



CROSSCUTTING ISSUES

Food System Regulation

What is Vermont's regulatory framework today and is it adequate to address the needs of a diversified food system? What types of policy discussions should take place in the coming years to ensure consumer health and safety, help consumers know more about their food and its origins, and create a supportive framework for a vibrant, expanding local food system in Vermont?

As part of the Farm to Plate (F2P) planning process, researchers interviewed state and federal regulatory personnel, Vermont farmers, food processors, distributors, and nonprofit organizations committed to increasing access to locally grown food. Their input has been used to draft goals, objectives, and strategies for possible changes to existing regulations, as well as to create desired protections not addressed by current regulations. In addition, these interviews have helped identify the resources needed to increase the ability of food producers and processors to grow their businesses in compliance with existing regulations, laws, and policies. This section follows the basic structure of the most comprehensive currently available guide to rules and regulations for farmers: *[A Legal Guide to the Business of Farming in Vermont](#)* by Annette Higby.

The state's regulatory environment needs to be in alignment with the current and future state of Vermont's increasingly diverse food sector. The existing regulatory structure is an amalgam of federal, state, and local municipal laws and rules. The food system is governed by a series of federal regulations that sometimes offer exemptions for small businesses and small farms. Meanwhile,

state agencies and departments work with the governor and the general assembly to create state regulations that are separate from the federal regulations. In addition, local municipalities develop zoning and other ordinances that may affect agriculture.

Private sector and nongovernmental rules, as well as government recommendations, also govern food enterprises. For example, some major retailers have chosen to make

GETTING TO 2020

As outlined in Chapter 2, Goals 7 and 30 of the F2P Strategic Plan are geared toward achieving good public policy and an appropriate regulatory framework, which will strengthen Vermont's food economy:

Goal 7: Food system operations will maintain healthy water supplies and build soil, reduce their carbon footprint, and improve their overall environmental stewardship to deliver a net environmental benefit to the state.

Goal 30: Regulations and enforcement capacity will ensure food safety, be scale appropriate, and allow Vermont food enterprises to increase production and expand their market outlets.

the government's recommended food safety practices for fresh produce mandatory for farms wishing to sell into their stores. Voluntary certification systems exist for producers who seek to differentiate themselves in the marketplace by meeting agreed-upon standards such as organic, eco-friendly, and humane certified.

Maintenance of a credible and accountable federal and state regulatory structure is essential for the continued expansion of food production in Vermont. Unlike most northeastern states, Vermont supports a state-based agriculture regulatory program rather than relying only on federal oversight. This program has been particularly important for the maintenance of a slaughter and meat processing infrastructure, the growth of on-farm dairy processing, and the protection of water quality. State regulatory systems often succeed in protecting consumers without impeding farmers' access to the marketplace. In Vermont, state-based inspectors are more accessible to farmers and can answer questions and work within the collaborative framework established between the [Vermont Agency of Agriculture, Food and Markets](#) (VAAFAM) and other state inspection programs.

CURRENT CONDITIONS

🍷 Vermont's Regulatory Framework

🔑 The Legal Structure of Farm Business

What is the definition of a farm? 9A V.S.A. § 9-102 (35) provides definitions of agricultural terms. According to this statute, a "farming operation" means "raising, cultivating, propagating, fattening, grazing, or any other farming, livestock, or aquacultural operation."¹ The U.S. Census of Agriculture defines a farm as an operation that produced, or would normally have produced, over \$1,000 of agricultural product in a year.² Various regulations have their own definitions of what qualifies for an agricultural exemption (or, conversely, what falls under agricultural regulation), based on factors such as how much of a household's income is derived from farming practices, what percentage of a specialty food's ingredients come from the farm, what percentage of inputs come from a farm in general, and more. As noted in the Analysis section on page 17, the regulatory system becomes increasingly confusing as Vermont farms become more diversified and enter into enterprises that were not anticipated even 10 years ago.

The majority of Vermont farms operate as sole proprietorships, meaning that they do not exist as separate legal entities from their owners. This structure is the simplest form of business and the easiest to establish. However, some farmers have required more complex legal structures in recent years and have needed more help facilitating farm transfers, sourcing capital, and protecting their assets in cases of legal actions against their businesses. The traditional mechanism of farm transfer between generations within the same family is no longer the norm. In recent years, first-time farmers are starting up farming operations and are in need of creative leasing, partnering, and mentoring arrangements, which usually require legal expertise (see Chapter 3, Section 2, for a discussion of land access). Anecdotal information gathered during F2P interviews seems to indicate that more partnerships and limited liability corporations are emerging as farm business structures to reflect this new legal environment.

Legal assistance for farmers has improved in recent years, but farmers' needs in this area have outpaced available resources. In addition to the basic farm business structures just mentioned, farmers also enter into complex contractual arrangements for property easements, cooperative partnerships for new product development, energy sales, or the sale of environmental attributes, which often require legal guidance in the crafting of contracts and other documents.

[UVM Extension](#) and VAAFAM conduct workshops and provide technical assistance to help farmers with farm transfer and risk management issues. Business advisors accessed through programs such as the [Farm Viability Enhancement Program](#) can help farmers think through the various legal structures for their businesses before seeking professional legal advice. The newly created [Vermont Law Center for Agriculture and Food Systems](#) at the [Vermont Law School](#) may also help



Chard growing in the State House garden

farmers and food entrepreneurs. There is still a need for ongoing education to help farms make significant decisions before they incur the expense of professional legal advice.

Farm Labor Regulations

Many Vermont farmers need to hire labor beyond the immediate family. The 2007 U.S. Census of Agriculture indicates that nearly 1,900 Vermont farms employ nonfamily labor, with an average payroll of \$38,000.³ **Sixty-two percent of all dairy farms have hired labor, and hired labor accounts for 68% of the total employee payroll on all farms.**

Labor comes from many places. Apple producers and some vegetable farms regularly hire seasonal foreign workers through the federal H-2A visa program. Many smaller diversified farms make use of internship programs, exchanging housing and a stipend for labor. Dairy farms are in a period of transition with a declining reliance on local labor and an increasing use of foreign labor. However, because H-2A visas are for seasonal workers, dairy farmers often cannot use this option.

Immigration reform legislation that provides legal channels for farm workers to enter the country, work, and return home when their jobs are over is important to the viability of Vermont farms. The provisions included in the proposed AgJOBS Act of 2009 to streamline the H-2A visa program application process are fundamental first steps to agricultural immigration reform.⁴ One of the main purposes of the bill is to provide a path toward legal immigration status (starting with temporary status) to current undocumented agricultural workers. Vermont dairy farmers would benefit from a provision allowing dairy workers to receive H-2A status. Introduced as H.R. 2414 and S. 1038 in May 2009, the bill has not passed both houses of Congress as of 2010.

The development of a trained, dependable workforce for farms and other food producers requires a comprehensive approach and is addressed in greater detail in Chapter 4, Section 3, of this Strategic Plan.

Worker's Compensation

Most Vermont farms are exempt from paying unemployment insurance or demonstrating compliance with occupational safety and health regulations because both have significant exemption caps. Only the smallest of farms, however, are exempt from the expense of workers' compensation. Once payroll reaches \$10,000 annually, farmers must pay the premium for insurance. For Vermont's dairy farms, workers' compensation constitutes 25% of payroll expense.

In 2006 the Vermont Legislature charged the secretary of VAAFAM with the responsibility of determining what steps could be taken to lower the cost of workers' compensation insurance for agricultural employers. The legislature acted in response to growing concern among Vermont's agricultural employers that workers' compensation insurance costs were so high as to be unaffordable.

In response to this charge, the secretary formed a Workers' Compensation Study Group composed of representatives from both the agricultural and workers' compensation communities. The study group solicited testimony from a wide variety of citizens representing many segments of the agricultural business community (dairy farmers, vegetable farmers, milk processors, grain and equipment dealers) as well as agricultural employees and injured workers. The study group also reviewed data from both Vermont and other states to determine how the workers' compensation costs faced by Vermont's agricultural employers compared with those faced by similar employers in nearby states.

The study group made the following recommendations:

A. Opportunities to Reduce Claim Frequency — Emphasize and Encourage Workplace Safety

Recommendation 1: Implement a public outreach campaign to raise employers' awareness of workplace safety resources.

Recommendation 2: Develop a grant program to help medium-sized employers defray safety consultation costs.

Recommendation 3: Encourage "safety partnerships" between workers' compensation insurance carriers and the industry groups they insure.

Recommendation 4: Research the possibility of mandating premium reductions for employers who implement an effective workplace safety program.

B. Opportunities to Maximize Choice — Offer Small Deductible Policies

Recommendation 5: Mandate that workers' compensation insurance carriers offer \$500-deductible policies to all employers, regardless of size.

🔑 Environmental Regulations

Nutrient Management and Water Quality

VAAFM, in cooperation with the [Agency of Natural Resources](#) (ANR), regulates agricultural practices and their impacts on water quality. This role consists of setting standards, providing financial and technical support to assist farms in complying with standards, and conducting enforcement action when necessary. Different sized farms have different requirements for managing nutrients to prevent runoff that can pollute Vermont's waterways. The current versions of [Vermont agricultural water quality laws](#) can be viewed online.

All types of farms must follow the [Accepted Agricultural Practices](#) (AAP) rules established in 1989. Other permits are based on livestock farm size: **Large Farm Operations (LFOs) and Medium Farm Operations (MFOs)**. The number of animals that defines each category depends on the type of farm. Vermont developed regulatory structures for LFOs and MFOs between 1996 and 2007. A common denominator in the permits for MFOs and LFOs is a **Nutrient Management Plan (NMP)**. An approved plan includes, but is not limited to, soil testing, appropriate field application rates of nitrogen and phosphorus, setbacks from water resources, and erosion loss requirements. In addition to water quality protection measures, the permits for LFOs also establish standards for noise, odor, flies, traffic, and insects and other pests. Because these state regulations meet or exceed federal regulations, LFOs need only acquire the state permit.

VAAFM is the regulatory authority for AAP, LFO, and MFO rules; however, the agency works closely with the federal [USDA Natural Resources Conservation Service](#) (NRCS) and with ANR to assist farms with regulatory compliance by providing cost-share funding and technical assistance. When enforcement is needed, VAAFM takes action according to the authorities vested by state statute. If the violation results in a direct discharge, VAAFM collaborates with ANR as outlined in a memorandum of understanding between the two agencies.

