



Vermont Sustainable Jobs Fund



2016 Annual Report



VSJF develops creative approaches and innovative models that transform Vermont's economy in ways that promote the well-being of people, communities, and the environment.



www.vsjf.org

www.facebook.com/VermontSustainableJobsFund

To: Governor Phil Scott and Members of the Vermont General Assembly

The [Vermont Sustainable Jobs Fund](#) is pleased to be able to serve the needs and interests of Vermonters who are working hard to strengthen our local and regional food system, rebuild the forest products industry which has still not recovered from the Great Recession, and meeting the renewable energy goal set by the state. Through our network and economic sector-based initiatives and our targeted, high-touch coaching model with business owners and their management teams, we are nurturing the sustainable development of Vermont's economy. The VSJF also provides operational support through a contractual agreement to the [Flexible Capital Fund, L3C](#), an independent investment fund that provides innovative capital to growing companies in Vermont's green economy sectors.



In FY16, the VSJF's 10 staff members continued to provide network coordination for [VT Farm to Plate](#), put a wrap on an impressive 8-year R&D initiative to explore the homegrown production of [bioenergy products](#) for local use, helped [Energy Action Network](#) launch the new [Community Energy Dashboard](#), and provided high quality coaching services to 8 working lands businesses. In FY17 we will launch two new program areas - the Forest Products Value Chain Investment Program and the Climate Economy Business Network.

This Annual Report provides an overview of our tailored growth stage business services and our network approach to developing Vermont's green economy. The VSJF is perfectly positioned to be of service to the Scott Administration and Vermont General Assembly in the years ahead as we focus even more resources on workforce and rural economic development for the benefit of all Vermonters. We appreciate your on-going support and look forward to deepening our partnership with you.

Sincerely,

Ellen Kahler
Executive Director

Nick Richardson
Chair, Board of Directors

The Vermont Sustainable Jobs Fund (VSJF) is committed to nurturing the sustainable development of Vermont's economy. VSJF provides business assistance, network development, research, and financing in agriculture and food system, forest product, waste management, renewable energy and environmental technology sectors. The VSJF was created by the Vermont Legislature in 1995 to partner with state government, private sector businesses, and nonprofits to build a thriving economic, social, and ecological future for Vermont.

Business Assistance Programs

VSJF's Business Assistance Programs advance entrepreneurial success and job growth to nurture sustainable economic development. We provide coaching services and creatively problem solve with business owners and their management teams within sustainable agriculture and forest products, waste systems, renewable energy, and the emerging climate economy sectors. We provide tailored early and growth stage business advice through the Vermont Agriculture & Forest Products Development Program, Peer to Peer Collaborative, and various value chain initiatives.

"Working with John Ryan gave us the confidence to raise our prices, the clarity to eliminate unprofitable offerings, and the discipline to collect and use our key indicators of success. As a result, we've been able to improve our bottom line despite selling into markets that are stressed."

Patsy Cooperman, The Cooperman Company, Bellows Falls

In the first three years following their VT Agriculture & Forest Products Development Program engagement, 20 responding businesses showed significant overall improvements in their performance. Compared to the baseline year when they started the program:

- » Increased jobs by 36% or 70 FTEs
- » Increased payroll by 58% or \$2,000,000
- » Increased revenue by 45% or \$5,250,000
- » Invested over \$10 million in capital expansions



"Over the five years of running this program, I've seen a direct correlation between higher profitability and higher wages. One of the first places food and forest business owners invest their profits is in paying their staff better."

John Ryan, Program Director



**Business Assistance Client —
Aqua Vitea**

Vermont Farm to Plate Initiative

Farm to Plate is Vermont's food system plan being implemented statewide to increase economic development and jobs in the farm and food sector and improve access to healthy, local food for all Vermonters. The VSJF serves as the administrator of the Vermont Farm to Plate Investment Program.

The **Farm to Plate Network** is focusing on the following strategic priorities over the next five years, as it continues to implement the plan:

- » **Protect and Expand Affordable and Environmentally Sustainable Farmland in Agricultural Production:** through farm succession planning, alternative farmland investment models, and linking farm seekers with farm sellers
- » **Improve Viability of Farms and Food Businesses:** through business assistance support, benchmarking new business models, and flexible financing for expansions
- » **Increase Local Food Availability and Affordability in All Market Channels:** by getting local food into wholesale markets at grocery stores and in institutions such as schools, colleges and hospitals
- » **Increase Consumer Engagement and Demand for Local Food:** by implementing the **#RootedinVermont** grassroots consumer campaign
- » **Meet Food System Employment Needs in Positive Work Environments:** through career profiles and pathways and Workforce-Educator-Business Partnerships.



