



Vermont Sustainable Jobs Fund



ANNUAL REPORT FY18

Accelerating sustainable economic development through business assistance, value chain facilitation, network development, and strategic planning.

The Vermont Sustainable Jobs Fund, a 501c3 nonprofit organization, takes a network development approach to improving economic development in Vermont's agriculture and food system, forest products, waste management, renewable energy, and environmental technology sectors.

We understand no single organization, business, or government agency can fully address the economic, social, and environmental challenges within the sectors we serve. Therefore, we build collaborative relationships with our partners and mission alignment with our funders, and support our clients who create sustainable jobs in communities throughout the state. Since our establishment by the Vermont Legislature in 1995, the Vermont Sustainable Jobs Fund has taken the long view by examining emerging trends, markets, products, and industry level opportunities which could be relevant to Vermont, while working with businesses right now to accelerate a path forward.



Vermont Sustainable Jobs Fund Staff: Front Row: Jake Claro, Shane Rogers, Geoff Robertson, Ellen Kahler; Back Row: Sarah Danly, Janice St. Onge, Christine McGowan, Lydia Pitkin, Kelly Nottermann, Anthony Mennona

OUR APPROACH

We partner with Vermont businesses, organizations, and government agencies to strengthen our local and regional food system, rebuild the forest products industry, meet Vermont's renewable energy goal, and invent clean technologies that benefit society. Our creative and adaptive approach to positive, systems-level change elevates the well-being of Vermonters, our communities, and the environment in the face of climate change, now and for future generations.



Business Assistance Services

We provide tailored, high-touch planning, coaching, and advising for business owners and their management teams to advance profitability, job creation, and sustainable business development.

Our team of experienced business coaches works intensively with clients in structured sessions over 12-18 months to provide support, advice, and leadership training in order to recognize ways in which they can improve the profitability and social impact of their business. Business coaching positions Vermont businesses for growth and long-term success while peer-to-peer advising offers growth stage business CEOs, founders and their management teams with strategic consultation from experienced business executives and consultants.

We have particular expertise in working with businesses that are expecting or experiencing a significant transition (e.g., revenue and/or employment growth, expanded facilities, entering new market channels, developing or expanding their management team, succession planning or implementation). We also help our clients explore and prepare for the right match of growth capital (e.g., debt, equity, royalty financing) for their scale and stage of business.

IMPACT: VSJF’s year-long intensive coaching engagements with 26 farm and food-related businesses between 2011-2018, resulted in more than \$16 million in new capital raised, more than \$5.5 million increase in annual payroll and at least 93 new full-time and 57 part-time jobs.

“The Vermont Sustainable Jobs Fund provided us with the expert advice and consistent assistance that helped us look strategically at the big picture of where our business was going and why. VSJF advisors brought a wealth of strategic financial planning approaches and analytical instruments to the table that made it possible for us to take the next big step in managing a maturing business. The fact that this support is structured to happen regularly over the course of a year is extremely valuable as the ups and downs of running a business often require flexibility, perspective and experience to manage through.”

**Judith Irving,
Owner of Fat Toad Farm**



Agriculture and Food Systems

Economic development in Vermont’s farm and food sector translates to job creation, increased local food consumption and a reduction in food insecurity for all Vermonters.

The Vermont Sustainable Jobs Fund administers the Farm to Plate Network, which is comprised of farms, food manufacturing businesses, specialty food producers, educational institutions, nonprofit organizations, funders, capital providers, and government personnel. Through the Network, we create the space for strategic industry-level conversations and high impact collaborative projects that are building resiliency in our local food system.

The enabling legislation for Vermont Farm to Plate created a 10-year time horizon spanning 2010 to 2020 for the creation and implementation of a statewide food system plan. As Farm to Plate approaches 2020, the Farm to Plate Network has made major progress in implementing priority strategies and achieving objectives. In 2019, VSJF will request reauthorization from the Vermont Legislature to continue the Farm to Plate Investment Program beyond 2020.

IMPACT: In 2010, Farm to Plate set a target of 10% local food consumption by 2020. By the end of 2017 (latest available data), Vermonters and visitors spent 12.9% (\$289 million) of their food and beverage purchases on local products, an increase of \$176 million since 2010. Since Farm to Plate began, Vermont’s food system employers have added 6,559 net new jobs (2010 to 2017) and 742 net new businesses have been created. Food insecurity in Vermont households has decreased from 13.2% to 9.8% (2010 to 2017). More detailed progress is available in the Farm to Plate Annual Report.

“We do not think about the food system as a whole in this country except in small pockets, like Vermont.”

**Laura Lengnick,
Farm to Plate Network Annual Gathering keynote speaker and author of Resilient Agriculture: Cultivating Food Systems for a Changing Climate**



Climate Economy

Rural economies are struggling to maintain their local food systems and reduce their dependence on fossil fuels, especially as extreme weather events become more prevalent. Vermont, a longtime leader in the food and energy sectors, is well positioned to foster the business sectors that will help address these challenges.

Confronting climate change through innovative economic development initiatives will help Vermont build a national reputation, create jobs, and attract youth and entrepreneurship to our state.

Accel-VT is a business accelerator providing startup support, mentorship, and access to capital for entrepreneurs developing innovative solutions to addressing climate change. Accel-VT will conduct the next accelerator in mid-2019 with entrepreneurs focused on reducing fossil fuel use in heating and transportation.

Through the **Vermont Climate Economy Business Network**, we are building community, creating opportunities to explore business-to-business collaboration, and providing targeted expertise to develop and grow Vermont businesses whose products and services prepare for, mitigate against, or adapt to the impacts of climate change.

