

2012 Annual Report



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The mission of the ***Center for an Agricultural Economy*** is to build a *regenerative, locally based, healthy food system by engaging the greater Hardwick community through collaboration opportunities, educational outreach and providing infrastructure.*

In 2012, the CAE expanded upon the food system infrastructure with the full operation of the ***Vermont Food Venture Center.*** This facility aims to support job creation, strengthen Vermont's local food systems and further integrate the agricultural economy into the wider community, by supporting *food based businesses, value-added farm products, and food security partners* with processing and packaging.

I. LETTER FROM THE CHAIR OF THE BOARD & EXECUTIVE DIRECTOR

Dear Friends,

We are pleased to report that 2012 has been a year of growth and realization of long-held dreams for enhanced food production in greater Hardwick and throughout Vermont.

With the construction of the Vermont Food Venture Center (VFVC) in 2011, the CAE started to become a critical piece of local food *infrastructure* in the region. The VFVC became the crowning piece of CAE's long-standing three-pronged program – the place where farmers could process and preserve their fruits and vegetables and where budding food entrepreneurs would create new value added products; where community members could aggregate, process and preserve their gardens' bounty at the end of the season; and where gleaned and extra product could be processed for the local food pantry, local schools and other institutional food sites serving those most in need. Now at the end of 2012, the VFVC is described as a state-of-the-art food business incubator facility where locally grown and regionally-sourced farm products are processed for a variety of markets. When fully equipped, the machines, processing and storage facilities to make it both a processing and aggregation center for the local food businesses in the Northeast Kingdom – a true food hub.

In 2012 much work was accomplished on CAE's first project (2004) Atkins Field, a 15 acre parcel of land in the heart of Hardwick. Once the site of a granite company, today with its historic anchor (the remains of a large granite shed and barn) the site has become in recent years Hardwick's unofficial Town Green as it is now the home of the local farmers market, Hardwick's community gardens, the open space for a number of fairs and festivals; and a gateway to Buffalo Mountain with its lands and trails used for local outdoor recreation.

The third part of the CAE 2012 programming focused on food security – getting more local and healthy food in the hands of those most in need. CAE continued this work by teaming up with the local food pantry: creating a Food Access Fund (dollars the food pantry can use to buy fresh, local produce or meats); the *Pies for People/Soup for Supper* initiative – a community collaboration to turn the pulp from pumpkin and squash plants harvested for their seeds into pies and soups for the needy; and the Vermont Farm Fund (an emergency loan and innovation fund created after Pete Johnson lost his barn to fire).

Sincerely,

Tom Stearns, CAE Board Chair

Monty Fischer, Executive Director

II. FOOD SYSTEMS INFRASTRUCTURE: *Year One of the Vermont Food Venture Center*

Operated by the Center for an Agricultural Economy (CAE), the Vermont Food Venture Center (VFVC) is a multi-use processing facility, which aims to support job creation, strengthen Vermont's local food systems and further integrate the agricultural economy into the life of the greater Hardwick community. We provide inspected kitchen spaces furnished with medium scale, semi-automated equipment alongside a broad range of technical and business services required to support start-up and expanding businesses.

Supporting food production and processing, especially through the facilities at the state-of-the-art Vermont Food Venture Center, the Center for an Agricultural Economy has grown the skills and services offered in this part of the state. After completing its first full year of operation, the VFVC offers:

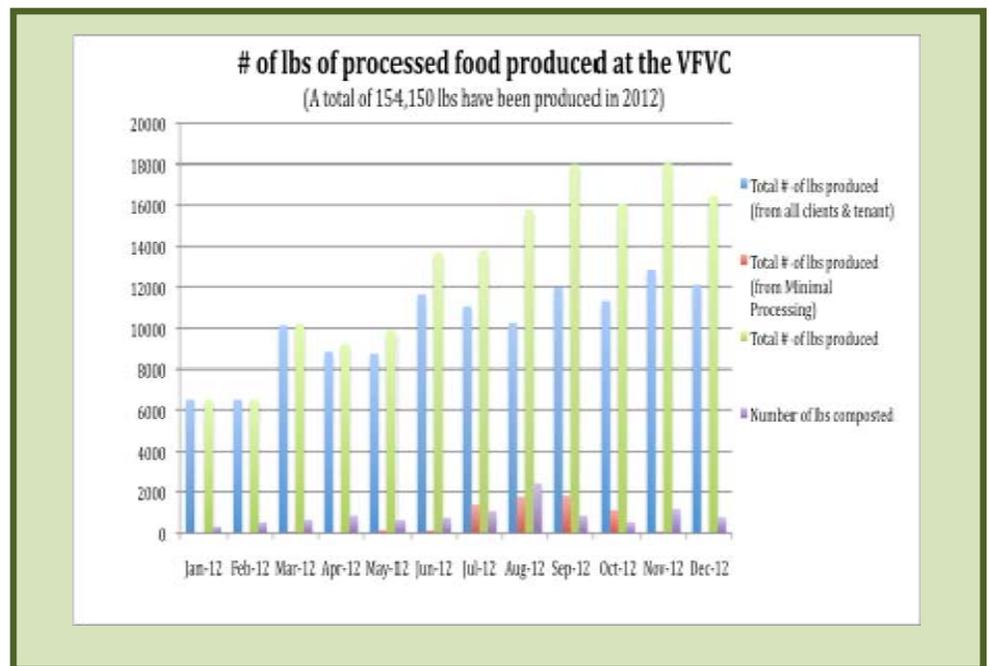
- Multi-use kitchens w/ semi-automated equipment
- Cold and Dry Storage
- Product and Process Development
- Co-packing Services
- Business & Production Services

"I might not be doing what I'm doing without the VFVC."

-VFVC processing client

Minimal Processing: Through the Castanea Foundation's Equipment Lease Program, the VFVC scaled up vegetable processing equipment, specifically for broccoli and carrot processing and processed thousands of pounds of vegetables and fruit, seeing great potential for scaling up its output. Based on research from multiple sources, there is good potential for Vermont products like carrot sticks, root crop medleys, and slaw mixes. In total, the VFVC made 18 different fresh and frozen fruit and vegetable minimally processed products, from frozen corn on the cob to frozen tomato puree.

Partnerships: Through a pilot program for 2012, called *Farm to Institution*, the VFVC partnered with University of Vermont's *High School Harvest*, a service learning pilot program for high school students. Over 10 weeks this fall, we hosted a group of students from Hazen High School who processed vegetables from High Mowing Organic Seeds and Pete's Greens. The students processed over 200 pounds of local produce, finishing with 140 sellable pounds of 4 different products for Hazen Union's cafeteria. In order to bring more local, minimally processed local food to institutions such as schools,



hospitals, local retail markets, new systems need to be developed and refined to make the product both affordable and accessible.

Quick Stats for 2012:

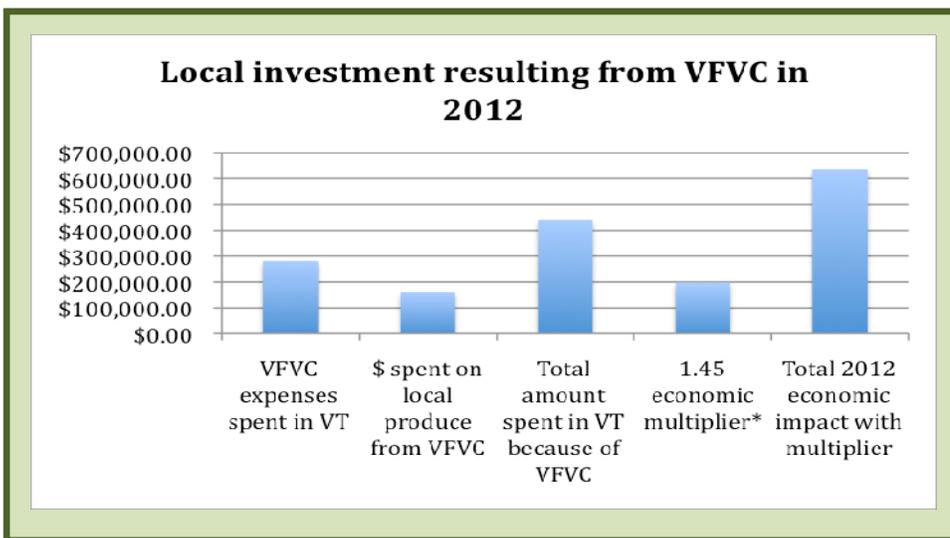
- 1488 hours of *client use* in the kitchens for the year.
- 666,551 lbs of *local foods* were processed at VFVC.
- 154,150lbs of *finished product* made.
- 10,810 lbs of food scraps were *composted*.
- 16% of initial client inquiries were incubated to client status.
- Our kitchens were used at 25% of capacity
- Our storage use was 27% of capacity
- We clocked 285 hours of business advising.
- We had over 1000 hours of kitchen assistance to clients.
- We retained or created nearly 3 dozen jobs in the first year.
- With our assistance, clients have scaled up and produced over 100 products