Accepted Agricultural Practices

As part of VAAFM's comprehensive effort to reduce nonpoint pollution discharges, AAPs are the minimally acceptable standards to which agricultural operations are held. AAPs include such practices as erosion and sediment control and management of animal waste, fertilizers, and pesticides. Among the conditions and restrictions imposed by the AAP rules are the following:

- 🍏 Direct discharges from point sources, such as pipes, ditches, or conduits require a permit from the department of environmental conservation.
- 🍏 Concentrated overland flow of wastes into adjoining waters is prohibited.
- 🍏 Barnyards, manure storage lagoons, and animal holding areas must be managed to avoid discharges of manure runoff.
- 🍏 Manure may not be stacked in fields if the stacking can create prohibited flow of runoff.
- 🍏 Manure, fertilizer, and pesticide storage and application must conform to specified standards.
- 🍏 Cropland must be cultivated to meet acceptable soil loss standards.
- 🍏 Agricultural wastes, including chemical and petroleum products, containers, and carcasses, must be properly stored, handled, and disposed of to eliminate adverse water quality impacts.
- 🍏 Buffer zones of perennial vegetation must be maintained between row cropland and the banks of adjoining waters.
- 🍏 Construction of new farm structures must conform to setback requirements.

Excerpted from [State Environmental Laws Affecting Vermont Agriculture](#) by the National Association of State Departments of Agriculture Research Foundation (2000).

The agencies involved in water quality protection prefer that all farms receive the assistance they need to comply with regulations before having any problems. To that end, VAAFM lists the following options on its website:

*The state **Best Management Practice (BMP)** program provides up to 80% cost share on NRCS approved BMPs for production areas and 50% cost share for non-production area practices. This program can be coupled with Federal NRCS programs to increase the cost-share available to the farm. The **Nutrient Management Incentive Grant program** was created to provide NMP development and update payments for farmers required or interested in having a current NMP created for their farm. To support many of the practices required under a state certified NMP, the **Farm Agronomic Practices program (FAP)** was created to reimburse farmers for field BMPs such as cover cropping, no-till, ridge till, and rotation implementation. The **Alternative Manure Management (AMM) program** provides incentive dollars to farmers interested in implementing new technologies dedicated to enhancing water quality and improving waste management on the farm. There are also the **Vermont Agricultural Buffer Program (VABP)** and the **Conservation Reserve Enhancement Program (CREP)** that pay farmers incentives to install and maintain grass or wooded buffers along state waterways.⁵*

VAAFM annually estimates the cost of compliance to the five major state permit requirements and component programs. Estimated aggregated costs associated with meeting requirements for manure management, silage leachate management, milk house waste management, barnyard runoff management, and nutrient management plans are \$13,648,000 for medium farms and \$58,457,000 for small farms. These figures were published in a January 2010 report to the Vermont Legislature by VAAFM.⁶ These costs may increase if certain changes are made to the federal program.

In 2010, Vermont farmers received \$1.6 million in state funding and approximately \$4.9 million in federal funding to support structural on-farm livestock practices such as those mandated by the five major permit requirements. This level of state and federal funding provided to farms is quite small on an annual basis. There are not enough engineers, staff, or construction contractors to fix the identified problems in one year, nor could Vermont farms afford to fix them all in one year. Many of the contracts with NRCS and VAAFM to address these problems are written for seven years, and farms do a few projects over the seven-year time frame (e.g., a buffer one year, a lagoon another,

and silage leachate another). Many stakeholders believe there is a need for ongoing state and federally funded technical and cost-share assistance to help farmers comply with water quality regulations.

Table 4.71 shows the number of inspections conducted in 2009 to determine compliance of small farms with the Accepted Agricultural Practice regulations, medium farms with the MFO general permit, and large farms with the LFO individual permit

Table 4.71 : Farm Inspections 2009⁷

Inspection Type	Number of Inspections	
AAP Regulations		
Response to complaints	41	(36% of 114 AAP inspections)
Compliance checks	73	(64% of 114 AAP inspections)
Total AAP Inspections	114	
Medium Farm Operations General Permit		
Initial facility evaluations	120	
Follow-up inspections	24	(including 12 with VT DEC*)
Compliance checks for past violations	2	
Complaints	3	
<u>Farmer self-report</u>	1	
Total MFO Inspections	150	
Large Farm Operation Individual Permit		
Annual compliance inspections	26	
Inspections with EPA (CAFO**)	5	
Compliance checks for past violations	4	
Complaints	4	
Total LFO Inspections	39	

* Vermont Department of Environmental Conservation; ** Concentrated Animal Feeding Operations

A number of environmental laws that are not covered in detail here affect agricultural production (e.g., wetlands and ground water protection, air quality standards, and wildlife protection laws). Those interested in learning more can read *State Environmental Laws Affecting Vermont Agriculture* by the *National Association of State Departments of Agriculture Research Foundation* (2000)

Land Use: Act 250 Review of Agriculture

When Act 250 was developed in the 1970s, the intent was to exempt agriculture from environmental review and oversight. At that time, a clear distinction existed between a primarily agricultural operation and a commercial business that used farm products. As Vermont agriculture has become more diverse, often incorporating varied value-added steps (e.g., compost production), processing, and interaction with the public, the criteria for determining Act 250 exemption have occasionally been inadequate. This issue has been particularly controversial in recent years in cases in which composting facilities located on farms use food residuals imported from nonfarming operations to create compost products for sale.

The question of whether composting facilities are exempt from Act 250 is a good example that highlights the fact that the agricultural exemption language does not reflect the current diversity of Vermont agriculture. VAAFM's position regarding the use of solid waste for on-farm composting has been consistent since 1998, when the agency stated that "compost materials which are not directly derived from farming" are not covered under the accepted agricultural practices (AAPs). The rule provides a lot of leeway for importing materials from off-farm into the on-farm composting operation, including unlimited amounts of manure, high-carbon bulking agents, and up to 1,000 cubic yards of food residuals for composting and use on the farm. VAAFM does find, however, that the importation of food residuals and other solid waste to a farm permitted for solid waste management is not covered by the AAPs.

One result of this official position is that towns may be able to require zoning permits for composting activity on a farm, just as ANR requires a permit for the activity. VAAFM does recognize that compost is a legitimate input for farms' soil management. At the same time, the management of solid waste on farms was never envisioned as an AAP. The Vermont Legislature has agreed with this perspective on composting as part of

farming. Its solution was to determine that on-farm composting has a separate and distinct exemption from Act 250.

Although most of the compost issues were resolved in the 2010 legislative session, and the minor changes still needed seem to be moving forward in the 2011 session, it is easy to envision future concerns with Act 250. Some issues that have already arisen, or are anticipated, include weddings and agritourism events on farms, the construction of structures such as hoop houses in floodplains, neighbor conflicts with urban agriculture, and food manufacturing that relies on purchased ingredients in addition to those raised on the farm. To date, alterations to Act 250 have often been based on facts specific to individual cases, making it difficult to assess the merits of a case prior to Act 250 review. Furthermore, land that has previously come under Act 250 authority is occasionally moved back into agricultural production, requiring a case-by-case determination of the continuation of Act 250 control. **Many farmers feel that the landscape of Vermont agriculture has changed so much in recent decades that new, up-to-date guidance is needed regarding what will and will not be considered exempt.** A comprehensive review of Act 250 jurisdiction over agriculture would reestablish the boundaries of the process and provide clear direction for farms wishing to incorporate value-added steps into their agricultural businesses.

Energy Regulations: Section 248 Review of Agriculture

The Vermont General Assembly, by enacting Section 248 of Vermont Statutes Annotated Title 30, required companies to obtain approval from the *Public Service Board* before beginning site preparation or the construction of electric transmission facilities, electric generation facilities, and certain gas pipelines within Vermont. The emergence of farms into the business of generating electricity has elicited Section 248 review of on-farm projects. This review is built around 10 criteria related to the need for the project, the potential impact on the overall system, environmental criteria, and aesthetic impacts. Most on-farm energy projects fall under the expedited version of this review, and most F2P participants who commented on regulation for electricity generation supported making the process as streamlined as possible. The *Public Service Board* provides a *Citizen's Guide* to the process online.⁸

☛ Tax Policy and the Use Value Appraisal Program

Just as Vermont farms fall under a unique category for Act 250 review, they may also have a unique property tax structure. Farms that use the [Use Value Appraisal Program](#) (commonly known as the *Current Use Program*) are taxed based on their value as productive farmlands, not their highest development value. This system reduces the financial pressure on farms to sell land for development. In exchange, farmers must use the enrolled land for the agricultural production that was the basis for the appraisal. Enrolled land that becomes developed is subject to a change in its land use tax.

The Vermont Legislature established the *Current Use Program* in 1978. Since that time, two major changes have taken place: the inclusion of some nonprofits' conservation land and the exemption of farm buildings from property tax. According to the [Vermont Department of Taxes](#), which oversees the program, currently over 15,000 properties are enrolled in the program, totaling more than two million acres (543,354 acres of farmland and 1,704,668 acres of forest conserved lands), or one third of Vermont's total land area.⁹

The state's current use assessment program is an essential part of the foundation underlying Vermont's working landscape. After 30 years, certain problems in the existing law have become apparent; if left uncorrected, they could undermine public support for the program in the long run. It is imperative that the state enact legislation to discourage short-term enrollments of land that landowners intend to develop, and to begin the process of converting paper documents to electronic files and GIS-based maps. The administration and legislature should also work with interested parties to identify other steps to improve the program's effectiveness, efficiency, and sustainability over the long run.

☛ Health and Human Safety Regulations

Regulatory oversight of food production in the United States dates back to 1880 with the passage of the first federal laws to address food adulteration. In 1906, the shocking disclosures of unsanitary conditions in meatpacking plants, use of poisonous preservatives and dyes in foods, and cure-all claims for worthless and dangerous patent medicines led to the enactment of the original Food and Drug Act and the

Meat Inspection Act. In the 100-plus years since passage of the original acts, regulatory oversight by the [Food and Drug Administration \(FDA\)](#) of food production has expanded and changed to rely on **Hazard Analysis Critical Control Point (HACCP)** oversight of many processes coupled with the licensing or registration of most forms of food processing.

Although inspection programs are in place to ensure that the food we eat is unadulterated and safe for human consumption, food recalls and food safety concerns continue to plague our national food system. On January 4, 2011, President Obama signed into law the **FDA Food Safety Modernization Act (FSMA)**. It includes provisions for stepped-up regulations and enforcement in many sectors of the nation's food system, including new food safety standards and regulations that will apply to fresh vegetable and fruit growers and food processors. As a result of a tremendous effort by local farm and food advocates across the country, the law includes important protections for small growers and processors who market their products locally.

Most significantly, the FDA is prevented from imposing new standards on fruit and vegetable growers who market at least 50% of their products *directly* to consumers at farmers' markets, CSAs, roadside stands, stores, restaurants, and other outlets. A grower's gross annual sales must be less than \$500,000 and take place in state or within 275 miles of the farm. Growers are required to identify their farms on labels, posters, or signs at the point of sale. Roughly 85% of Vermont's vegetable and fruit producers will qualify for an exemption under this provision.

Small on-farm and nonfarm food processors who meet these same criteria will not be required to implement the extensive, and likely expensive, hazard control plans and other measures that will be required of large-scale processors. Small processors will need to comply with already existing state and local food safety regulations and identify their products, as noted. Also, "very small" businesses (a term that is yet to be defined) who market most of their products regionally or nationally through wholesale channels will qualify. Although a good estimate of the percentage of Vermont's small processors that will be included under this provision is not yet available, it is safe to say that a significant majority of them will qualify for the exemption.

Other amendments, by Senator Sanders and others, require the FDA to conduct a study of how a farm's size, diversity, and practices may affect risk, and to adjust

Overview of Food Safety and Consumer Protection Regulations

There are four basic areas of regulation or requirements that processors need to consider:

1. Construction permits (including local zoning and environmental codes)

- 🍏 ANR, Department of Environmental Conservation

2. State regulatory agencies

- 🍏 VAAFM
- 🍏 Vermont Department of Health, [Food & Lodging Program](#)

3. Federal regulatory agencies

- 🍏 USDA Food Safety and Inspection Service (FSIS)
- 🍏 Food and Drug Administration (FDA)

4. Commercial buyer (who may require a particular audit)

Multiple regulations cover food processing, but not all will apply to every facility. Following are some key distinctions:

- 🍏 Products containing meat or poultry are covered by USDA (federal) and VAAFM (state) regulations. Those without meat or poultry are generally covered by FDA (federal) and Department of Health (state) regulations.
- 🍏 The Vermont regulatory agency in charge of products containing eggs or dairy is VAAFM.
- 🍏 VAAFM is responsible for honey and maple production and processing regulation.
- 🍏 Products containing ingredients shipped interstate or sold interstate are subject to federal regulations unless they meet a small business exemption.

Producers and processors should be aware of the following federal safety programs:

- 🍏 HACCP (Hazard Analysis and Critical Control Points): HACCP programs apply to the processing stage and are intended to prevent contamination before a test of the end product.
 - ➡️ [FDA HACCP](#)
 - ➡️ [USDA HACCP](#)
- 🍏 CGMP (Current Good Manufacturing Practices): GMPs provide guidance on establishing a safe manufacturing facility and are a basis for HACCP.
 - ➡️ The USDA/FSIS equivalent to CGMP is Sanitation Standard Operating Practices (SSOPs).
- 🍏 GAP/GHP (Good Agricultural Practices/Good Handling Practices): The USDA Agricultural Marketing Service maintains a guide to best practices for produce production and handling. Auditing for these practices is currently optional, but that may change with new food safety regulations.

Not all regulations are about the processing facility and practices themselves; the following address labeling:

- 🍏 The Vermont Agency of Agriculture's Weights and Measures Department can provide guidance on food labeling requirements.
- 🍏 The [Vermont Attorney General](#) enforces truth in advertising laws, including how the word Vermont is used in product labeling.
- 🍏 Required [nutritional information](#) and nutrition claims are regulated by the FDA

standards and regulations for "low- risk products." The FDA is required to coordinate proposed regulations with established USDA organic standards and farm conservation practices. The FSMA authorizes \$50 million for competitive grants to support food safety training and planning projects for small farms, food processors, and wholesalers. If funded, this program could significantly enhance current efforts by *UVM's Extension Service*, the [Center for Sustainable Agriculture](#), and other organizations to offer food safety programs to Vermont's farmers and food processors.

However, some aspects of the FSMA are raising concerns. The law allows the FDA to revoke the preceding protections if it determines that a product is being produced under conditions that may jeopardize the public's health. How and when will the FDA make such determinations? For example, will fruits and vegetables produced on some diversified vegetable-livestock farms be deemed "high risk?" Also, will the FDA attempt to define FSMA terms such as *low risk*, *gross sales*, and *very small* in ways that unfairly disadvantage some farmers and processors? These and many other questions and challenges will require that local farm and food advocates remain informed and engaged as the FDA moves forward in promulgating regulations and implementing the FSMA.

According to the 2007 U.S. Census of Agriculture, only 6% of all farms in Vermont had sales over \$500,000 per year (291 farms) and would therefore be exempt from the new FDA Food Safety Modernization Act.¹⁰ If this bill is approved by Congress, many more farms may eventually have to comply with these regulations as a result of meeting increased production goals, as envisioned in this Strategic Plan.

➡️ Good Agricultural Practices (GAP)

Increasingly, other entities such as private industry and nonprofit organizations are shaping food safety protocols that are beginning to affect farmers and other food producers. Large food buyers such as *Whole Foods* and *Walmart* are beginning to set their own safety standards, particularly for fresh produce, for which the government has only recommended procedures called **Good Agricultural Practices (GAP)**. Some of the major supermarkets have started to require third party inspections to ensure best practices in food safety for fresh produce. However, the required audit for these food safety standards can be different for different grocers because each has its own GAP framework (and usually charges a fee for the required audit to verify compliance).

GAP: What Does it Mean to a Producer?

Producers often hear about the need to be “GAPs certified” but wonder what the acronym means for their business. This type of certification verifies the farm’s adherence to Good Agricultural Practices (GAPs) as outlined in the *Food and Drug Administration’s* “Guide to Minimize Microbial Food Safety Hazards for Fresh Fruits and Vegetables.” Following these practices is currently voluntary for most farms, but some distributors, and retailers are now requiring GAP certification before they will enter into an agreement with a food producer.

Compliance with GAPs is confirmed through on-farm audits. There is a USDA Audit, and there are also GAPs Audits which are administered by private companies. Buyers will tell growers whether they require the USDA audit or a private audit. The USDA GAPs/ GMPs Audit Checklist consists of seven sections: General Questions, Farm Review, Field Harvest-Field Packing, House Packing Facility, Storage and Transportation, a fifth section which is currently not used, a section for Wholesale Distribution Centers and Terminal Warehouses, and a section on Preventive Food Defense Procedures intended to protect food from intentional acts of contamination.

The General Questions are constructed to verify the implementation of a basic food safety program. The Farm Review questions verify that hazards associated with land use and water are mitigated, and the questions related to Field Harvest and Field Packing, House Packing, Storage and Transportation verify that precautions and practices that mitigate microbial contamination have been implemented during harvest and field packing, house packing and storage and transportation.

Buyers will tell growers which of the sections they need to pass. GAP certification audits are conducted during harvest, when harvest crews are operating.

Copies of the FDA’s Guide to Minimize Microbial Food Safety Hazards for Fresh Fruits and Vegetables at: www.fda.gov/Food/GuidanceComplianceRegulatoryInformation/GuidanceDocuments/ProduceandPlanProducts/ucm064574.htm

To learn more about the GAP standards, understand how to prepare for GAP certification, and to schedule a GAP certification audit, contact:

Auditing

Steve Parise
 Vermont Agency of Agriculture, Food & Markets
 steve.parise@state.vt.us
 (802) 828-2436

Education and Technical Assistance

Ginger Nickerson, GAPs Outreach Coordinator
 UVM Center for Sustainable Agriculture
 gnickers@uvm.edu
 (802) 656-5490 or (802) 249-6701

Some materials taken from FAQ Sheet Introduction to Commercial Sales by Rose Wilson, available at www.rosaliewilson.com.

The number of wholesale and retail buyers that will implement these requirements and how significant a barrier required certifications will be to entering new retail markets is currently unknown.

VAAFM employs the only licensed GAP auditor in Vermont. The agency’s goal is to provide audit certification services to producers that are being required to be GAP certified by the retailers they sell to. Although the inspector’s time carries a cost, reimbursement for some of the fees paid is available through the [Vermont Specialty Crop Block Grant Program](#). The *UVM Extension* system employs a GAP coordinator to help farmers determine whether GAP is required for their farms, to prepare farmers for the audit process, and to determine whether other viable methods of ensuring produce safety by smaller growers are available. Becoming a certified auditor is a long and expensive process; as of 2009, it also required an existing produce grader license, which few people in Vermont hold. A significant increase in the need for GAP audits, either through increased buyer requirements or federal rule changes, would strain Vermont’s staffing and resource capacity, especially given that enrolled farmers need to be inspected each year. Achieving scale-appropriate food safety standards without hampering the ability of small and start-up businesses to prosper is a delicate balance.

I’m not sure what the state of Vermont can do about it, but the GAP certification is really problematic for what could happen to local farming. The number one issue that I’ve heard from local farmers is paying for everything they would need to make sure they are GAP certified, particularly in the farm-to-institution market, because the institutions feel the pressure to have that GAP certification.

– Upper Valley focus group participant

🔑 Hazard Analysis and Critical Control Points (HACCP)

The FDA defines **HACCP** as “a management system in which food safety is addressed through the analysis and control of biological, chemical, and physical hazards from raw material production, procurement and handling, to manufacturing, distribution and consumption of the finished product.”¹¹

HACCP is designed for use in all segments of the food industry from growing, harvesting, processing, manufacturing, distributing, and merchandising to preparing food for

consumption. Prerequisite programs such as **Current Good Manufacturing Practices** are an essential foundation for the development and implementation of successful HACCP plans. Food safety systems based on HACCP principles have been successfully applied in food processing plants, retail food stores, and food service operations. The seven principles of HACCP have been universally accepted by government agencies, trade associations, and the food industry around the world.¹²

Farmers and food producers can take advantage of a number of resources regarding compliance with HACCP. For instance, sample **Standard Operating Procedures (SOPs)** for washing fruits and vegetables are available on numerous websites.^{13,14} The province of Manitoba, Canada, has a comprehensive list of generic models (developed around the world) of all kinds of HACCP plans for a variety of products.¹⁵ [NOFA-VT](#) periodically offers workshops on the subject. And the [Vermont Department of Education](#) provides training on HACCP-based food safety for food service in schools.¹⁶

— On-Farm Processing

On-farming processing, like on-farm generation of electricity, puts farms in a new regulatory environment depending on the type of products they are making. As Table 4.7.2 describes, multiple agencies have jurisdiction over permitting food processing facilities, depending on the product being processed.

Any kind of value-added becomes this big, bureaucratic confusion between whether you've got to go to the Department of Health or the Agency of Agriculture. Farmers sometimes don't do anything because they're scared to make an investment which they think will just get shut down.

— Bennington focus group participant

Two concerns voiced during the F2P process were wastewater permits and difficulty navigating the regulatory system for on-farm processing. The [Department of Environmental Conservation](#) employs "permit specialists" throughout the state to assist business owners with the permitting process. Frequently, the staff is not sufficiently familiar with agricultural regulatory requirements to address specific questions. The testing and engineering prerequisites required for regulatory review are expensive and difficult to obtain. To help farmers navigate the entire permitting

system, VAAFM is updating, expanding, and placing online a guide to specialty food making. This guide will include the regulatory process involved and is scheduled for an early 2011 release.

Participants in F2P meetings also recommended cross-training various permitting authorities such as Health, Agriculture, and Environmental Conservation departments, as well as additional training of *Department of Environmental Conservation* permit specialists.

— Dairy Production and Processing

Dairy products may be regulated when they are sold as raw milk, shipped to processing facilities, or processed on-farm into a variety of value-added products, particularly cheese.