Significant progress has been made towards the Vermont Legislature's intended outcomes, which include:

+6,000 JOBS

Since 2009

+779 BUSINESSES

Since 2009

-2.2% FOOD INSECURITY

Percent of food insecure Vermonters decreased from 13.6% to 11.4%

\$10 FOOD SYSTEM GROSS SALES (FOOD PRODUCTION, TRADE, MANUFACTURING)

Up from \$7.6B in '07

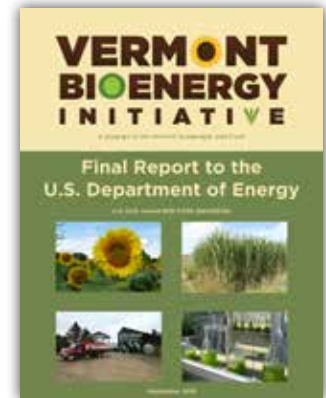


Wild game supper, Bradford
#rootedinvermont

Vermont Bioenergy Initiative: Completion of an 8-Year Research & Development Project

The purpose of the [Vermont Bioenergy Initiative](#) (VBI) was to foster the development of sustainable, small-scale biodiesel and grass/mixed fiber industries in Vermont in order to produce bioenergy for local transportation, agricultural, and thermal applications, as a replacement for fossil fuel based energy. The VBI marked the first strategic effort to reduce Vermont's dependency on petroleum through the development of homegrown alternatives. We focused on a specific subset of bioenergy alternatives:

- » We worked with interested farmers to develop on-farm oilseed production, processing, and biodiesel production capacity for farm and local community use, and with researchers to develop the agronomics and economics of oilseed crop and biodiesel production in Vermont.
- » We worked with interested farmers, entrepreneurs, and researchers to augment Vermont's woody biomass supply with grass and mixed fiber pellets for thermal applications.
- » We worked with interested researchers, entrepreneurs, and farmers to develop cold climate algae that could eventually be available for biodiesel production.
- » We partnered with [Energy Action Network](#) to develop and launch the [Community Energy Dashboard](#) which helps translate Vermont's goal of **90% by 2050** into achievable local action across all energy sectors — efficiency, heat, electricity and transportation.



» Download [Final Report](#)

Watch [Bioenergy Now!](#) A nine-part video series—viewed over 89,000 times—that highlights VBI activities.

Thank you to the office of U.S. Senator Patrick Leahy for administering the US Department of Energy congressional appropriation to financially support the Vermont Bioenergy Initiative.



**VBI Award Recipient —
State Line Biofuels**



Vermont Forest Products Value Chain Investment Program

Launched in August, 2016, the Vermont Forest Products Value Chain Investment Program assists the state's forest products industry in creating and retaining quality jobs by providing business assistance, market development expertise, and network development along the supply chain. The goal is to encourage innovation and sector-wide relationships in order to enhance the economic competitiveness of the forest products industry in the region. In addition, the program will work to increase the use of regionally grown tree species in Vermont's value added forest economy sector. This new initiative is a partnership between VSJF, the [Northern Forest Center](#), and the Forestry Sub-Committee of the [Working Lands Enterprise Board](#) and is based at the VSJF.

"Working with the Vermont Sustainable Jobs Fund has amplified across the state the work that the Ecovation Hub is doing in Windham County to explore engineered wood opportunities. The Beyond Steel & Concrete Meet up connected us with industry experts and VSJF has given us valuable feedback in our investigation of innovative funding models."

Candace Pearson,
BuildingGreen Inc.,
Brattleboro



**Vermont Tree Goods
with maple planks**

Photo Credit: Nate Harkins

Coming in FY17— The Vermont Climate Economy Business Network

The Vermont Sustainable Jobs Fund has been asked to lead the development of a Climate Economy Business Network and Accelerator as an approach to bringing young entrepreneurs to Vermont to create business solutions that address the negative impacts of climate change. We will do this by taking the same network development strategy that has effectively grown Vermont's local food economy and applying it to the emerging new climate economy sector. In alignment with the [Climate Economy Action Plan](#) (facilitated by the [Vermont Council on Rural Development](#)), one of our goals is to position our state as THE place to come and build businesses that export solutions for a changing climate worldwide.