The VFVC was constructed with funds from President Obama’s American Recovery and Reinvestment Act of 2009, and so one of its primary purposes is to contribute to economic gains in the region through realized through job creation, local investment, local food purchasing, and hiring local service providers. It is a priority for the VFVC when making spending decisions to use local products and services as much as possible.

Through evaluation framework and grant requirements, a goal of 20 full-time equivalent jobs by April 2014 was targeted, as a result of VFVC activities. By October 2012, 17 months earlier than expected, a total of nearly **three dozen jobs** were tracked as a direct result of VFVC operating. Calculations indicate that 49.73% of those employed were low-to-moderate income, just under the target of 51%.

Using a standard local multiplier (1.45) to calculate economic impact, the money that the VFVC has spent in Vermont (\$280,791.79) and the amount of money spent on local food because of the VFVC (\$158,820.52)

results in a multiplier of \$197,825.69. This means that in 2012, there was an estimated \$637,438 in economic activity within Vermont brought about by the VFVC.



III. Food Systems Education and Community Outreach: *Atkins Field ...*

ATKINS FIELD:

Working with community members, local organizations and schools, the CAE has developed a downtown 'town green' which is heavily utilized throughout the summer and fall months. This 15 acre property has become a center for events, is the new home of the **Hardwick Community Gardens**, and is home to the seasonal **Hardwick Farmer's Market**.

Community Gardens: For years now the CAE has embraced the concept of community gardens, in which area residents and community members tend plots within a shared space. Worldwide, the community garden model has become increasingly popular-as way of developing communities through a shared agricultural resource. Locally, the Hardwick Community Gardens continue to bring Vermonters together to share in the process of growing their own food, learn about gardening and become agriculturally active. The CAE thanks the Hardwick Electric Company and Hardwick's Town Manager for the use of this land, along the Lamoille River, in 2010.

The Hardwick Community Gardens have enabled us to bring our message to a wider audience and expand access to locally-grown food. They've also served effectively as a teaching tool and outdoor classroom. The CAE has partnered with area youth in the Garden through the REACH 21st Century after-school program and the Buffalo Mountain School, a program for youth with emotional and behavioral challenges and learning disabilities. Future generations are learning how to cultivate their own food, contribute to their communities, and become active stewards of a communal resource through the Gardens programs. This year has marked another phase of incremental expansion and improvement of the Gardens. We are pleased to see more and more people and organizations getting involved with the Gardens each year, making them a dynamic and on-going local success story.

COMMUNITY OUTREACH:

Implementing a comprehensive series of food security and access programs to integrate, coordinate, and advance the wide array of food and agricultural initiatives currently underway in Hardwick and surrounding communities, such as local tours, and workshops.

Tours: The CAE recognizes the interest of individuals and organizations in healthy, local food systems as well as the opportunity of exposure to the agricultural-based business tours in our area. By combining these interests into informative, energetic tours, the CAE is striving to share its mission, while creating a stream of revenue. In 2010, CAE organized 6 guided tours (many sold out) with a maximum of 25 individuals held monthly May through October. All tours were caravan-style, beginning and ending at the CAE office. The feedback from participants has been overwhelmingly positive.

FOOD and FARM OUTREACH:

The Vermont Farm Fund was started in response to disaster. Pete Johnson, owner of Pete's Greens, received thousands of donations when word spread of his devastating loss when a fire took his barn and processing facility in January 2011. Reaching out to the Center for an Agricultural Economy, Pete's Greens

offered to "pay forward" their donations if the CAE would help make a community loan fund for Vermont farmers and food producers become a reality.