The **Unpasteurized (Raw) Milk Bill** was passed and enacted into law on July 1, 2009, to allow for increased sales of raw milk in Vermont. This bill created a tiered regulatory system that is defined by the quantity of milk sold. Tier 1 producers can sell up to 50 quarts (12 1/2 gallons) per day from the farm, and Tier 2 producers can sell up to 40 gallons per day between on-farm sales and home delivery to prepaid customers. The bill establishes a set of reasonable and basic standards that all raw milk producers must follow, such as basic sanitation, animal vaccination (some diseases such as salmonella can pass through raw milk), and not selling milk with antibiotics contamination. However, no system of standards can guarantee a completely safe raw milk product, particularly for children, the elderly, pregnant women, and those in poor health. Farmers are required to place clear warning labels on their products to make it clear to consumers that they drink raw milk at their own risk. The full [guidelines](#) are provided on the VAAFM website and in Title 6, Chapter 152, Section 2775 of Vermont state statutes.

On-farm processing of milk into value-added dairy products is growing in Vermont. Farmstead cheese production, for example, which occurred on only a few farms just a short time ago, grew to include over 40 producers and over 100 cheeses in 2010. Currently, the dairy processing plant regulatory staff at VAAFM provides technical assistance to help farmers comply with regulations. In addition, the [Vermont Institute for Artisan Cheese \(VIAC\)](#) and the [Vermont Cheese Council](#) provide training courses that address food safety and regulatory issues. The most common hindrance to developing on-farm dairy processing is the difficulty of complying with septic

Table 4.7.2 : Product Licensing and Exemptions

Product / Commodity	Primary Responsible Agency	License / Inspection Needed	Home Processing Allowed	Sales / Volume Exemption	Notes
Baked Goods	Vermont Department of Health	Yes / Yes	Yes		
Dairy	Vermont Department of Agriculture	Yes / Yes	No		
Raw Milk	Vermont Department of Agriculture				
Fresh Juice	Vermont Department of Health	Yes / Yes	No	\$10,000 sales / year before license	HACCP required
Honey	Vermont Department of Agriculture	No / Yes*	Yes	Under 10 hives exempt from registration	Registration required
Maple	Vermont Department of Agriculture	Yes / Yes*	Yes	Below 1,000 gallons / year exempt from licensing	Dealer / processor licensing on those buying for resale more than 1,000 gallons per year.
<u>Meat / Poultry Processing</u>	Vermont Department of Agriculture/USDA	Yes / Yes	No	Various exemptions for small-scale poultry slaughter	
Raw Fruit / Vegetable Processing	Vermont Department of Health	No / No	Yes	N/A	
Specialty Foods	Vermont Department of Health	Yes / Yes	Yes*	Under \$10,000 sales / year not licensed	Not for wholesale

Source: Brian Norder, *Vermont Food Venture Center*, Regulation of On-Farm Food Processing and Marketing, 2006, www.uvm.edu/~farmtran/LegalGuideIX.pdf. See 9 CFR 303.1 for red meat exemptions and 9 CFR 381.10 for poultry exemptions. Licenses for wastewater are needed from the Agency of Natural Resources.

requirements, which are regulated through ANR. Best practices for creating safe raw milk cheeses, and how to sell them, are the subjects of an ongoing national discussion. VIAC advises nationally on this subject.

Vermont is home to a variety of off-farm dairy processing facilities that provide the necessary infrastructure to process milk into both beverage milk ready for sale and valued-added products. VAAFM provides regulatory oversight that ensures basic milk quality and safety, and helps farmers comply with the standards set by their cooperatives. Vermont is the only state that still taste tests its Grade A milk product. A full list of Vermont’s dairy regulatory programs can be found [online](#). They include the Dairy Plant Inspection Program, Dairy Farm Inspection Program, Milk Pasteurizer

Testing Program, Raw Milk & Dairy Product Quality Enforcement Program, Interstate Milk Shippers Program, Free Sale/Sanitary Certification Program, Milk Handler Bonding, and Bulk Milk Tank Calibrations.

🔑 Meat and Poultry Processing

The Federal Meat Inspection Act and the Poultry Products Inspection Act, as well as state laws, govern the slaughtering and processing of meat and poultry for human consumption. The *USDA’s Food Safety and Inspection Service (FSIS)* is responsible for ensuring that meat and poultry are safe, wholesome, not adulterated, and properly marked, labeled, and packaged. These federal acts define the process for pre- and

postmortem inspection as well as specific marking, labeling, and packaging requirements. Legislative findings recorded in 6 V.S.A. § 3301 provide a statement on the responsibility that the State of Vermont has to its people concerning food safety and public health.¹⁷

Compared to other New England states, Vermont has maintained a fairly diverse system of state-inspected slaughter options for meat producers, including itinerant slaughterers (on-farm slaughter for home consumption), custom slaughterhouses (for home consumption), and commercial slaughter plants (for meat moving into commerce). The state provides inspectors for a number of federally inspected plants.

Between 1997 and 2010, the number of state- and federally inspected red meat slaughter and processing facilities in Vermont declined (from 57 to 22), while the number of custom processing plants increased (from 15 to 30). These data indicate increased processing capacity for animals slaughtered on farms by itinerant slaughterers and the stable processing of carcasses slaughtered under state and federal inspection. Lack of access to slaughter at state- and federally inspected plants is a much-discussed roadblock to increased production of Vermont-grown meat.

Meat requires federally approved inspection before it can be shipped across state lines. The current practice of allowing Vermont inspectors to perform the federal duties creates an efficient system focused on the needs of Vermont farmers. However, to have this reciprocity with the FSIS, Vermont needs to maintain a state regulatory system that meets or exceeds federal rules. Recent requests that the legislature loosen Vermont regulations to allow greater access to uninspected, on-farm slaughtered meat have called into question how long Vermont will be able to maintain that federal equivalency.

In 2008, the Vermont Legislature received requests to increase consumer access to uninspected and farm-slaughtered beef, hogs, and sheep by developing a mechanism for the legal on-farm slaughter of collectively owned animals. This interest followed a regulatory change in 2007 that allowed sales of uninspected poultry at farmers' markets and to restaurants in-state (see 2007, [Act 38](#)). This close connection between the on-farm sale of custom slaughtered/butchered meat from a collectively owned animal and the previously approved commercial sale of uninspected poultry created some confusion. VAAFM released a memorandum in early 2009 explaining the limits of the new meat sale legislation and how it complies with existing state and federal rules.

The questions of how to change Vermont's regulatory system for meat sales, and what repercussions changes might cause, have not been fully resolved. Background to the discussion is provided in a [2009 report](#) from VAAFM to the legislature.

Regardless of the interplay between federal and state regulations, Vermont regulators still have a duty to protect the commercial food system from unsafe products. **The balance between consumers' freedom to eat what they want, and the public trust in the safety and quality of Vermont foods available for sale, is difficult to achieve.** Some of the concerns about relaxing regulations that researchers heard from farmers during F2P interviews included public health concerns; the potential for consumer backlash to the entire Vermont brand if a food safety problem occurred; the unfair competition such a problem would present to members of the livestock production, slaughter, and processing industry who are following all of the regulations that are in place for food safety; and the fact that federal regulations prohibit the sale of uninspected product. This topic was one of the most often discussed topics during F2P stakeholder meetings.

Another balancing act for regulators concerns animal well-being. The Vermont regulatory structure must continue to support the right of farmers to use science-based animal practices in the management of their herds and flocks, while also ensuring that farmers do not engage in abusive practices. The question is also emerging of whether two regulatory options are needed—the baseline standards of care that all farmers must meet, and stricter standards that farmers can choose to meet to attract customers willing to pay a premium for additional attention to animal well-being.

During the 2010 legislative session, [Act 158](#) included provisions to address humane slaughter violations by creating a system of administrative and punitive penalties and allowing video installations at slaughter plants at the discretion of the Vermont secretary of agriculture. As part of this legislation, the Livestock Care Standards Advisory Council was created to review and make recommendations on humane handling issues across the industry. This council is composed of farm owners, food safety experts, a livestock veterinarian, the state veterinarian, members of the public representing consumers, a county humane society representative, a representative of the *Vermont Slaughter Association*, and a Vermont livestock dealer representative.

The Livestock Care Standards Advisory Council will advise the secretary of agriculture on standards governing the care and well-being of livestock and poultry in the state, subject to the authority of the Vermont Legislature. In recommending those standards, the council will consider factors that include agricultural best management practices for the care and well-being of livestock and poultry species, biosecurity, disease prevention, animal morbidity, food safety practices, and the protection of local, affordable food supplies for consumers.

Although slaughter must be carried out in a humane manner, regulatory requirements cannot be so burdensome as to limit the operation and expansion of Vermont slaughterhouses. The first step is to give all workers the information they need to comply with best practices. VAAFM organized and implemented educational events on humane handling for slaughterhouse workers throughout the state in 2010 and will create additional humane handling educational materials going forward.

For more detail related to livestock production, slaughter, and meat processing, see Chapter 3, Sections 3 and 4, as well as Appendix E: Meeting the Demand: Strategies for Expanding Livestock Production and Meat Processing.

🍷 Alcoholic Beverage Processing

One growing sector in Vermont food production is alcoholic beverages, particularly those that include Vermont-grown ingredients. Examples include hard cider, fruit wines, grape wines, ice cider, microbrew beers, mead, and spirits. These products require an entirely new set of regulations through the [Department of Liquor Control](#). Regulations affect the production, marketing, selling, and serving of these beverages. As with on-farm energy production and new land use activities such as agritourism, liquor control is another area in which past regulations don't always fit well with current practices. VAAFM staff along with the [Vermont Grape and Wine Council](#), are exploring revamping liquor laws to allow producers of alcoholic beverages to take advantage of the direct consumer-producer relationships that often define successful local food sales (e.g., allowing sampling at farmers' markets or the sale of wine by the glass at winery events).

A variety of efforts have been advanced to help producers navigate the rules and regulations for selling local alcoholic products. Vermont has a *Grape and Wine Council*,

UVM Extension is researching commercial hops production for local beers, a [2010 market research report](#) on commercial local hops was recently released through VAAFM and the [Massachusetts Department of Agriculture](#), and Eleanor Leger of [Eden Ice Cider](#) has compiled a [guide to producing ice cider](#). The development of this beverage market will require a combination of technical assistance and the reappraisal of existing regulations.