The Climate Economy includes businesses and organizations that provide products and services connected to other economic sectors such as renewable energy and efficiency, working lands, environmental engineering, sensor technologies, transportation infrastructure, and many more.

"At VCRD we are very excited about the leadership that VSJF is taking to help network services and finances to accelerate entrepreneurial enterprises in the climate economy. This work fits perfectly with the mission of the Sustainable Jobs Fund, and there is no better organization in Vermont with the experience and expertise to drive this kind of effort forward."

Paul Costello, Executive Director, VCRD



Northern Reliability off-grid telecommunications network



VT Tech Biodigester

Flexible Capital Fund

The [Flexible Capital Fund, L3C](#) (Flex Fund) is a low profit, limited liability mission based investment company launched in 2011. Through a management agreement, the Vermont Sustainable Jobs Fund provides operational support for the Flex Fund. The Flex Fund has a network of investor members and Board of Managers committed to providing flexible risk capital to help growth-stage companies in the green economy stay and grow in Vermont. As one of 5 Community Development Financial Institutions in the state, the Flex Fund is the only Vermont based investor providing [royalty financing](#) as an alternative to equity for small, growing businesses in the food systems, forest products, and renewable energy sectors.

In 2016, the Flex Fund invested \$870,000 in 4 companies that are filling a gap, or strengthening the supply chain in sustainable agriculture and food systems, renewable energy, and clean technology.

Check out their new website at www.flexiblecapitalfund.com.

"At Eden we want to build a good business for the long run. Our goals include employment, environmental and economic sustainability. The Flexible Capital Fund provides us critical financing to reach our economic goals, with a more flexible repayment mechanism. We really feel they share all of our goals, not just our financial goals"

