

VERMONT AGRICULTURE DEVELOPMENT PROGRAM:
Business coaching to reach expansion goals

A new joint venture between the Vermont Farm Viability Program and VSJF, the **Vermont Agriculture Development Program (VADP)** provides in-depth business coaching to food system businesses that have developed value-added products and are providing critical infrastructure and processing facilities for other Vermont agricultural enterprises.



Bottling Eden Ice Cider

The VADP takes the time to understand each company's personality; its strength, weaknesses, opportunities, and threats, then works to help them chart a unique course to meet their goals for successful market and product expansion, greater control over operational costs, and greater profitability. In the process, VADP strengthens their management capacity, hones their financial, operational and marketing plans, and helps them access needed capital.

VADP's wrap-around services include growth and expansion assessment, planning and financial assistance; readiness consulting designed to prepare them for a capital raise; general business assistance; and access to key networks, peers and partners that can help them grow, reach new markets and obtain and operate appropriately scaled facilities.

FY2011 VADP Clients:

- AQUA VITEA, SALISBURY, ADDISON COUNTY** ➤ **DEEP ROOT ORGANIC CO-OP, JOHNSON, LAMOILLE COUNTY** ➤ **EDEN ICE CIDER COMPANY, W. CHARLESTON, ORLEANS COUNTY** ➤ **FREEDOM FOODS, RANDOLPH, ORANGE COUNTY** ➤ **GROW COMPOST OF VERMONT, MORETOWN, WASHINGTON COUNTY** ➤ **THE ROYAL BUTCHER, BRAINTREE, ORANGE COUNTY** ➤ **VERMONT SOY, HARDWICK, CALEDONIA COUNTY** ➤ **WESTMINSTER MEATS, WESTMINSTER STATION, WINDHAM COUNTY**

To learn more about the Vermont Agriculture Development Program, contact John Ryan, vadp@vsjf.org.

RENEWABLE ENERGY ATLAS OF VERMONT: Vermont's tool for analyzing renewable energy locations

The **Renewable Energy Atlas of Vermont** is a dynamic website that depicts existing and potential renewable energy locations for every town in Vermont. In FY2011 we focused on developing new features, including an "Add / Edit" function that enables Vermonters to contribute their information to the website in real time. We also developed a new solar hot water analysis tool, and a data layer that depicts solar radiation for ground-mounted photovoltaic tracker systems.



On the web at: www.vtenergyatlas.com

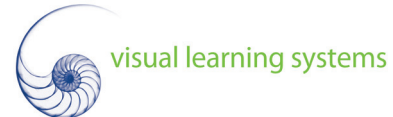
A great big THANK YOU to our FY11 funders!

State of Vermont, U.S. Department of Energy, USDA Rural Development, US Forest Service / Vermont Department of Forests, Parks & Recreation, Vermont Community Foundation, Ben & Jerry's Foundation, Fieldstone Foundation, Harris and Frances Block Foundation, High Meadows Fund, John Merck Fund, Castanea Foundation, Vermont Agriculture Innovation Center, Clean Energy Development Fund (ARRA funds), Vermont Training Program, and U.S. HUD (EDI program).

PEER TO PEER COLLABORATIVE: Providing CEO advisory services to growing Vermont companies

VISUAL LEARNING SYSTEMS | BRANDON, RUTLAND COUNTY | NUMBER OF EMPLOYEES: 10

Over the last year, the VSJF team continued our Peer mentoring work with Visual Learning Systems (VLS) owners, Brian and Stephanie Jerome. VLS specializes in the production of standards-based science videos and teacher's guides to support K-14 curriculum. VLS provides teachers with engaging visual media and instructional materials to help students achieve a high level of success in the classroom. They create their own content, do all the media production, and manufacture in a variety of media and digital formats for schools, television stations, and state departments of education in the U.S. and abroad.



P2P advisors are currently helping VLS address issues related to their sales and financial systems, identifying future product opportunities, and finding ways to build upon their brand and expertise so they can grow and achieve their vision of having a meaningful influence on how students learn, retain, and use science in and out of the classroom.

VERMONT WOOD PELLET COMPANY | N. CLARENDON, RUTLAND COUNTY | NUMBER OF EMPLOYEES: 16

Peer to Peer recently took on Vermont Wood Pellet as a new client for 2012. This growing renewable energy company manufactures premium wood pellets for the residential and commercial heating markets. Peer to Peer will work with the team to identify growth strategies, refine operational and financial systems, and identify financing opportunities as the business expands.



This program is supported by client fees for service and the Vermont Training Program at the Agency of Commerce and Community Development. To learn more about Peer to Peer Collaborative, contact Janice St. Onge, janice@vsjf.org.

VSJF Staff

Ellen Kahler, EXECUTIVE DIRECTOR

Janice St. Onge, DEPUTY DIRECTOR, PRESIDENT OF VSJF FLEXIBLE CAPITAL FUND, L3C

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Erica Campbell, FARM TO PLATE PROGRAM DIRECTOR (STARTED JULY 2011)

John Ryan, AGRICULTURE DEVELOPMENT PROGRAM DIRECTOR (STARTED JULY 2011)

Kevin Harper, BRISTOL BAKERY

David Lane, VERMONT AGRICULTURAL CREDIT CORPORATION

Kelly Launder, DEPARTMENT OF PUBLIC SERVICE

Lenae Quillen-Blume, VERMONT SMALL BUSINESS DEVELOPMENT CENTER

Bruce Shields, PHD, RETIRED

***Brendan Cosgrove**, AGENCY OF NATURAL RESOURCES (SERVED JULY – DECEMBER 2010)

***Bill Noyes**, DEPARTMENT OF ECONOMIC, HOUSING, AND COMMUNITY DEVELOPMENT (SERVED JULY – DECEMBER 2010)

***Lawrence Miller**, AGENCY OF COMMERCE AND COMMUNITY DEVELOPMENT (SERVED JANUARY – JUNE 2011)

***Chuck Ross**, AGENCY OF AGRICULTURE, FOOD AND MARKETS (SERVED JANUARY – JUNE 2011)

NOTE: As of July 1, 2011 Kevin Harper and Bruce Shields are no longer on the VSJF Board of Directors and Lee Bouyea (Fresh Tracks Capital) and William Murray (Berkley & Veller Greenwood Country Realtors) have joined the Board. Edward Kiniry is now the Chair of the Board, David Lane is Vice Chair, and David Marvin is the Secretary/Treasurer.

Board of Directors (FY11)

Nancy Wood (Chair), HOME, FARM & GARDEN RESEARCH ASSOCIATES, LLC, & THE CHARLOTTE NEWS

Edward J. Kiniry (Vice Chair), RETIRED

David Marvin (Secretary / Treasurer), BUTTERNUT MOUNTAIN FARM

Joan Goldstein, GREEN MOUNTAIN ECONOMIC DEVELOPMENT CORPORATION

Vermont Sustainable Jobs Fund

www.vsjf.org

FY2011 PROGRAM UPDATES AND ACCOMPLISHMENTS

- FARM TO PLATE**
- VERMONT AGRICULTURE DEVELOPMENT PROGRAM**
- FLEXIBLE CAPITAL FUND**
- PEER TO PEER COLLABORATIVE**
- VERMONT BIOENERGY INITIATIVE**
- RENEWABLE ENERGY ATLAS**

FARM TO PLATE STRATEGIC PLAN: Food system development is sustainable development

Commissioned by the Vermont Legislature in 2009, the **Farm to Plate Strategic Plan** is a comprehensive road map for spurring new economic development and guiding long-term investment and public policy in order to expand Vermont's food system and ensure that all Vermonters have access to healthy, fresh food.