🍏 Public Entities Involved in Regulation

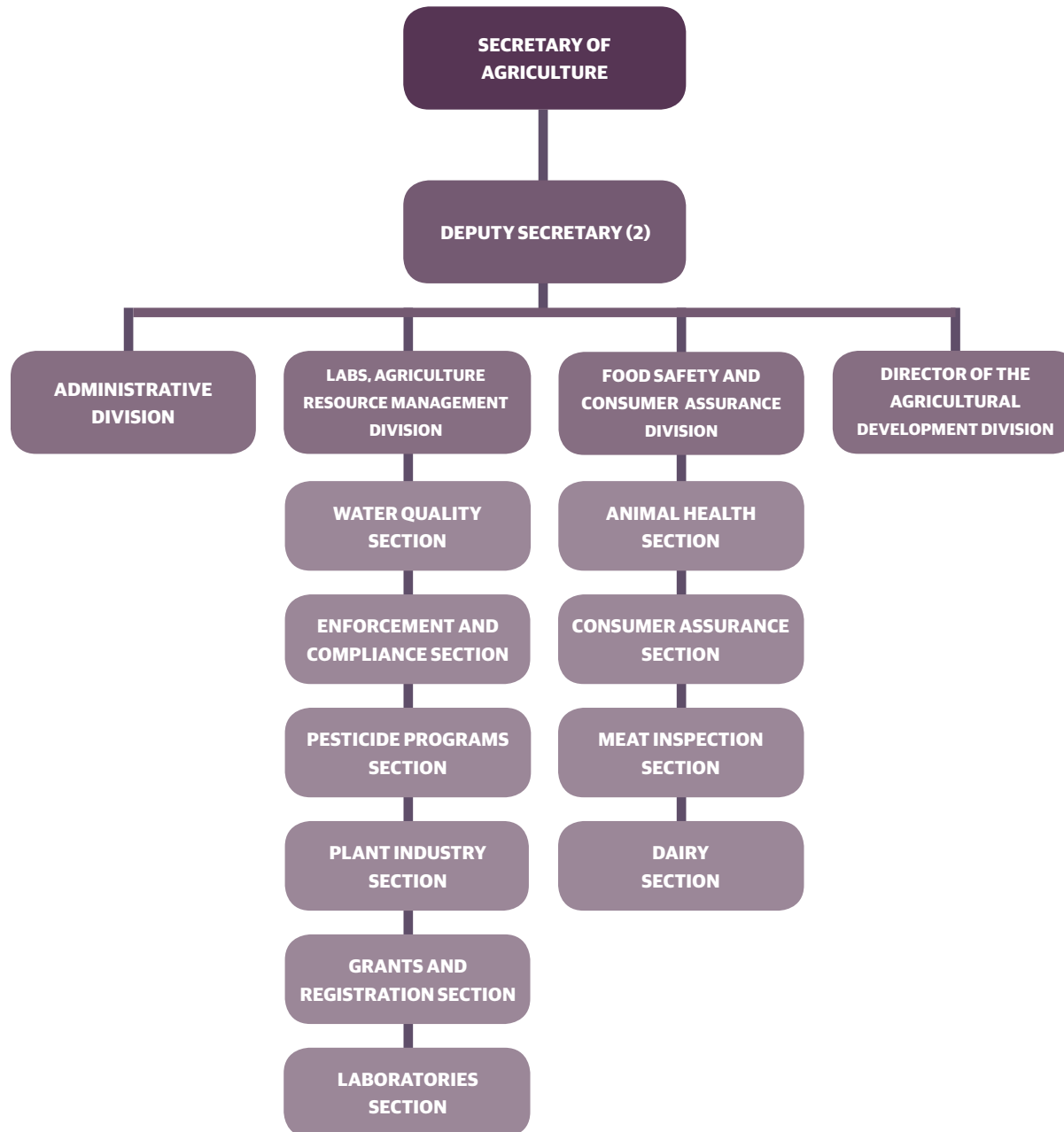
🍷 Vermont Agency of Agriculture, Food and Markets (VAAFM)

VAAFM has two main responsibilities to the citizens of Vermont. The first is regulatory—both enforcing regulations and helping producers comply with them. The second concerns the promotion and advancement of agricultural products, both in raw and value-added forms. The regulatory responsibilities span many areas, including food safety, environmental protection, the treatment and handling of animals, weights and measures, quality inspections for products such as maple syrup, the use of agricultural chemicals, and protection against invasive species. The agency's promotion and advancement responsibilities are governed by current needs, available staff, and funding.¹⁸

The goal of VAAFM is to ensure that producers comply with existing regulations at the state and federal levels. Although this goal sometimes requires enforcement actions, the first step is proactive farmer assistance programs to prevent problems from arising in the first place. For example, agency engineering staff work with farmers on designing manure management systems, the laboratory division monitors for invasive pests and helps identify potential infestations, and grants are available to offset the costs of technical assistance such as nutrient management planning, implementing best management practices, and performing farm agronomic practices (including cover cropping).

The F2P stakeholder process revealed varying levels of public awareness about all of the regulatory functions performed by VAAFM. Responsibilities such as protecting the water quality of Lake Champlain, responding to calls of illegal manure spreading, and commenting on controversial issues such as raw milk and the sale of uninspected poultry all draw attention. Functions regularly misattributed to VAAFM

Figure 4.71: VAAFM Organizational Chart



include inspecting commercial kitchens (usually the purview of the Vermont Department of Health), licensing farmers' markets (markets aren't licensed at the state level, although municipalities might have their own rules), and protecting the use of terms such as *local* or *Vermont* in food marketing (truth in advertising is enforced by Vermont's Office of the Attorney General). Many more programs managed within VAAFM remain largely invisible. For example, the agency tests scales, scanners, and gasoline pumps for accuracy, performs mosquito management where needed, performs tests for West Nile virus, licenses pet merchants, prevents disease risks from circus animals, registers public auctions and fairs, and monitors poultry swaps.

The current economic environment has resulted in a significant decrease in the staff and resources of VAAFM, as it has in other agencies. However, the regulatory responsibilities assigned to VAAFM have not been reduced. As of the 2010 legislative session, the VAAFM was named in almost 175 directives within Titles 6, 9, 10, 13, and 20 of the Vermont state statutes.¹⁹ This number does not include functions required under federal law. While the agency works to meet its basic obligations, it also works to ensure a strong future for Vermont's food system,

which can mean collaborating with the legislature to make well-informed changes to current laws, working to maintain state leadership in regulations and enforcement instead of deferring to the federal government, increasing assistance to farmers who are at risk of falling out of compliance and providing assistance for new programs such as sending inspectors with the mobile poultry unit or developing a new marketing and branding system.

The Administrative Division at the VAAFM takes the lead on any changes to the regulatory framework. The division's staff works on budget and annual priorities for the legislative session with input from the rest of the agency's employees. The agency submits a budget and a list of legislative priorities to the governor, who then decides which to support. These supported requests become VAAFM's platform for working with the legislature to create agricultural policy. As legislators take up topics outside of the agency's starting platform, they sometimes call on agency staff to provide information for their discussions. The agency also provides legislators with background information on what they have done over the previous year, including an in-person information session and year-in-review reports.

VAAFM remains committed to its role in implementing state statutes relating to food safety, weights and measures, environmental protection and compliance, animal health, and the promotion of all aspects of agriculture, as staffing levels and funding permit. The regulatory function of the agency affects many aspects of the F2P Strategic Plan, and the consistent implementation and enforcement of those regulations will be of critical importance to its success.

When VAAFM faces budget and/or staff reductions, the first priority becomes meeting all regulatory responsibilities. These priorities keep Vermont in compliance with federal law, keep VAAFM in compliance with state law, protect public health and the environment, protect the integrity of the Vermont name, and allow the continuation of commerce, particularly commerce across state borders. Maintaining this responsibility during tight budget years involves substantial cost. Because each enforcement responsibility comes with a specific knowledge set, which can require weeks or months of training, shifting employees to cover gaps is not always possible. Training or cross-training requires both funds and additional staff hours. Regulatory enforcement also carries equipment costs beyond staffing. Examples of necessary costs are

laboratory testing of water quality, chemical contaminations, and plant disease, as well as scale testing, which requires truck scales that can accommodate up to 200,000 pounds. Every effort is made to charge only nominal fees for licenses, registrations, and services, but these fees do not cover all the costs. VAAFM continues to find new ways to meet its responsibilities through staffing and funding.

VAAFM works closely with many other agencies and departments within state government. Tables 4.7.3 and 4.7.4 indicate areas of collaboration and cooperation.

Table 4.7.3: VAAFM Involvement with Other Agencies and Departments

Vermont Agency or Department	Interaction with VAAFM
Agency of Natural Resources	Underground injection control permits, National Pollutant Discharge Elimination Systems (NPDES) permits, indirect discharge permits, composting, floodplan management
Department of Fish and Wildlife	Cervid management (elk, deer, moose)
Department of Health	Raw milk, eggs, soft serve ice cream (creemee) stands, product recall, testing of meat for pathogens
Vermont Emergency Management	Hazard emergency response — animal / crop
Department of Tourism and Marketing	Agriculture and Culinary Tourism Council, joint advertising and promotion
Vermont Economic Development Authority and Vermont Agriculture Credit Corporation	Agricultural development for value-added products and on-farm lending
Agency of Commerce and Community Development	Agricultural development of value-added products
Agency of Health and Human Services / Vermont Department of Health	EBT card readers at farmers' markets
Department of Education	Farm to School efforts
Vermont Housing and Conservation Board	Land conservation and ACT 250 process
Department of Buildings & General Services	Maintenance of Vermont's building at the <i>Big E</i>

Table 4.7.4: VAAFM Involvement with National Groups

Organization	Interaction with VAAFM
USDA Animal and Plant Health Inspection Service	Animal health and disease control
Food and Drug Administration	Animal tissue residue tracing, dairy inspection
USDA Food Safety and Inspection Service	Meat inspection
National Institute of Standards and Technology (NIST)	Weights and measures certification and monitoring
North American Maple Syrup Council	Maple syrup grading and testing
Dairy Practices Council	Dairy standards and information
USDA Rural Development and Agricultural Marketing Services	Agricultural Innovation Center and specialty crop block grants
Environmental Protection Agency	Environmental and water quality
USDA Farm Services Agency	Disaster declaration, loans, and dairy programs
USDA Natural Resources Conservation	Environmental programs and water quality

— Vermont House and Senate Agriculture Committees

The Vermont House and Senate Agriculture Committees focus on legislative bills that are referred to them by the speaker of the house or senate president pro-tem. These bills generally address agricultural production and regulatory issues, animal welfare, and (as of the 2010 session) forestry products.

The House and Senate Agriculture Committees take testimony from witnesses with relevant interests and/or perspectives on any given bill, including representatives of farms and food-related businesses, state agencies' personnel, individuals, advocacy groups, and academics. The committees' job is to sort out the "multiple truths" and arrive at legislation that makes sense and represents good public policy. Sometimes the House and Senate Agriculture Committees listen to testimony that is related to an issue, but not a specific piece of legislation. For example, in 2010 the House Agriculture Committee heard from a number of producers about the effects the federal *Good Agricultural Practices* (GAP) program has had (and may have) on their operations and bottom lines. Although this testimony did not directly lead to a bill, it did add to the committee's knowledge base, which should serve committee members

well in the future as they consider ways to incent (or remove barriers to) fruit and vegetable producers' ability to operate profitably. These types of conversations can bring together stakeholders outside of the legislature and those in state government to build solutions that do not require legislation. These nonlegislative solutions are often efficient, avoid the divisive supporter-opponent mentality that can develop around a bill, and avoid creating new laws that react to issues that prove to be merely temporary challenges.