Eleanore Leger, CEO,
Eden Specialty Ciders,
Newport

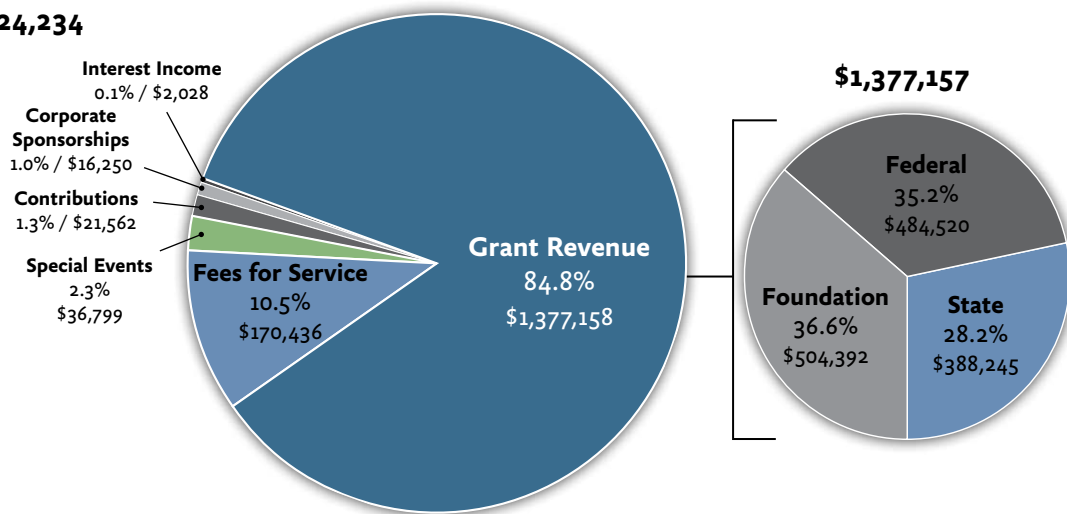


Flexible Capital Fund Client —
Eden Specialty Ciders

VSJF Financials

FY16 VSJF Revenues by Sources

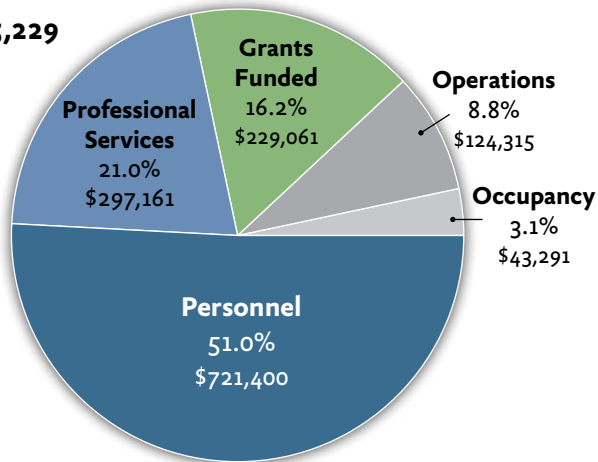
Total: \$1,624,234



Federal Grant Revenue Sources include HUD-EDI, US Department of Energy, and Economic Development Authority funds for various programs. Foundation grants represent private philanthropic foundation funds received in FY15 or FY16 but expensed in FY16.

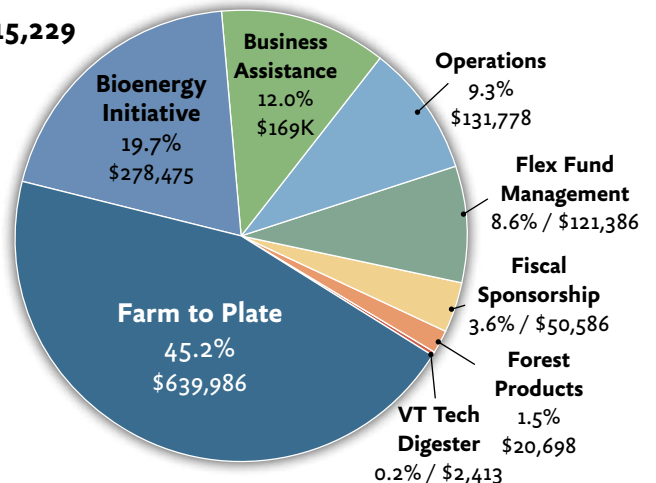
FY16 Expenses by Sources

\$1,415,229



FY16 Expenses by Initiative

\$1,415,229



Professional Services include accounting, audit, and legal expenses as well as special projects conducted by consultants which are related to specific market development initiatives and/or are connected to specific grantee support services.

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

- » Castanea Foundation
- » Claneil Foundation
- » Henry P. Kendall Foundation
- » High Meadows Fund
- » Jane's Trust Foundation
- » John Merck Fund
- » Northern Community Investment Corporation (US EDA)
- » Sandy River Charitable Trust
- » US Department of Energy
- » Various Farm to Plate Corporate Sponsors
- » Vermont Agency of Agriculture, Food & Markets (General Fund)
- » Vermont Agency of Commerce & Community Development (General Fund)
- » Vermont Agency of Education (Perkins Grant)
- » Vermont Department of Public Service (US DOE)
- » VLITE
- » Vermont Training Program (General Fund)
- » Vermont Community Foundation
- » Windham Foundation
- » Working Lands Enterprise Fund

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





VSJF Staff

ELLEN KAHLER, Executive Director

JANICE ST. ONGE, Deputy Director

JOHN RYAN, Agriculture & Forest Products Development
Program Director

SCOTT SAWYER, Sustainability Director

ANTHONY MENNONA, Finance and Administration Director

RACHEL CARTER, Communications Director

ERICA CAMPBELL, Farm to Plate Network Director

JAKE CLARO, Farm to Plate Network Manager

*CHRISTINE MCGOWAN, Forest Products Program Director

*LYDIA PITKIN, Office Manager & Farm to Plate Network
Assistant

*Joined VSJF in FY2017

Board of Directors

NICK RICHARDSON, (Chair) Vermont Land Trust

WILL STEVENS, (Vice Chair) Golden Russet Farm

CAIRN CROSS (Secretary / Treasurer), Fresh Tracks Capital

ANDREA COHEN, Vermont Electric Cooperative

EDWARD J. KINIRY, Retired

LUCY LERICHE, Deputy Secretary, Agency of Commerce
and Community Development

WILLIAM MURRAY, Berkeley & Veller Greenwood Country
Realtors

CHUCK ROSS, Secretary, Agency of Agriculture, Food and
Markets

ROBIN SCHEU, Addison County Economic Development
Corporation

2 Vacancies

(New board members as of FY17 include: Sara Gilbert,
Rutland Economic Development Corporation; Shelly
Severinghaus, EarthShift; and Nathan Hausman, Clean
Energy Group. Ed Kiniry is no longer on the Board.)

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