In March 2011, the Vermont Farm Fund debuted, seeded with \$40,000 from Pete's Greens, and got to work creating structure and strategy for this new loan program for farmers and producers. Then, in August 2011, Tropical Storm Irene devastated our working landscape, particularly hitting hard the southern part of our State. Working quickly, CAE and Pete's Greens staff as well as the advisory committee made up of dedicated volunteers connected to the farming community from all four corners of Vermont, created the Emergency Loan Program, quickly loaning funds between \$5,000 to \$10,000 to Vermont farmers in as little as 5 to 10 business days.

In 2012, the Vermont Farm Fund launched its Innovative Loan Program, creating a low interest loan package with a quick turnaround process, to farms and producers who were innovating within the Vermont local food system. Although still a freshman on the scene, the VFF was able to loan out \$151,000 to 16 producers by the close of the year.

IV. Finances for 2012 and CAE Transition

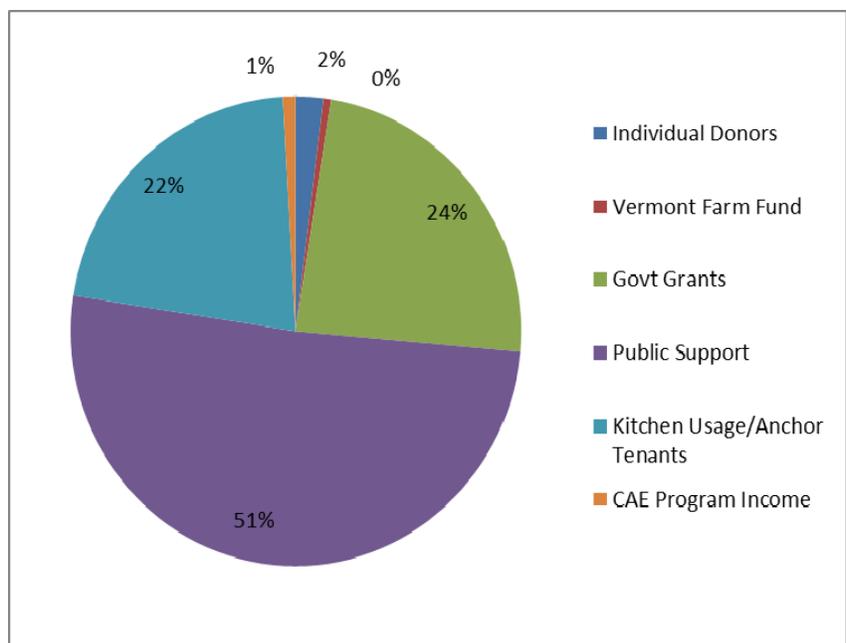
The CAE is especially appreciative of the financial support received from all of its members and donors, as donor support is a key lifeline for CAE's operational success.

The following sources generously supported the CAE throughout 2012: Claneil Foundation; New England Grassroots Environment Fund; High Meadows Fund; Vermont Agency of Agriculture; Holborn Foundation; Fieldstone 1793 Foundation; Canaday Family; Boston Foundation; Castanea Foundation; USDA Rural Business Enterprise Grant; Northeastern Vermont Development Association; Lattner Foundation; Community Gardens Network; Mazer Foundation; Vermont Community Foundation – NEK Fund; and anonymous donors.

The CAE owes a tremendous thanks to its Board of Directors, and to many volunteers, agricultural producers of all sizes, and friends throughout 2012 who so generously gave of their time and talents to furthering the goals of the CAE. This also includes Steve Patterson and Alison Low (NVDA) and Deb Wilson and Rachel Davey on behalf of the Hardwick Community Gardens and for Spring Festival at Atkins Field.