The legislature created the *Farm to Plate Investment Program* during the 2009 session and asked *VSJE* to work with the stakeholder community to write this Strategic Plan. The expectation at the time of the legislation was that the House and Senate Agriculture Committees would then act as partners in the implementation of its key findings.

Table 4.7.5: F2P Sections Relevant to Legislature

House Committees	F2P Strategic Plan Sections
Agriculture	2, 3.1, 3.2, 3.3, 3.4, 3.7, 4.2, 4.3, 4.4, 4.5, 4.6, 4.7, 4.8
Appropriation	2
Commerce and Economic Development	2, 3.1, 3.4, 3.5, 3.6, 4.3, 4.4, 4.5, 4.7
Education	2, 4.2, 4.3
General, Housing and Military Affairs	2, 4.2, 4.3, 4.7
Human Services	2, 3.1, 4.1
Natural Resources and Energy	2, 3.2, 3.7, 4.6, 4.7
Ways and Means	2, 3.2, 4.5, 4.7
Senate Committees	F2P Strategic Plan Sections
Agriculture	2, 3.1, 3.2, 3.3, 3.4, 3.7, 4.2, 4.3, 4.4, 4.5, 4.6, 4.7, 4.8
Appropriation	2
Economic Development, Housing and Community Affairs	2, 3.1, 3.4, 3.5, 3.6, 4.3, 4.4, 4.5, 4.7
Education	2, 4.2, 4.3
Finance	2, 4.5, 4.7
Health and Welfare	2, 3.1, 4.1
Natural Resources and Energy	2, 3.2, 3.7, 4.6, 4.7

Because of the interconnectedness of our food system, the F2P findings will be relevant to a variety of legislative committees beyond the Agriculture Committees. Table 4.7.5 lists some of these committees and the sections of the F2P Plan that they may need to address. In some cases, several committees may play roles in realizing the various strategies within a larger objective. For example, Agriculture could support farms producing food for sale to public institutions, but the Government Operations (House) and Institutions (Senate) committees would have to authorize a purchasing system to realize that strategy. Perhaps no other economic sector transcends so many aspects of life in Vermont the way the food system does.

🔑 The Role of the Congressional Delegation

The Vermont Congressional Delegation will look for opportunities in any major legislation moving through Congress to support Farm to Plate initiatives. In particular, Congress is slated to reauthorize the Farm Bill in 2012. This legislation governs federal agriculture, forestry, rural development, and nutrition policy. Many programs in this bill have provided important support for our farms, rural businesses and communities. It will provide an important avenue for dairy price reform. Legislation related to education, infrastructure, small business assistance and other topics slated to come before Congress may also provide opportunities to support agriculture development in Vermont.

Last year, Congress reauthorized child nutrition programs and updated food safety policy. Changes in each of these bills will influence the market for local agricultural products, the manner in which food is processed, tracked and delivered, and the quality and availability of fresh food. Regulations implementing these new policies are being written by federal agencies. The Vermont delegation can communicate with these agencies about the impact of these changes on Farm to Plate initiatives.

USDA programs now emphasize the *"Know your Farmer. Know your Food"* mission, and Vermonters, already known for their national leadership in this issue, stand ready to present a model that can be replicated throughout the country. Senators Leahy and Sanders and Congressman Welch have offered to help in any way they can, and their positions on key committees overseeing the FDA, USDA, DOE, and Federal Appropriations put them in a unique position to have a significant impact.



Congressman Peter Welch, Senator Patrick Leahy, and Senator Bernie Sanders at the traditional Milk Toast in celebration of the renewal of the Milk Income Loss Contract (MILC) Program's charter on May 22, 2008.

PHOTO CREDIT: Senator Leahy Press Office

From organic standards and food safety regulations, interstate commerce laws, and energy efficiency, to land conservation and beginning farmer programs, they are there to make sure the federal government is a true partner in the effort. They are proud of all the hard work and foresight of the Vermont Legislature, and the effort of agricultural producers and manufacturers in our state who provide a healthy, secure food source, create new jobs, and stimulate our economy in the 21st century. Vermont is represented on Committees with a major influence over agriculture and food policy. Senator Leahy is a senior member of the Senate Committee on Agriculture, Nutrition and Forestry and of the Senate Appropriations Committee. Senator Sanders is a member of the Senate Committees on Health, Education, Labor and Pensions, Energy and Natural Resources, the Environment and Public Works, and the Budget Committee. Congressman Welch is a member of the House Committee on Agriculture.

2008 Farm Bill

The “Farm Bill,” which represents billions of dollars in government expenditures, sets the farm, food, and rural policy goals and priorities for the United States over a five year period. Congress passed the most recent version, the Food, Conservation, and Energy Act (H.R. 2419), in May 2008, authorizing \$289 billion over five years. Since 1973, farm bills have included titles on commodity programs, trade, rural development, farm credit, conservation, agricultural research, food and nutrition programs, marketing, etc.

The [*2008 Farm Bill*](#) contains fifteen titles and includes farm, food and conservation programs which impact farming livelihoods, how food is grown, and what kinds of foods are grown, the environment, local economies, and public health. The agricultural subsidy programs mandated by the farm bill are the subject of intense debate both within the U.S. and internationally.

The following are the titles of the 2008 Farm Bill.

Title I – Commodity Programs

Provides income support, with new payment and eligibility limits, for wheat, feed grains, cotton, rice, oilseeds, and pulses through direct payments (except pulses), counter-cyclical payments, marketing loan assistance program, and new average crop revenue election payments. Adjusts sugar loan rates and adds program to use surplus sugar for bioenergy production. Revises dairy price support to operate with administered prices for manufactured products rather than fluid milk.

Title II – Conservation

Emphasizes conservation on working land by increasing funding for Environmental Quality Incentives Program (EQIP) and new Conservation Stewardship Program. Continues emphasis on wetland restoration and farmland preservation with expansion of Wetland Reserve Program, Farmland Protection Program, and Grassland Reserve Program.

Title III – Trade

Repeals Intermediate Export Guarantee Program, Supplier Credit Guarantee Program, and Export Enhancement Program. Increases required spending on nonemergency food assistance. Adds small pilot program for local or regional purchase and distribution of food assistance in food security crises.

Title IV – Nutrition

Expands eligibility for Food Stamp Program, renamed Supplemental Nutrition Assistance Program (SNAP), increases benefits, and makes additional adjustments for inflation. Increases funding for Emergency Food Assistance Program, Fresh Fruit and Vegetable Program, and Senior Farmers’ Market Nutrition Program. Creates initiatives for community food security, promoting locally produced foods, and healthy eating patterns, including curbing obesity.

Title V – Credit

Authorizes new conservation loan program, expands and enhances programs and preferences for beginning and socially disadvantaged farmers and ranchers, increases loan limits for all borrowers, and makes equine farmers eligible for emergency loans. Refines and clarifies rules governing financial obligations among members of Farm Credit System. Rural utility loans become qualifying loans under Federal Agricultural Mortgage Corporation (Farmer Mac) rules.

Title VI – Rural Development

Funds planning, coordination, and implementation of rural community and economic development programs. Emphasizes value-added agricultural activities, including renewable energy and locally and regionally produced agricultural products. Funds water and waste disposal application backlog. Prioritizes broadband expansion to underserved areas. Establishes a regional collaborative investment program. Revises definition of “rural” for program eligibility.

Title VII – Research

Reorganizes USDA research coordination with new National Institute of Food and Agriculture and new Research, Education, and Extension Office. Authorizes research initiatives for specialty and organic crops, bioenergy, nutrition, and pollinators, and revises high-priority research areas. Increases role of competitive funding for most programs, including Smith-Lever extension funds. Increases funding authorization for 1890 institutions and broadens eligibility for grants to improve funding equity.

Title VIII – Forestry

Sets new priorities and planning standards and adjusts cooperative relationships for Federal, State, and private forest systems. Authorizes Tribal access to Forest Service lands for cultural activities. Enhances existing and establishes new forest preservation programs and tightens restrictions on importation of illegally harvested wood products. Adjusts and expands

boundaries of some National Forests. Establishes forestry scholarship program at Hispanic-serving institutions.

Title IX – Energy

Continues and expands funding for Federal agency procurement of biobased products, construction and development of advanced biofuel refineries, biomass research and development, and biodiesel education. New programs encourage renewable energy use by biorefineries, renewable energy systems and energy efficiency improvements, rural energy self sufficiency, development of next generation feedstocks, and use of forest and woody biomass for energy production.

Title X – Horticulture and Organic Agriculture

Reauthorizes block grants for States to enhance specialty crop competitiveness. Establishes several new plant pest and disease management programs and a fresh produce food safety education program. Provides funds for farmers’ markets and to expand fruit and vegetable market news reporting. Increases funding to help producers and handlers with organic certification costs, to enhance data collection on organic agriculture, and to support Federal organic regulatory activities.

Title XI – Livestock

Enhances electronic mandatory livestock reporting. Adds and redefines commodities covered by country-of-origin labeling. Allows some interstate sales of State-inspected meat and poultry, establishes voluntary catfish grading and inspection, and amends rules for hog and poultry production contracts. Addresses livestock disease prevention and food safety concerns, increases funding for National Sheep Industry Improvement Center, and requires manure uses study.

Title XII – Crop Insurance

Reduces subsidies to insurance companies for selling and servicing crop insurance policies. Increases administrative fees paid by farmers for minimum insurance coverage level. Requires studies and adjustments to improve organic crop insurance coverage. Introduces Supplemental Agricultural Disaster Assistance Program that supplements crop insurance coverage and provides disaster assistance for livestock (including aquaculture and honey bees), forage, and tree and nursery crops.

Title XIII – Commodity Futures

Amends Commodity Exchange Act. Reauthorizes Commodity Futures Trading Commission (CFTC) and enhances regulatory and enforcement tools to continue oversight of futures industry, particularly transactions in foreign currency. Expands CFTC authority over off-exchange retail foreign currency fraud and provides CFTC increased oversight of contracts trading on Exempt Commercial Markets.

Title XIV – Miscellaneous

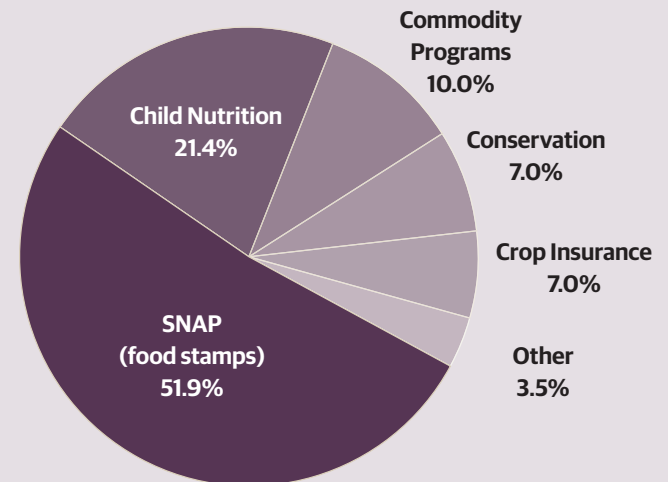
Expands provisions targeting socially disadvantaged farmers and ranchers, enhancing outreach, access, and reporting related to USDA program participation. Clarifies USDA Homeland Security Office responsibilities and provides guidance on coordination with Department of Homeland Security operations. Addresses rural development, agricultural labor supply, animal welfare, closure of USDA Farm Service Agency offices, and reducing methamphetamine production.

Title XV – Trade and Tax Provisions

Creates Agricultural Disaster Relief Trust Fund to fund Supplemental Agricultural Disaster Assistance. Introduces numerous tax provisions affecting customs fees, conservation and commodity program payments, timber investment, biofuel production, and agricultural income. Extends Caribbean Basin and Haitian textile and apparel trade preferences.

Note: The order and total number of farm bill titles vary from bill to bill.²⁰

At Enactment: 2008 Farm Bill, Distribution of Mandatory Spending, FY08-17



Source: Congressional Budget Office at Farm Bill passage.

ANALYSIS

Farmers and other food business operators provided abundant feedback about how regulatory policy has both helped and hindered their enterprises and the local food system as a whole. **A routine review of Vermont's regulatory framework is important to ensure that it evolves alongside the evolution of the state's food system.**

The regulatory framework that governs Vermont agriculture has many success stories of scale-appropriate programs that enable the growth of Vermont businesses while protecting consumer safety and the environment. The Vermont agricultural water quality program, with its varied levels of regulatory oversight based on farm size and type, coupled with significant technical assistance, education, and cost-share programs, is an example of a successful regulatory structure. Also noteworthy is the ongoing regulatory enforcement around the use of the Vermont brand, especially for maple syrup, which is successfully protecting the market for Vermont products. And the on-farm and laboratory support for Vermont's fluid milk and value-added dairy producers demonstrates the value of a responsive and diligent regulatory program, which supports our state's reputation for excellence in dairy quality.

Despite the many examples of successful regulatory programs, producers and regulators face significant challenges as both strive to support the profitable production of safe, wholesome products in an environmentally sensitive manner. For every story of a new farm practice that succeeds in the face of old regulations, there is another story of an enterprise or practice that requires the utmost in creativity to address the often conflicting interests of trade associations, nonprofit advocacy groups, consumers, and producers.

As Vermont agricultural producers shift from commodity production to value-added and direct-to-consumer business models, the regulatory structure that was built largely for wholesale markets is being taxed to keep pace with the change. Over the past several years, the Vermont Legislature has enacted laws to allow the expanded sale of uninspected poultry and raw milk directly to consumers. The processing of Vermont agricultural products has been encouraged through supportive interpretations of, and in some cases outright changes to, regulations. *Snow Farm Vineyard* in South Hero worked with VAAFM to bring about changes to the statutory language for current

use taxation provisions. The law was changed to exempt from taxation buildings used in the processing of agricultural products principally produced on the farm. This has significantly benefited all farms adding value to their products through on-farm processing.

Interpretations of the Act 250 agricultural exemption language have, in some cases, hampered agricultural businesses in a way that was not envisioned when the law was crafted. Harrison Lebowitz of *Snow Farm Vineyard* explained that because his business's winery building was constructed prior to the production of wine from grapes grown on the farm, the entire farm is now under Act 250 review for any developments. The language of Act 250 does not recognize the potential for many value-added opportunities on Vermont farms.

Nevertheless, many new business models in Vermont are challenging the very definition of agriculture. As farms expand their businesses to invite the paying public onto their land, generate electricity, create compost, and undertake a host of other inventive practices, the definition of agriculture has come under careful scrutiny by the legislature and several administrative agencies.

Increased consumer interest in food production methods has also shaped today's regulatory environment. Some of these trends can help Vermont producers, because consumers are interested in a variety of certified, specialized products (e.g., grass-fed, humanely raised and slaughtered, organic) that Vermont farmers can provide. Other trends may impede Vermont farmers from reaching some markets. For example, customer concern over recent foodborne outbreaks of Salmonella and E. coli have prompted retailers to require fresh produce production audits that may shut many small-scale farmers out of many retail markets.²¹

VAAFM's philosophy of proactive assistance is a good one for any approach to Vermont's agricultural regulations. It is always better to help food enterprises stay in compliance with regulations rather than retroactively penalize violators, given that neither side wants the violation to occur. Sometimes this work is as basic as helping producers (particularly those starting new enterprises) understand the regulations so they do not fall out of compliance through lack of information. Sometimes technical assistance is made available before a regulation is even formally adopted, such as current efforts to help farmers prepare for future GAP audit requirements. Maintaining

a proactive approach requires investments in staff for technical assistance and training, and financial assistance to producers.

🍏 Marketing and Public Outreach

Vermont farmers need to be prepared for voluntary regulations designed for marketing purposes, such as marking a product as organic, high quality, or humanely raised and slaughtered. Assistance in preparing for such regulations include help designing standard operating procedures to align with standards, understanding the market for these specialized products, and maintaining the integrity of the label by monitoring compliance. Third party certifiers may or may not be from state government.

🍏 Technical Assistance and Business Planning

Technical assistance providers need to stay abreast of changes in the regulatory framework. Ongoing professional development is needed to ensure that clients receive accurate information.

The regulatory divisions at VAAF and ANR should be proactive in providing technical assistance to farmers so they can more easily increase the amount of local food that can enter the market, improve their environmental performance, and reduce water pollution. This assistance may be in the form of helping them meet regulations or simply helping them understand regulations, particularly for emerging fields such as on-farm energy production. Ongoing assistance to ensure compliance with water quality regulations is essential.

🍏 Workforce Development

Vermont's labor policies should encourage and support the development of internship, apprenticeship, and guest worker/H-2A programs, and promote workforce development programs that lead to livable wage jobs throughout the food system.

🍏 Regulation and Public Policy

One-size-fits-all regulations do not work for Vermont. We must adapt our regulatory framework to regulate farms and food processors based on their scales of operation to ensure that we do not favor large producers. Vermont's regulatory framework

should be in alignment with the stage of development, scale of operation, and market channel model outlined in the introduction to Chapter 3 of this Plan. Vermont needs to be a strong voice in pushing the federal government to also recognize the need for regulations that reflect the vast differences in the scales and approaches of farming and food processing operations in different regions.

Vermont's tax policy should encourage and support investment in the food system and in land conservation.

Vermont's municipal land use and zoning regulations (Title 24, Chapter 117) should be reviewed and adjusted as needed to ensure the protection of prime agricultural soils and uphold the right to farm. As more farmers process their own products and invite the paying public onto their farms, they discover that the provisions of Act 250 and current use are not supportive of their on-farm enterprises.

As farms increase in size, their development should not be hampered as a result of following the provisions set out in *Accepted Agricultural Practices* (AAPs) and in Vermont's various farm operating statutes within the agricultural water quality program.

GETTING TO 2020: OBJECTIVES AND STRATEGIES

The objectives and strategies laid out on the following pages address the emerging regulatory needs to allow for the growth, promotion, and protection of Vermont agriculture while also addressing environmental concerns and food safety. The impacts of these proposed steps must be considered carefully because of their potential for far-reaching and unintended consequences.

Many of the strategies contained in the following table flow directly from the preceding analysis. We also highlight some of the recommended regulatory and policy changes from other sections of the F2P Strategic Plan.

Table 4.7.6: Objectives and Strategies for Food System Regulation

SECTION	OBJECTIVE	STRATEGY
<i>Natural Resources, Physical Infrastructure, and Technology Strategies</i>		
3.2 Farm Inputs	Ensure the growth of Vermont farms in a manner consistent with appropriate water quality regulatory efforts.	<p>Maintain and develop water quality technical assistance and cost-share programs to maximize water and soil conservation efforts by Vermont farms, in a cost-effective manner.</p> <p>Fund an update of the Vermont Agricultural Water Quality Handbook using the web to facilitate timely revisions as necessary.</p> <p>Make technical and cost-share assistance available to Vermont agricultural producers to assist with water quality regulatory compliance for on-farm processing of Vermont-grown food.</p> <p>Provide Vermont dairy farmers and milk processors with access to technical assistance so they can efficiently develop dairy processing plants, if economically viable, and achieve compliance with state water quality regulations.</p> <p>Train permitting specialists at the Department of Environmental Conservation in regulatory issues regarding the processing of Vermont-grown food to include, at a minimum, wastewater treatment requirements for dairy processing plants, slaughterhouses, and meatpacking plants.</p>
3.3 Production	Provide access to more inspected and uninspected options for the slaughter of meat-producing animals.	<p>Ensure that farmers are able to slaughter their animals in a timely manner with appropriate regulatory oversight for their desired method of marketing.</p>
3.7 Nutrient Management	Encourage Vermont farmers to use existing best practices for nutrient management in the most cost-effective manner.	<p>In recognition of the fact that significant nutrient management issues can occur on small farms, and to promote soil building, develop specific resources to help small farms comply with Accepted Agricultural Practices, and develop new regulatory strategies to ensure compliance while recognizing their small-scale business models.</p> <p>Fund research for the development of innovative manure management technology to improve nutrient management, reduce costs, and develop value-added products from livestock manure.</p>

SECTION	OBJECTIVE	STRATEGY
<i>Natural Resources, Physical Infrastructure, and Technology Strategies</i>		
3.7 Nutrient Management	Encourage the use of the "best of the best" policy directives to increase on-farm composting, including the diversion of residuals to farms for composting and poultry feed.	<p>Prepare legislative reports on the results of food waste diversion activities in other states and/or municipalities.</p> <p>Develop a timeline for identifying statewide and regional policy directives.</p> <p>Recommit to and increase the funding of the Solid Waste Materials Assistance Fund.</p> <p>Develop an implementation plan for policy directives.</p>
3.7 Nutrient Management	Strengthen rules that encourage and enable appropriately scaled composting in keeping with Vermont's environmental and sustainability goals and settlement patterns.	<p>Create policy that will ensure that organic residuals first go to food production.</p> <p>Monitor statutes regularly to identify where they conflict or are insufficient, and make changes where needed as compost science and technology evolve.</p> <p>Continue to clarify VAAFM's jurisdiction to remove regulatory disincentives, inconsistencies, and overlap.</p>
<i>Technical Assistance and Business Planning Strategies</i>		
4.7 Regulation	Increase funding to VAAFM to strengthen its capacity to help farmers and food entrepreneurs understand regulations, and to help VAAFM enforce those regulations.	<p>Provide state general funds to ensure that VAAFM can provide proactive technical assistance to help farmers and food entrepreneurs understand regulatory issues, and also to ensure that VAAFM can adequately enforce state and federal regulations.</p>
4.4 Technical Assistance and Business Planning	Provide Vermont farmers with high-quality information to assist with legal decision making and alternative legal structures best suited for successful farm enterprises.	<p>Encourage UVM Extension and VAAFM to continue to access risk management agency funds to provide general workshops, web support, and limited one-on-one assistance to farm enterprises exploring alternative ownership models.</p> <p>Provide competitive grant funding annually for five Vermont farm enterprises, which will then receive significant technical assistance with the creation of alternative legal structures in support of expansion, ownership transfer, or the creation of an emerging or innovative product or business model (in collaboration with the Vermont Agricultural Development Program at VSJF).</p>

SECTION	OBJECTIVE	STRATEGY
Technical Assistance and Business Planning Strategies		
<p>4.4 Technical Assistance and Business Planning</p>	<p>Encourage Vermont legal firms interested in the subject, the Vermont Law School, and others to develop innovative farm legal structures and provide legal assistance services to Vermont farms.</p>	<p>Develop a formal structure for using existing Vermont institutions such as UVM and Vermont Law School to develop approaches to emerging ownership, processing, and marketing models.</p> <p>Provide adequate funding for the Vermont Law School's new Center for Agriculture and Food Systems, to focus on legal and policy issues related to community-based agriculture, the regulation of food, the Farm Bill and agricultural subsidies, energy-efficient food production, energy independence for farmers, and other issues key to retaining a successful working landscape for rural communities.</p> <p>Provide technical assistance and guidance to farmers entering into contractual arrangements for property easements, energy sales, the sale of environmental attributes, or other emerging sales or lease agreements.</p>
<p>4.4 Technical Assistance and Business Planning</p>	<p>Provide Vermont farms and food processors using Vermont-grown products with easy access to accurate permitting information so they can make informed decisions regarding the expansion or diversification of their enterprises.</p>	<p>Develop an environmental compliance assistance position at the Vermont Department of Environmental Conservation and VAAFAM to foster compliance with and increased understanding of permitting requirements for the expansion of farm-based businesses. Make this information as web accessible as possible.</p> <p>Build on existing online resources and training sites to create a centralized clearinghouse of farm and food-related safety regulations that addresses all aspects of food production, processing, and value-added production. Encourage the Vermont Departments of Health and Environmental Conservation and the Agency of Agriculture to continue to improve coordination of their outreach to farmers, processors of Vermont-grown food, distributors, and market outlets.</p> <p>Increase farmer access to cost-share support and trainings to achieve regulatory compliance.</p> <p>Revise existing statutes to encourage VAAFAM staff to provide proactive technical assistance to farmers and food producers regarding best practices that meet the agency's goals and regulatory standards—in advance of new or expansion projects.</p> <p>Provide technical assistance to farmers choosing to market raw milk directly to consumers, so they can implement appropriate risk management measures.</p>

SECTION	OBJECTIVE	STRATEGY
<i>Technical Assistance and Business Planning Strategies</i>		
4.4 Technical Assistance and Business Planning	Rewrite the statutory language of Act 250 so that it clearly supports the development of new and emerging farm activities and businesses consistent with a sustainable environmental model for agriculture in the state.	Advocate a review of Act 250 by an organization such as the Vermont Council on Rural Development or the Vermont Agricultural Development Board to encourage the Vermont Legislature to make changes to Act 250 to support the development of new and emerging farm activities and businesses.
<i>Financing Strategies</i>		
4.7 Regulation	Help producer cooperatives attract equity capital so they can expand into value-added processing and/or new markets.	Encourage the Vermont Legislature to pass the Uniform Limited Cooperative Association Act, which would create a new corporate structure to allow producer co-ops to accept equity investments from nonproducer members (minority shares) (H.109 from the 2009 session).
<i>Workforce Development Strategies</i>		
4.3 Workforce Development	Provide all Vermont farmers choosing to employ foreign labor with a legal means to access these employees.	Encourage the Vermont congressional delegation to continue to develop federal immigration reform measures (such as the AgJOBS Act of 2009) to increase access to the H-2A visa program or develop mechanisms to allow foreign employees to earn legal status for employment in the United States.
		Advocate and support the development of immigration reform legislation that provides legal channels for farmworkers to enter the country, work, and return home when their period of employment is over.
		Enable a sustainable labor supply through H-2A or an alternative program, and legislate farm interns to be legal even if they are not associated with a formal institution or university.
<i>Regulation and Public Policy Strategies</i>		
3.1 Farm Inputs	Encourage the creation of local zoning regulations to protect the right to farm, and encourage the protection and active use of prime agricultural soils.	Review and update zoning ordinances to ensure, to the greatest extent possible, that prime agricultural soils are conserved for agricultural use. Develop tools such as those developed by the Delaware Valley Regional Planning Commission (dvrpc.org) to guide improvements to planning and zoning ordinances that support the further development of the food systems.

SECTION	OBJECTIVE	STRATEGY
Regulation and Public Policy Strategies		
3.3 Production	Support the passage of dairy price stabilization legislation in the U.S. Congress.	Work with Vermont’s congressional delegation and Dairy Farmers Working Together to develop a milk pricing system based on supply management.
	Increase local food consumption at state-owned institutions and facilities that provide food service, by sourcing as much locally produced and fresh food as possible.	Enforce the existing state policy (Act 38, 2007) that instructs VAAFM, the Agency of Administration, and the Department of Buildings and General Services to develop a system of local food and dairy purchasing within state government and government-sponsored entities. This provision should also be applied to businesses with foodservice that lease large parcels of real estate and/or receive significant funding from the state. Encourage farming on public lands that are adjacent to public facilities.
3.6 Retail Distribution	Maximize the amount of local food served in K-12 schools by increasing the number of schools participating in Farm to School programs.	Advocate for policies that enable school districts to take “cash in lieu of commodity food” whenever possible to increase the funding and flexibility of school food purchasing.
4.7 Regulation	Streamline the regulation of farm-based electricity generation projects (Section 248) to clarify the regulatory authority of VAAFM, ANR, and the Public Service Board.	Simplify the approval process for small, farm-based electricity-generating projects to more clearly align with that for net metered electricity projects. Encourage VAAFM, ANR, and the Public Service Board to develop a clear, nonredundant regulatory approach which encourages the development of farm-based electricity generation projects involving the use of off-farm substrates.
4.7 Regulation	Strengthen and defend consumer protection and Vermont Origins Rule.	Review regulatory exemptions for farms of different sizes and scales (food safety should be strict for any size or scale, but one-size-fits-all rules are not viable for smaller farmers).
		Support labeling law changes so consumers know who owns the companies they are buying from and therefore whether they are supporting Vermont farms (i.e., one owner, one label).
		Aggressively defend the Vermont Origin Rule to protect the Vermont brand.
		Maintain a credible livestock slaughter inspection program.

SECTION	OBJECTIVE	STRATEGY
<i>Regulation and Public Policy Strategies</i>		
4.7 Regulation	Improve tax and state financing policies to increase agricultural and value-added food production and keep farmland in farming.	<p>Support efforts to discourage the short-term enrollment of land in the Use Value Appraisal Program that a landowner intends to develop, and convert paper documents to electronic files and GIS-based maps. The administration and legislature should also work with interested parties to identify other steps to improve the program's effectiveness, efficiency, and sustainability over the long run.</p> <p>Explore the development of tax credit for investments in agricultural businesses.</p> <p>Explore the development of a Vermont Common Assets Trust to translate the value of common, ecological, and other assets to monetary values into a fund that makes financial distributions to farmers.</p>
4.7 Regulation	Create a state regulatory structure that supports the right of farmers to use science-based animal practices in the management of their herds and flocks.	<p>Encourage farmers to analyze animal care practices based on scientific merit.</p> <p>Encourage VAAFAM to receive guidance from the Livestock Care Standards Advisory Council in reviewing regulatory considerations for animal management practices.</p> <p>Through appropriate marketplace compensation, encourage farmers to adopt voluntary, credible, and science-based animal care standards, or to become humane certified, in order to sell to certain retailers.</p>

End Notes

- 1 Vermont State Legislature, *Vermont State Statutes*, www.leg.state.vt.us/statutesMain.cfm.
- 2 USDA, Census of Agriculture, *Census FAQs*, www.agcensus.usda.gov/Help/FAQs/2002_Census/index.asp#1.
- 3 USDA, 2007 Census of Agriculture, www.agcensus.usda.gov/Publications/2007/Full_Report/Volume_1_Chapter_1_State_Level/Vermont/st50_1_004_005.pdf. Average payroll per type of farm: \$36,613 for vegetable farms; \$9,541 for beef cattle farms; \$75,120 for poultry and egg farms; and \$69,084 for dairy farms.
- 4 Library of Congress, *Bill Text 111th Congress (2009-2010), H.R.2414.IH, AgJOBS Act of 2009*, <http://thomas.loc.gov/cgi-bin/query/z?c111:H.R.2414.IH:XOO>.
- 5 VAAFM, Division of Agricultural Resource Management and Environmental Stewardship, *Agricultural Water Quality*, www.vermontagriculture.com/ARMES/awq/AWO.html.
- 6 VAAFM, Agricultural Water Quality Enforcement Program, www.vermontagriculture.com/ARMES/awq/documents/NPS2009EOY.pdf. The specific cost per farm varies based on farm size, cropping method, and housing system.
- 7 Ibid.
- 8 Vermont Public Service Board, *Citizens' Guide to the Vermont Public Service Board's Section 248 Process*, www.state.vt.us/psb/document/Citizens_Guide_to_248.pdf.
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- 11 U.S. Food and Drug Administration, *Hazard Analysis and Critical Control Points (HACCP) Guidelines*, www.fda.gov/food/foodsafety/hazardanalysiscriticalcontrol-pointshaccp/default.htm.
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- 14 USDA Food and Nutrition Service, *Guidance for School Food Authorities: Developing a School Food Safety Program Based on the Process Approach to HACCP Principles*, www.fns.usda.gov/fns/safety/pdf/HACCPGuidance.pdf.
- 15 Manitoba Agriculture, Food and Rural Initiatives, *HACCP Generic Models*, www.gov.mb.ca/agriculture/foodsafety/processor/cfs02s114.html.
- 16 National Food Service Management Institute, *Developing a School Food Safety Program*, www.nfsmi.org/ResourceOverview.aspx?ID=57.
- 17 Vermont Statutes, *Title 6: Agriculture, Chapter 204: Preparation of Livestock and Poultry Products*, 6 V.S.A. § 3301. *Legislative Findings*, www.leg.state.vt.us/statutes/fullsection.cfm?Title=06&Chapter=204&Section=03301.
- 18 The Agricultural Development Division of the Agency of Agriculture is discussed in Chapter 4, Section 8.
- 19 Vermont State Statutes, www.leg.state.vt.us/statutesMain.cfm.
- 20 See National Sustainable Agriculture Coalition website: <http://sustainableagriculture.net>
- 21 Depending on the final outcome of the changes being made to the Food Safety Modernization Act, producers and processors with under \$500,000 in gross revenue may be exempt from GAP compliance.



CROSSCUTTING ISSUES

Food System Regulation

Credits

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