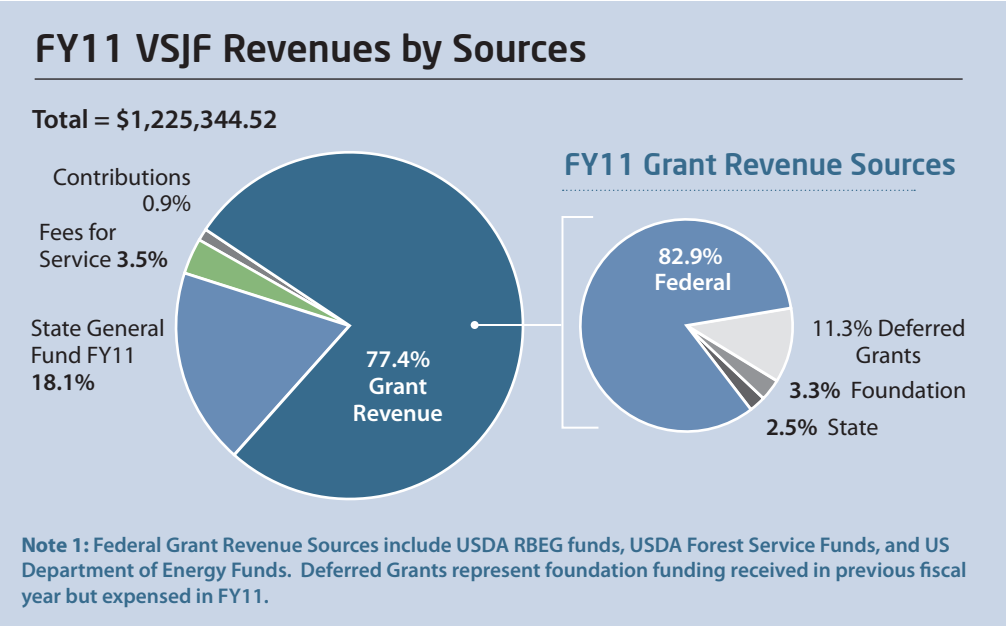
Released throughout 2011, the Plan highlights many opportunities for market expansion, from growing consumer demand for food that is produced locally using environmentally sustainable practices, to new supply chain collaborations between producers, processors, distributors, and market outlets, (e.g., local meat and frozen vegetables), to growing opportunities for value-added dairy products (e.g., 12 new dairy processing plants came online in 2011). The latest available information indicates that Vermont's food system added approximately 500 private sector jobs and approximately 110 establishments since January 2011.

The **Mad River Food Hub, L3C** in Waitsfield is an example of the kind of new business development that grew out of an identified need highlighted in the Strategic Plan. After studying the relevant sections of the plan (specifically Appendices C and E), local entrepreneur Robin Morris collaborated with the Mad River Localvores, Mad River Valley Planning District, local chef Joey Nagy, and many others in the community to open a 3,200 square foot shared meat and vegetable processing, storage, and distribution center in fall 2011. This new business is already serving the needs of over 12 farmers, chefs, and value-added food producers in the Mad River Valley—giving them access to a State licensed meat and vegetable processing facility, high efficiency cooler and/or freezer for pre- and post- processing, and a loading dock and logistics support for easy pick up from distributors.



Launched in fall 2011, the **Farm to Plate Network**—made up of over 120 food system organizations from across Vermont—was created to achieve Farm to Plate Strategic Plan goals and to enhance the ability of participating organizations to meet their own goals. Working Groups were formed and have started to coordinate their actions around six key leverage areas: **consumer education and marketing; education and workforce development; farmland access and land use; aggregation and distribution; dairy development; and technical assistance to producers and processors.**

To learn more about the F2P Strategic Plan, contact Erica Campbell at farm2plate@vsjf.org.



VSJF FLEXIBLE CAPITAL FUND: Patient capital in an impatient world

Vermont's small, growing businesses need access to patient risk capital. But in today's business culture, "patient capital" may be an oxymoron. We celebrate the entrepreneurs who make it big, quickly, and they are the ones who typically receive venture money. As banks become 'too big to fail,' many of our small businesses remain too small to succeed. It's time for another investment model for small growing businesses – investments in ventures that are not "built to flip," but rather are "built to last."

Enter the VSJF Flexible Capital Fund, L3C, a new mezzanine debt program launched in 2011. The Flex Fund is the first "slow money" fund in Vermont designed to focus on providing "near equity" for growth companies in food system, forest products, clean technology, and waste management industries.