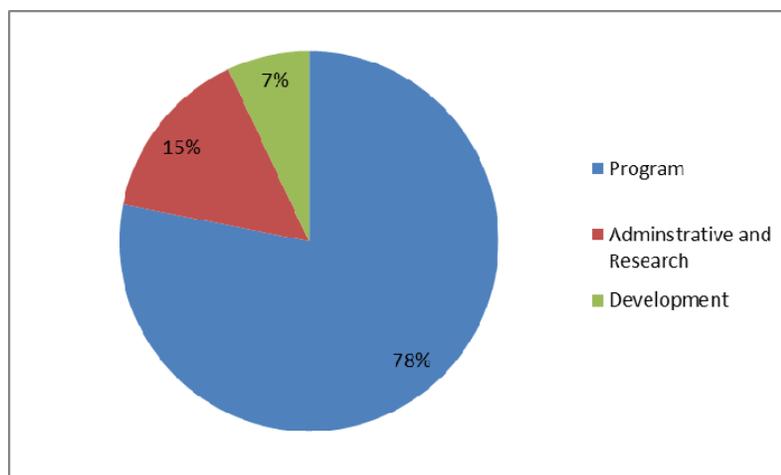
INCOME: \$627,312

Individual Donors	\$12,570
Vermont Farm Fund	\$3,475
Government Grants	\$145,581
Public Support	\$320,121
Kitchen Usage/ Anchor Tenants	\$135,931
Program Income	\$5,634



EXPENSES: \$614,448

Program	\$479,918
Administrative and Research	\$91,583
Development	\$42,987



At the end of 2012, our founding executive director, Monty Fischer, moved into the position of development director. Over the course of the holiday season, the CAE looked for and hired a new executive director, Sarah Waring, to take on the CAE operations and programs. CAE also wished staff member Heather Davis success as she transitioned to new opportunities. Her work in 2012 on measurable outcomes for CAE and VFVC programs was very important to setting the base for our work in the years ahead.

2012 was also a year in which the CAE staff and board also discovered the challenges of being in two office spaces; so all staff moved into the VFVC building in the Hardwick Industrial Park in the early months of 2013. This move enables the team to work together more smoothly, as well as to focus on the clients of the VFVC, and the tools of food system infrastructure and how they can play a more vital role in the local projects.

2012 CAE Staff –

Monty Fischer, Executive Director

Elena Gustavson, Program Director

Heidi Krantz, Business Advisor (through partnership with VtSBDC)

Traci Lamarche, Financial Manager

George Keener, VFVC Operations Manager

Connor Gorham, VFVC Professional Production Assistant

Annie Rowell, VFVC Program Associate

Heather Davis, Food System Monitoring and Evaluation Research Associate

Paige Wierikko, Program Intern

V. Vision for the Future: 2013 and Beyond

In the middle of 2012, amidst growth and the increase in opportunities, CAE staff and board concluded a Strategic Planning process. The outcome was to build a vision which included the food system infrastructure as a major element of the CAE's work for the next number of years, and to fully expand upon the challenges presented through CAE operating the newly opened VFVC facility. The process of this planning process resulted in a strategy for programs that is aligned with the CAE's business and financial model so that the resulting strategic plan includes programs, financing and operations in an integrated way.

The vision going forward, articulated by the 2012 Strategic Plan, describes in detail how CAE will encourage and compel potential supporters and partners to join CAE as it works to realize its vision. The plan sets forth a bold vision for the future and a specific road map for getting there, which continues to inspire confidence and investment. The CAE and the VFVC goals for 2013 and beyond include: (1) The Vermont Food Venture Center will embody the CAE mission by demonstrating the positive impact of local food production on our economy and our community. (2) There will be adequate staffing to balance implementation of current programs and pursuit of new opportunities. (3) The Food Security and Food Access strategy will put local food on the table of many, if not most, of the people in the greater Hardwick area. (4) The CAE will have the organizational capacity, systems, and funding stream to pursue the strategic goals. Staff will be supported in implementing the strategic goals. As new opportunities arise they will be vetted and at times reorder CAE's "regular" work.

The 2012 CAE Board of Directors has been the guiding force throughout the year to assure a balanced budget and careful management of all CAE resources and assets, and their volunteer hours and leadership is most appreciated.

Center for an Agricultural Economy Board of Directors - 2012

Tom Stearns, Chair
High Mowing Organic Seeds
Wolcott, VT 05680

Andrew Meyer, Secretary
Vermont Soy
180 Junction Road
Hardwick, VT 05843

Johanna Laggis
Laggis Brothers Farm
East Hardwick, VT 05836

Annie Gaillard
Buffalo Mountain Coop
Hardwick, VT 05843

Andy Kehler, Vice-Chair
Cellars at Jasper Hill
Greensboro, VT 05841

Pete Johnson, Treasurer
Pete's Greens
Craftsbury, VT 05826

Tom Gilbert
Highfields Center for Composting
Hardwick, VT 05843

Neil Urie
Bonnieview Farm
Craftsbury, VT 05826

Feeding Ourselves/Local Food Resources System:

