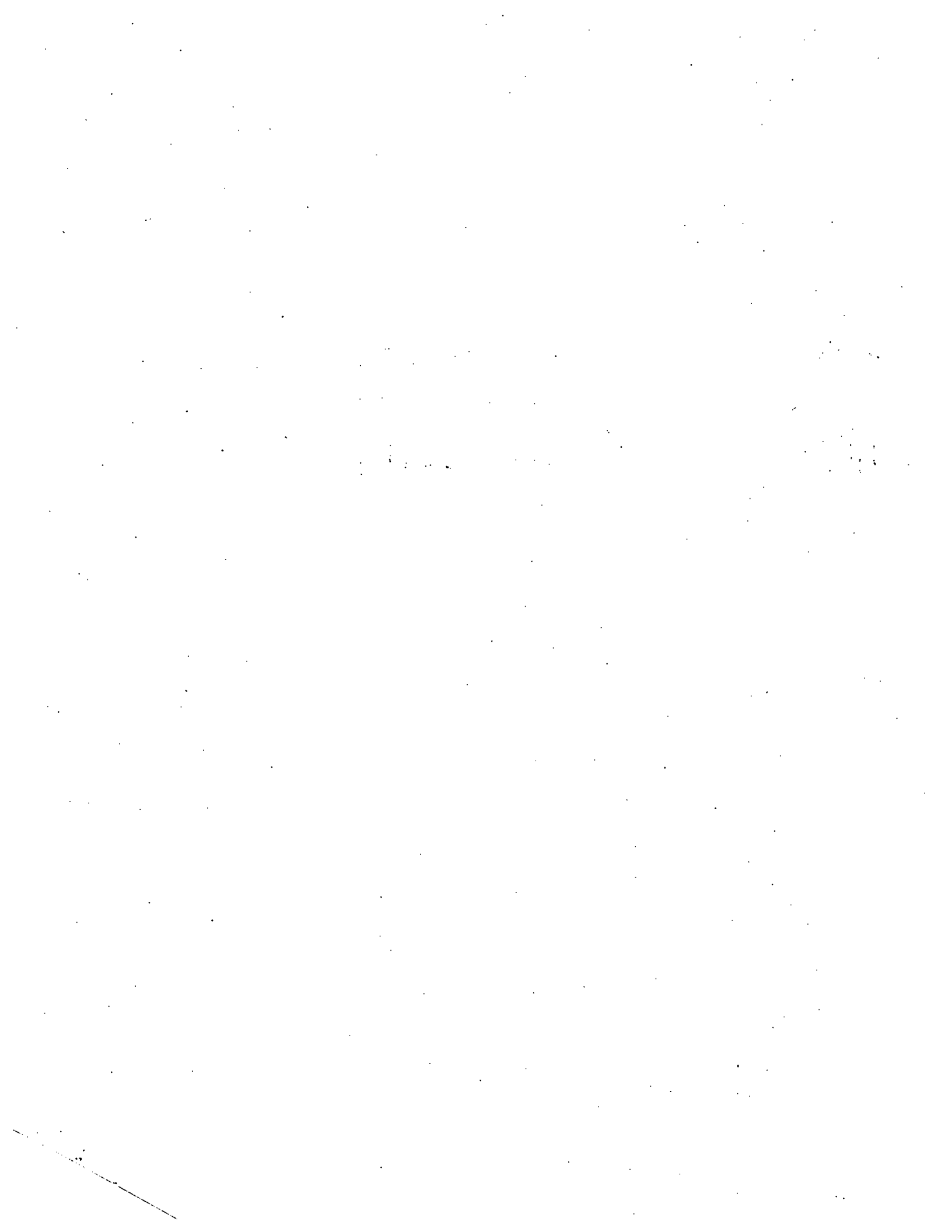
<input checked="" type="checkbox"/> Check One Box: Request to JFO	<i>[Signature]</i> (Secretary's signature or designee)	<i>12/2/09</i> Date:
<input type="checkbox"/> Information to JFO		