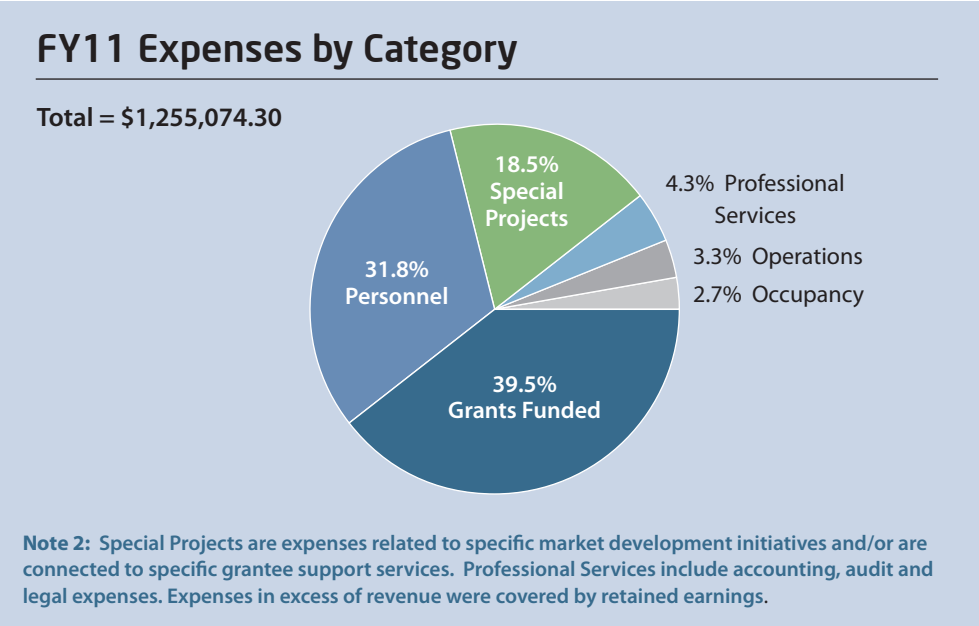
In November, the Flex Fund closed on its first deal, **Vermont Smoke and Cure (VSC)**, a manufacturer of smoked meats, sausages, and bacon that also plays a critical role in helping farmers get their products to a broader market. **The Flex Fund's investment helped VSC close a gap in their overall financing package and did not require the company to give away a piece of their ownership.**



Over the last year, the Flex Fund has raised \$1,850,000 in equity to capitalize the Fund. We have 16 accredited investors from Vermont and around the country including Maryland, New York, Maine, South Dakota, and Florida! Our ultimate goal is to raise \$4,000,000 in capital to support the growing businesses in Vermont that are building healthy food and energy systems and supporting Vermont's working landscape.

The Flex Fund continues to build our pipeline of opportunities and since our launch, we've had inquiries, initial discussions and/or site visits with 14 businesses including 7 value-added agriculture / distribution businesses, 5 clean technology businesses, a wood pellet manufacturer, and a forest products manufacturer.

To learn more about the Flex Fund, contact Janice St. Onge at flexfund@vsjf.org.



VERMONT BIOENERGY INITIATIVE: Fostering a viable bioenergy sector in Vermont

As Vermont farms face rising energy and feed costs, enterprising farmers are reducing their fossil fuel use and saving money by growing oilseed crops and processing these crops for heat, fuel, food and feed. Others are planting switchgrass and plan to use the crop as a pelletized heating fuel for greenhouses and businesses. A handful of Vermont researchers and entrepreneurs are looking to microalgae as a way to produce significant volumes of oil for conversion to advanced biofuels and other markets.



VBI grantee Mark Mordasky, Rainbow Valley Farm

Since 2003, VSJF has solicited the best proposals for biomass-to-biofuels related projects through the Vermont Bioenergy Initiative (VBI). **In FY2011 VSJF signed contracts to administer nearly \$950,000 in funding for 19 bioenergy projects.** We continue to provide wrap-around support to these projects in the form of technical assistance, networking and referrals, and environmental and enterprise accounting tools.

In 2011, VSJF began developing and producing a series of videos, "Bioenergy Now! Made in Vermont," so that a wider audience can learn more about on-farm fuel replacement efforts underway in Vermont, including the energy savings, feed replacement, and farm diversification opportunities that local bioenergy production offers.

This video series (to be released in the spring of 2012) will include stories of Vermont's bioenergy pioneers and highlight the progress being made by farmers, entrepreneurs, and educators to reduce fossil fuel use, and control energy and feed costs.

To learn more about the VBI, contact Netaka White, netaka@vsjf.org.

Grantee Profile: Renewable Energy Resources

Renewable Energy Resources, Inc. (RER) is a new biomass energy company that produces thermal energy from grass biomass. Grass biomass can be produced locally, thus providing a low-cost, sustainable fuel supply while creating local local jobs. RER's target markets are people who prefer biomass for direct heating and combined heat and cogeneration of electricity. This market represents one third of the energy used in the Northeast.

Pouring pellets into a burner

RER was awarded a \$100,000 VBI grant to prepare detailed fabrication drawings and to supervise the construction and assembly of a **mobile briquette machine**. Operating under real load conditions, RER will use the mobile machine to produce grass briquettes for testing in the heating systems at local institutions.

The tests will inform RER and the institutional facilities as to the feasibility of grass briquettes, their burn characteristics, and boiler system operations and maintenance. RER also plans to develop best practices for grass biomass production to improve conversion to fuel products and provide guidance for farmers and buyers.

On the web at: www.switchgrass-rer.com