IMPACT: In FY18, Accel-VT Energy graduated its first eight climate change innovation entrepreneurs focused on solving distributed energy challenges with the electric grid while honing business models for success in the marketplace. As of June 2018, these companies had collectively increased revenues by 573%, number of employees by 84%, wages by 112% and equity investment by 105%. During late 2018, Accel-VT Ag and Food Tech graduated eight cohort companies that use technology to help solve pressing agriculture and food system issues facing society.

“Accel-VT serves as a compelling example of how Vermont utilities are partnering to foster energy innovation for the benefit of our customers. As the first city in the nation to source 100 percent of its power through renewable generation, Burlington is a leader in moving our country away from fossil fuels. Accel-VT opens doors for energy entrepreneurs who share our goal of a greener planet, and these companies help boost economic development all around Vermont.”

**Neale Lunderville,
former General Manager,
Burlington Electric Department**



Forest Products

Our **Forest Products Program** helps support and promote the forest and wood products industry by developing value chain investment strategies to improve market opportunities for individual businesses and the industry as a whole. The program is a collaborative partnership between the Vermont Sustainable Jobs Fund, the **Vermont Working Lands Enterprise Initiative**, and the **Northern Forest Center**.

The Vermont Forest Industry Network creates the space for industry professionals from across the entire supply chain, and trade association partners throughout the state, to build stronger relationships and collaboration throughout the industry. This includes helping to promote new and existing markets for Vermont forest and wood products, from high-quality furniture to construction material to thermal biomass products such as chips and pellets.

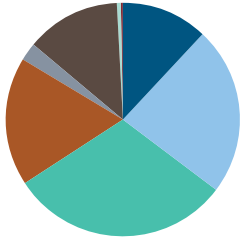
In the coming years, the Forest Products Program and the Vermont Forest Industry Network aim to solve industry challenges, seize opportunities, and ultimately create a new forest culture in Vermont that values not only the incredible forested landscape we all cherish, but also the people and businesses who help keep our forests as forests.

IMPACT: Vermont's forest products industry generates an annual economic output of \$1.4 billion and supports 10,500 jobs in forestry, logging, processing, specialty woodworking, construction and wood energy. More than 150 industry professionals attended the **First Annual Vermont Forest Industry Summit** in June 2018 at Burke Mountain Resort.

“Consumers have a choice in how they spend their dollars, and we want to give them a clear alternative to mass-produced, low-quality furniture. It's like food... anyone who feels frustrated by environmental problems can start by understanding where the things they buy come from.”

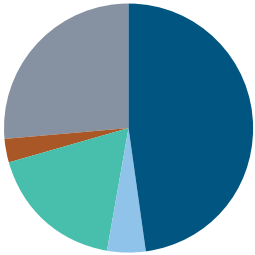
**Peggy Farabaughaid,
Owner of Vermont Woods
Studios, Vernon, VT**

Financials



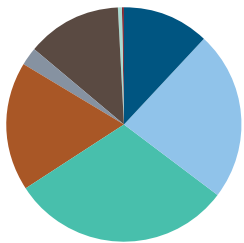
FY18 VSJF REVENUE BY SOURCES

Federal Grants*	\$197,099	12.0%
State Grants	\$383,444	23.4%
Foundation Grants	\$502,457	30.6%
Fees for Service	\$291,458	17.8%
Special Events	\$39,368	2.4%
Corporate Sponsorships	\$215,454	13.1%
Contributions	\$9,905	0.6%
Interest & Misc. Income	\$1,549	0.1%
TOTAL	\$1,640,734	



FY18 VSJF EXPENSES BY CATEGORY

Personnel	\$756,325	48.0%
Grants Funded	\$75,938	4.8%
Operations	\$281,734	17.9%
Occupancy	\$46,593	3.0%
Professional Services†	\$414,787	26.3%
TOTAL	\$1,575,377	



FY18 VSJF EXPENSES BY INITIATIVE

Farm to Plate	\$654,709	41.3%
Forests Products	\$320,889	20.2%
Climate Economy	\$360,719	22.7%
Business Assistance	\$93,045	5.9%
Flex Cap Fund	\$145,508	9.2%
Fiscal Sponsorship	\$12,127	0.8%
TOTAL	\$1,586,996	

* Federal Grant Revenue Sources include US Economic Development Authority (EDA) and the Northern Border Regional Commission (NBRC). Foundation grants represent private philanthropic foundation funds received in FY18 or FY17 but expensed in FY18.

† 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.

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Shane Rogers,
Rooted in Vermont
Project Manager

Christine McGowan,
Forest Products Director

Kelly Nottermann,
Communications Manager
(joined staff October 2018)

Rachel Carter, Communications
Director (left February 2018)

VSJF FY18 FUNDING SOURCES

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

Angell Foundation

Anonymous Foundation

Canaday Family Charitable Trust

Henry P. Kendall Foundation

High Meadows Fund

Holburn Foundation

Jane's Trust

Jane's Trust Foundation

John Merck Fund

Northern Border Regional
Commission

Sandy River Charitable Trust

Sustainable Future Fund

US Economic

Development Authority

Various Corporate Sponsors
supporting VT Farm to Plate
and Accel-VT

Vermont Agency of Agriculture,
Food & Markets (General Fund)

Vermont Agency of Commerce
& Community Development
(General Fund)

Vermont Housing &
Conservation Board

Vermont Training Program
(General Fund)

Vermont Community Foundation

VLITE

Windham Foundation

VSJF also provided fiscal sponsorship services for Energy Action Network and the Hunger Mountain Food Coop Fund in FY18.