A year ago, Liz Lovely Cookies—a manufacturer of gluten free, all natural cookies—tried and lost on the TV show Shark Tank, but won big from the national publicity and uptick in sales—positioning them favorably to become the fifth investment in the expanding socially responsible investment portfolio managed by the Flexible Capital Fund.

In 2013, the Flex Fund provided Liz Lovely with royalty financing to help them accelerate sales and increase production in their existing space at the Mad River Food Hub in Waitsfield—where they have served as the anchor tenant for a number of years. The Flex Fund saw great market opportunity, an experienced management team with good advisory capacity, and a strong mission fit. Liz Lovely had approached other investors with common stock offering, but they liked the idea of royalty financing—as it preserves their equity and decision-making abilities.

The company has a track record in creating jobs, adding six new employees in 2012, and another six employees in 2013. Through their continued support and membership of other small and emerging value-added agricultural businesses in the Mad River Food Hub, Liz Lovely is helping to advance the Flex Fund’s food systems goal of conserving and protecting agriculturally productive land in Vermont and the region.

“We began selling to large supermarket chains, and started to need more working capital to fuel the rapid growth in our business. Liz and I were reluctant to take on new equity and protecting agriculturally productive land in Vermont and the region.

“—Dan Holtz, Maverick CEO and Liz Holtz, President
In its third year of operation, the Vermont Agriculture Development Program (VADP) has expanded the scope of its venture coaching services to value-added forest products businesses in Vermont. Looking back, both the program and its clients have broken significant new ground:

- VADP has begun providing its executive coaching to businesses in the forest products sector, taking on The Vermont Butcher Block Company of Williston and providing business-planning support to Vermont Wildwoods of Marshfield.
- VADP is helping two critical food hubs, the Vermont Food Venture Center in Hardwick and the Mad River Food Hub in Waitsfield, as they become more effective business incubators and collaborators in the expansion of local food processing by small farms and enterprises.
- The program launched its Peer Roundtable Series that brings together past and present clients, along with VSJF’s Flexible Capital Fund portfolio companies, to discuss common issues such as employee ownership, sales and marketing challenges, and shared experiences while managing physical expansions.
- Successful client expansions include: First-year client Freedom Foods is overseeing the construction of an 18,000 square foot co-packing facility in Randolph; The Royal Butcher has nearly doubled its capacity and is operating a new small animal processing line in East Braintree; Champlain Orchards in Shoreham won a $75,000 Working Lands Enterprise Fund grant and is investing more than $150,000 in additional capital to triple its second juice processing line to support burgeoning hard cider demand; Eden Ice Cider moved to Newport to anchor the NEK Tasting Center, a lynchpin of that community’s downtown revitalization effort; Vermont Butcher Block has moved out of the house into 4,000 square feet of new processing space in Williston, just as Aquavitae Kombucha has done in Bristol; both Westminster Organics in Westminster and Pete’s Greens in Craftsbury purchased additional land and between them are preparing more than 300 new acres that will soon be certified for increased organic vegetables production.
- Additionally, clients are utilizing existing facilities more efficiently: Sugarsnap in South Burlington won the exclusive contract to cater events at the Echo Center on Burlington’s waterfront, bringing fresh local products to corporate and private events large and small; the Green Mountain Organic Creamery in Hinesburg recently secured funding from VEDA to expand into glass bottling and offer a new range of flavored organic milks (Watch out Starbucks!); and Vermont SoY is now co-packing Montreal-based Soyummy’s pudding line, keeping its Hardwick production line operating daily.

VADP’s personalized support seems to be working, as their activity is translating into higher revenues and profits, more living wage jobs, increased tax receipts, and most importantly, more resilient working lands enterprises.

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

VSJF could not continue without the generous support of our many funding partners including:

- Castanea Foundation
- Cirlcon Foundation
- Clean Energy Development Fund
- Green Mountain Coffee Roasters
- Henry P Kendall Foundation
- High Meadows Fund
- Jane’s Trust
- John Merck Fund
- US Department of Energy
- US Department of Housing & Urban Development
- Vermont Agency of Agriculture, Food and Markets
- Vermont Agency of Commerce
- Vermont Agency of Education
- Vermont Community Foundation
- Vermont State General Fund
- Anonymous (1)

In 2013, VSJF launched a new website for VBI built around the 10-part video series, called Bioenergy Now. The educational website shows students, teachers, farmers, and entrepreneurs the people leading VBI and how they are forging connections between diversified agriculture and renewable energy production. The site is rich in resources, including links to relevant on-line information, reports, and an image gallery.

The following are highlights of VBI activities in 2013:

- Farm Fresh Fuels continued for a second year in which 10 farmers planted sunflowers in Grand Isle to produce biodiesel. This program continues to investigate the logistics of sharing resources across multiple farms for planting, harvesting, and processing.
- 26 tons of high protein sunflower meal (a co-product from the oil extraction) from VBI grantees will be used as an animal feed ingredient or soil amendment.
- VBI hired an engineering firm to review the state of the science of grass energy for Vermont and to lay out strategic next steps for this program.

To learn more about the VBI, contact Sarah Galbraith, sarah@vsjf.org, or visit the Vermont Bioenergy Initiative website: [www.vermontbioenergy.com](http://www.vermontbioenergy.com).

VSJF also provides fiscal sponsorship services for Energy Action Network, the Food Hub Management Program, DairyVision, and the Hunger Mountain Food Coop Fund.

The state’s first mixed-substrate anaerobic digester is about to become operational at Vermont Tech in Randolph. The facility is being constructed by Bilo-Methutch of Quebec using technology from Lipi of Austria. The project will send electricity to the grid and provide a portion of the heat needed on campus. Funding for this project has been made possible by the VT State College and US Senator Patrick Leahy from funds secured from the US Department of Energy. VSJF is administering the US DOE funds on behalf of Senator Leahy.

Learn more at: [http://digestertvt.edu/](http://digestertvt.edu/).

Image: [Bioenergy Now](http://www.VERMONT BIOENERGY INITIATIVE.org).

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