16. DOCUMENTATION REQUIRED

Required GRANT Documentation

<input type="checkbox"/> Request Memo	<input type="checkbox"/> Notice of Donation (if any)
<input type="checkbox"/> Dept. project approval (if applicable)	<input type="checkbox"/> Grant (Project) Timeline (if applicable)
<input type="checkbox"/> Notice of Award	<input type="checkbox"/> Request for Extension (if applicable)
<input type="checkbox"/> Grant Agreement	<input type="checkbox"/> Form AA-1PN attached (if applicable)
<input type="checkbox"/> Grant Budget	

End Form AA-1



Agency of Agriculture
116 State Street
Montpelier, VT 05620-2901
www.VermontAgriculture.com

MEMORANDUM

To: Neale Lunderville, Secretary of Administration

From: Roger Allbee, Secretary

Deanne Buttsell for Secretary
Deputy Secretary Allbee

Date: 11/23/2009

Re: USDA Grant Agreement

The grant agreement from the United States Department of Agriculture for the Agriculture Innovation Center Demonstration Program includes matching funds from various organizations as well as in-kind match by the Agency of Agriculture. Funds from outside entities, cash and in-kind, are not being passed through the Agency but are being expended directly to support various grant projects. Entities providing match for this grant are:

<u>Name</u>	<u>Cash</u>	<u>In-Kind</u>
Merck Foundation	45,000	
Castanea	10,000	
High Meadows Fund	10,000	
Agriculture & Culinary Tourism Council		13,000
New York Fancy Food Show		25,000
Expo East		7,500
New England Specialty Food Show		10,000
Other Shows		7,500
Vermont Specialty Food Association	3,000	1,950
Registration fees	5,150	
Specialty Food Producers	5,000	
Food Systems Research Collaborative	1,000	
Sponsorships	1,500	
VT Sustainable Jobs Fund	10,000	
VT Community Foundation	75,000	

Thanks.



UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL BUSINESS-COOPERATIVE SERVICE

AGRICULTURE INNOVATION CENTER DEMONSTRATION PROGRAM GRANT
AGREEMENT

This Grant Agreement (Agreement) dated 10/1/09, 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 Sub-grantees 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

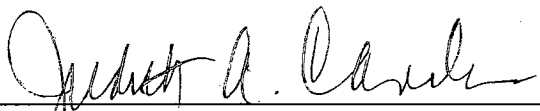
If the grant will not be completed by the end of the funding period, as defined in paragraph 1.C., the Grantee may request an extension. The extension must be requested at least 30 days prior to the end of the funding period or it will not be considered. The request must be in writing and addressed to 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

10/20/09

Date

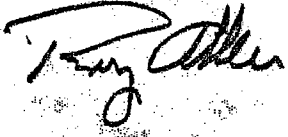
JUDITH A. CANALES

Name

Administrator, Business and Cooperative Programs
Title

Grantee.

Vermont Agency of Agriculture, Food and Markets



9-24-09

Signature
Roger Allbee

Date

Name
Secretary of Agriculture, Vermont

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, tradeshow 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

VT AIC

BUDGET OVERVIEW

Establish Agricultural Innovation Center:

AIC Funds:

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

Matching Funds:

- o None

Vermont Agricultural Development Corporation

AIC Funds:

- o \$20,000 – Consultant for Phase I Business Analysis
- o \$60,000 – Phase II, Hire Staff for VADC

Matching Funds:

- o \$35,000 – Foundation Investment
- o \$4,000 – VAAFMM In Kind Time
- o Additional funds to be sought in Phase II (January 2010)

Agricultural & Culinary Tourism Council - Establishment

AIC Funds:

- o \$1,800 – Consulting Services of Farmers
- o \$200 - Materials

Matching Funds:

- o \$4,000 – VAAFMM In Kind Time
- o \$13,000 – Council In Kind Time

Agricultural & Culinary Tourism Council – Tasting Trails

AIC Funds:

- o \$28,000 – Professional Development Services, Farmer Trainings, Marketing

Matching Funds:

- o \$2,500 – VAAFMM In Kind Time

Agricultural & Culinary Tourism Council - Website

AIC Funds:

- o \$6,000 – Phase I Consultant (Planning & Project Development)
- o 46,000 – Phase II Consultant (Technical Development)

Matching Funds:

- o \$30,000 – John Merck Fund
- o \$1,250 – VAAFMM In Kind Time
- o Additional funds to be raised for Phase II work (2010)

Specialty Food Trade Show Participation

AIC Funds:

- o \$50,000 – Entrance & Marketing Fees

Matching Funds:

- o \$50,000 – Producers’ Match from Entrance & Marketing Fees, Supplies

Taste of Place – Cultural Heritage

AIC Funds:

- o \$20,000 – Consultant Fees for Applied Research and Materials Development and Publication

Matching Funds:

- o \$1,000 – VAAFM In Kind Time

Distribution Networks – Applied Research

AIC Funds:

- o \$35,000 – Consultant Fees

Matching Funds:

- o \$10,000 – VT Sustainable Jobs Fund, Farm to Plate

Grants for Service Providers

AIC Funds:

- o \$50,000 – Grants for Capacity Building of TA Providers
- o \$5,000 – Consultant Fees – VT Community Foundation

Matching Funds:

- o \$75,000 – VT Community Foundation

Total Spending:

- o AIC Funds: 468,750 (awarded up to \$469k)
- o 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	<u>\$ 12,750</u>	
Total Confirmed Match		\$147,700

Proposed Matching Funds Without Letters of Commitment:

Castanea Foundation	\$ 10,000	
High Meadows Fund	\$ 10,000	
Ag Tourism Council Member Time	\$ 13,000	
Sponsors	\$ 1,500	
Participant Fees	\$ 5,150	
Producer Match	<u>\$ 55,000</u>	
Total Match Not Confirmed		<u>\$ 94,650</u>
Total Proposed Match		\$242,350

- \$1,500 – VSFA In Kind Time

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:

- \$4,250 – 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

			VSFA Administration 15 hrs at \$30 / hr	\$450					
Taste of Place technical assistance to producers - Hardwick Region		\$60,000					\$0	\$8,000	
	Preliminary Information Sessions	\$9,000	Time Match by UVM*	\$5,000				\$2,000	
			VAAFMM Budget*	\$2,000					
	Convening Work by Center for an Agricultural Economy	\$27,000	Time Match by CAE*	\$5,000				\$2,000	
			Castanea Foundation	\$5,000					
			RBEG**	\$15,000					
	Technical Sessions – Food Systems Research Collaborative; AIC Funds Graduate Student Support	\$24,000	VT Dairy Promotion Council*	\$5,000				\$4,000	
			RBEG**	\$15,000					
Taste of Place technical assistance to producers - Tarentaise Cheese		\$9,250					\$0	\$4,250	
	Phase I research	\$9,250	Hatch**	\$5,000				\$4,250	
Taste of Place background information, case studies, and best practices.		\$34,500					\$4,500	\$18,500	
	Quebec Tours	\$9,500	Food Systems Research Collaborative	\$1,000				\$5,000	
			Costs Covered by Participants	\$2,000					
	Center for Rural Studies market study	\$17,000	RBEG**	\$10,000				\$7,000	
	Working Day	\$8,000	Sponsors	\$1,500				\$6,500	
Taste of Place cultural heritage study		\$21,000					\$1,000	\$20,000	
	Consultant to perform applied research & planning	\$16,000			Total of 20 hours	1000		\$15,000	
	Materials development & publication	\$5,000						\$5,000	
Distribution networks study		\$45,000					\$10,000	\$35,000	
		\$45,000	Farm to Plate	\$10,000				\$35,000	
Grants for service providers		\$130,000					75000	\$55,000	
	Vermont Community Foundation fees	\$5,000						\$5,000	
	Grants distributed	\$125,000	Vermont Community	\$75,000				\$50,000	
Grand Totals		\$797,100					\$242,350	\$468,750	
							Additional Match	\$84,500	
			**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-	\$ 94,650							
	Total Proposed Match-	\$242,350							

VT AIC

Service Provided	Project Phases	Cost	Funding Partners	Matching Amount	VAAFM Staff Time Match	Cost Equivalent	AIC Match	AIC Funds		
Establish Agricultural Innovation Center		\$91,000						\$91,000		
	Administration Costs (2/3 FTE, plus supervisor)	\$46,000						\$46,000		
	Taste of Place Administrator (Consultant)	\$45,000						\$45,000		
Vermont Agricultural Development Corporation		119,000					\$39,000	\$80,000		
	Business Analysis - Phase I	\$40,000	John Merck Fund	\$6,000	Ave. 5 hours / week x 16 weeks	\$4,000		\$20,000		
			Castanea Foundation	\$5,000						
			High Meadows Fund	\$5,000						
	Business Plan Implementation & Launch - Phase II	\$79,000	John Merck Fund	\$9,000				\$60,000		
			Castanea Foundation	\$5,000						
			High Meadows Fund	\$5,000						
Agricultural & Culinary Tourism Council		\$19,000					17,000	\$2,000		
	Council Participation	\$18,800	Matched by participation at council meetings 5 hours quarterly; total 260 hours	\$13,000	Staff time in addition to meetings = ave 20 hours quarterly	\$4,000		\$1,800		
	Materials	\$200						\$200		
Improvement of Tasting & Food Trails		\$38,000					\$2,500	\$28,000		
	Implementation	\$38,000	FSMIP**	7,500	Total of 50 hours	\$2,500		\$28,000		
Agricultural & Culinary Tourism Website		\$93,250					\$31,250	\$52,000		
	Phase I - Planning		Specialty Crop Block Grant**	\$5,000	25 hours in planning outside tourism council	\$1,250		\$6,000		
			John Merck Fund	\$30,000						
	Phase II - Site Development 6 months of a 9 month phase		Specialty Crop Block Grant**	\$5,000				\$46,000		
Specialty Food Trade Show Participation		\$101,500					\$51,500	\$50,000		
	NY Fancy Food Show; AIC Funds Towards Marketing, Entrance Fees	\$50,000	Matched by producer time & expense	\$25,000				\$25,000		
	Expo East	\$15,000		\$7,500				\$7,500		
	New England Specialty Food Show	\$20,000		\$10,000				\$10,000		
	Other Shows	\$15,000		\$7,500				\$7,500		
			VSFA In-Kind Time 50 hours at \$30 / hr	\$1,500						
Introductory manual for specialty food producers		\$7,000					0	\$7,000		
	Consultant time for manual development	\$5,000						\$5,000		
	Publishing	\$2,000						\$2,000		
Workshops, presentations, learning opportunities for specialty food producers		\$18,150					\$5,150	\$13,000		
	NOFA-VT Conference Track	\$500						\$500		
	VSFA Annual Meeting	\$2,500	VSFA	\$2,000				\$500		
	Three Workshops	\$15,150	Registration fees (Ave 30 people at \$35)	\$3,150				\$12,000		
Support for specialty food producer professional development assistance		\$10,450					\$5,450	\$5,000		
			Match required by applicant	\$5,000				\$5,000		

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; VAAFMM 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.

VAAFMM 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 VAAFMM staff recommendations for future VAIC work in the areas identified in 2009 proposal.

June, 2010

- Board meets to review, revise, and approve final VAAFMM 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

- Wineries, Breweries & Cideries Trail
- VT Farm & Food Trail
- VT Farm to Table Tours
- Open Farm / Open Studio Weekend
- Ski & Maple Map
- VT Farms! Association standards development program

(January, 2010)

- Following the second meeting, VAAFMT 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. VAAFMT implements.
- Third Meeting (Northwestern Vermont): Agricultural and Culinary Tourism Website discussion (see notes below on website work plan).
(March 2010)
- Fourth Meeting (Central Vermont): Review activities of previous year, set a Chairperson to take over managing Council, choose priority projects for next year.
(June 2010)

Future Work:

- VAAFMT 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 VAAFMT has previously directed to tourism-related activities (such as the Federal-State Marketing Improvement Program).

Support improvement of existing tasting & food trails

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.

VAAFMT 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.

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 VAAFMT 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 VAAFMT 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.

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.

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.

VAAFAM 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 VAAFAM 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.

VAAFAM 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

- VAAFAM develops and distributes RFP for consultant to develop manual
RFP Distributed: End of October 2009
- Consultant hired and begins work. VAAFAM 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.

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.

VAAFAM 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.

VAAFAM 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 VAAFAM and VSFA that establishes VSFA as program administrator

Meeting: October, 2009

- VSFA distributes funds throughout 2009 – 2010
Funds Distributed by end of September, 2010
- VAAFAM & 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 VAAFAM and VSFA will outline any adjustments to be made to continue a program in support of professional development.

Build a Framework for Place-Based Marketing for Vermont Foods

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.

Develop methods for delivering technical assistance to producers interested in Taste of Place and geographical indicators systems – Hardwick Region

Background to Current Activity: In the spring of 2009, VAAFMM 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.

VAAFMM 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 VAAFMM, 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

- VAAF 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.

Develop methods for delivering technical assistance to producers interested in Taste of Place and geographical indicators systems – Tarentaise Cheese

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.

VAAFAM 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, VAAFAM'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.

Develop background information, including case studies of business strategies and policymaking, to identify best practices in implementing geographical indicator systems.

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.
- 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.
- Discussions begin with funders for a more detailed marketing study around Taste of Place.
- First Quebec Tour – Charlevoix Lamb

September / October, 2009

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; sub-committee 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, sub-committee 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.

VAAFMT 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-iv. 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 VAAFMT 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.

VAAFMM 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.

**Vermont
Housing &
Conservation
Board**

18 September 2009



58 East State Street
Montpelier
Vermont 05602

TEL 802 828 3250
FAX 802 828 3203
WEB www.vhcb.org

Board of Directors

Christine H. Hart
Chair
Thomas G. Weaver
Vice Chair
Roger Allbee
Sarah E. Carpenter
Kevin L. Dorn
John T. Ewing
Roy Folsom
G. Kenneth Perine
Jonathan L. Wood

Gustave Seelig
Executive Director

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,

A handwritten signature in black ink, appearing to read 'Larry Mires', written over a faint circular stamp or watermark.

Larry Mires
Administrative Officer



Vermont Agency of Agriculture
Attn: Helen Labun Jordan
116 State Street
Montpelier, VT 05602

September 18, 2009

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,

A handwritten signature in cursive script that reads "Meghan Sheradin". The signature is fluid and elegant, with a long, sweeping underline.

Meghan Sheradin
Executive Director
Vermont Fresh Network



Vermont Sustainable Jobs Fund

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

Ellen Kahler
Executive Director
Vermont Sustainable Jobs Fund
3 Pitkin Court, Suite 301e
Montpelier, VT 05602
802-828-5320

Vermont Agency of Agriculture
Attn: Helen Labun Jordan
116 State Street
Montpelier, VT 05602

September 22, 2009

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

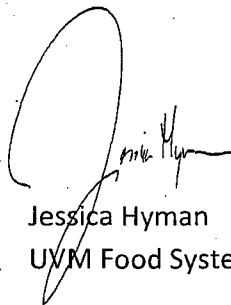
Helen Labun Jordan
Agricultural Development Coordinator
Vermont Agency of Agriculture, Food & Markets
116 State Street
Montpelier, VT 05620-2901

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