

Farm Viability Programs:

Providing One-on-One Business Coaching
& Building a Sustainable Business
Assistance Network in the Northeast

Ela Chapin, Vermont Farm & Forest Viability Program
Mark Cannella, University of Vermont Extension



VERMONT'S AGRICULTURAL ECONOMY

The Green Mountain State
Population: 625,000 Flat, no growth
Median Household Income: \$56,000
Per Capita Income : \$30,000

Major Cities:

- Capital City: Montpelier (pop. 7,500)
- Burlington (pop. 45,000) plus metro- surrounding areas (pop. 215,000)



VERMONT'S AGRICULTURAL ECONOMY

- Approximately 2,400 commercial farms statewide
- 735 are dairy farms
Account for 70% of Vermont's agricultural sales
More than ¼ are certified organic

- Maple syrup is expanding
- Remaining farms highly diverse: grains, apples, beef, vegetables
- Beer, hard cider and spirits
- Per capita, highest direct Ag product sales and farmers markets



Randy Callan

KEY POINTS

- Vermont has invested deeply in one-on-one business management advising
- This is about rural economic and community development
- Unique model focused on partnerships and funding
- Parallel effort in the Northeast to NFRBMEA on networking and professional development:
 - National Farm Viability Conference
 - business assistance network in New England & NY
- Seeking for ways to partner and learn from each another

VERMONT HOUSING & CONSERVATION BOARD

- Funded by state property transfer tax
- Investing in affordable housing & land conservation
- Supporting networks of nonprofits



VERMONT FARM & FOREST VIABILITY PROGRAM



Working to enhance the viability of Vermont farm, food and forestry enterprises.

- Program Provides:**
- Business planning
 - Succession planning
 - Targeted business assistance
 - Growth-stage management coaching

NETWORK OF BUSINESS ADVISORS

PROGRAM IMPACTS

- Identifying and meeting business goals
- Increasing business management skills, from decision-making and financial record-keeping and analysis to marketing & sales
- Implementing business expansions, generational or ownership transfers, and other transitions
- Increasing profits
- Accessing financing and other capital
- Improving quality of life

Jeff, Lily & Melanie Carpenter

INCREASE IN PARTICIPANTS' MANAGEMENT ABILITIES

Ability	Before	After
Overall ability to manage their business	31%	88%
Ability to generate income	31%	69%
Production management	47%	82%
Ability to understand the direction they would like the business to take	28%	84%

INCREASE IN PARTICIPANTS' MANAGEMENT SKILLS



ECONOMIC GROWTH

3 FTE increase per farm, **3x** average job growth for Vermont farms

23% increase in average gross income, from \$240,100 to \$295,600

Over **300%** increase in average net income, from \$4,875 to \$21,861



Jericho Settler's Farm

ACCESS TO CAPITAL

50% of participants use their business plan to source financing

95% secure financing

"I am always impressed with the quality of business plans and overall preparedness of business owners that have been through the Viability Program. They have a greater understanding of their financial statements, the risks they may encounter, and opportunities available to their businesses."

- Sarah Isham, VT Ag Credit Corporation

KIMBALL
BROOK FARM
NORTH FERRISBURG



Cheryl & JD DeVos

KIMBALL
BROOK FARM
NORTH FERRISBURG

- JD and Cheryl began to acquire family farm in 1997
- Transitioned 220 head dairy to organic in 2004
- Examined feasibility of milk bottling plant from 2008-2011



\$1.2M Raised for bottling

- \$450,000 from investors (~20 accredited and non-accredited investors)
- \$225,000 loan, guaranteed by USDA RD
- \$225,000 bank loan against
- \$300,000 USDA VAPG grant

BREAD &
BUTTER FARM
SHELburne



Adam Wilson & Corie Pierce

BREAD & BUTTER FARM
SHELBURNE

Corie Pierce & Adam Wilson purchased farm in 2009

\$165K Raised:

- \$15K Carrot Project loan
- \$15K NOFA-VT loan
- \$30K family loan
- \$40K Private loan (community member)
- \$20K FSA loan
- \$45K in memberships – advanced CSA share offering



SCREAMIN' RIDGE FARM & JOE'S SOUPS
EAST MONTPELIER



Joe Buley

LABREE LOGGING
DANVILLE



Karen & Eric LaBree

**WINTERWOOD
TIMBERFRAMES**
EAST MONTEPELIER



Andy Harper

FUNDING:
STATE FUNDS
MATCHED WITH
FEDERAL FUNDS

- USDA Rural Development
 - Rural Business Development Grant (RBDG)
- USDA Agricultural Marketing Service (AMS)
 - Beginning Farmer & Rancher Development Program
 - Local Food Promotion Program
- USDA Risk Management Agency (RMA) & Risk Management Education
- Small Business Administration (SBA)
- Economic Development Authority (EDA)
- Other federal, state & philanthropic sources

**PROFESSIONAL
DEVELOPMENT**

- Quarterly network meetings of ag business advisors
- Trainings
 - Capital providers & business advisors
 - Regional trainings on business planning, marketing and accessing capital



Misty Knoll Farm

NATIONAL FARM VIABILITY CONFERENCE

- Gathering and professional development for ag business advisors, educators and consultants
- 2008 in Vermont – 120 attendees from 14 states
 - 2013 held again in Vermont – 200 attendees from 20 states
 - 2017 in Albany, NY – 300+ attendees from 28 states
 - 2019 TBD

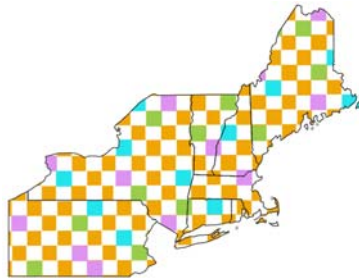


BUILDING A BUSINESS ASSISTANCE NETWORK NEW ENGLAND & NEW YORK'S HUDSON VALLEY

- Goals:**
- Sustainable funding - federal, state, and philanthropic
 - Professional development for business advisors
 - Network of business assistance programs and business advisors
 - Organizational structure to accomplish and maintain these goals and work across state lines



BUILDING A BUSINESS ASSISTANCE NETWORK





BUILDING A BUSINESS ASSISTANCE NETWORK: PARTICIPANTS

American Farmland Trust, Berkshire Agricultural Ventures, Coastal Enterprises Inc., CCE Saratoga County, Center for an Agricultural Economy, Cornell Cooperative Extension, Fair Food Network, Farm to Institution New England, FARMroots, Franklin County CDC, Glynwood, Joyce and Irving Goldman Family Foundation, GrowNYC, Hudson Valley Agriculture Development Corporation, Hudson Valley Farm Hub, Intervale Center, Kitchen Table Advisors, Kitchen Table Consultants, Land for Good, NH Community Loan Fund, Maine Farmland Trust, MA Dept. of Agricultural Resources, Mass Growth Capital Corporation, National Young Farmers Coalition, New Entry Sustainable Farming Project, NH Cooperative Extension, Propel Capital, PVGrows Investment Fund, RI Agricultural Partnership, RI Governor Gina M. Raimondo's Office, Slow Money Maine, Social Enterprise Greenhouse, The Carrot Project, The John Merck Fund, Wallace Center at Winrock International, UConn, UVM Extension, UVM Food Hub Mngt. Certificate Program, VT Community Loan Fund, VT Farm & Forest Viability Program

EXTENSION'S ROLE IN FARM VIABILITY

- Vermont Extension is an academic unit at UVM
 - Regional and "program area" basis
- Low Capacity: 1 Base Funded Faculty and "entrepreneurship"
 - Partnerships and grant revenue drive programs
- 5Year Plan (2010 – 2015)
 - Expand a program portfolio that complements "Farm Viability" project

**INDIVIDUALIZED
BUSINESS
PLANNING**

Full Plans and Transfer Plans

- 8 meetings per year, 6-18 month projects
- On-farm meetings.... But we are moving to online/phone hybrid

Enterprise Analysis – Cash Flow Projection

- 2-4 meetings, 2-4 month projects

Annual Roster

- 15 Business Plans, 5 EA/Cash Flow, 20 Year Two's, 5 "olds" and 5 "recruits"



**A ROBUST
NETWORK
FARM VIABILITY
ESSENTIALS**

Skilled Staff

- Business Management Education Toolbox
- Project Management
- Facilitation

Our Business Management Toolbox

- Financial statement preparation and analysis
- Business plan preparation
- Behavioral Psychology: ie. Myers-Briggs
- Family Business Theory: ie. Bowen Family Systems

**A ROBUST
NETWORK
FARM VIABILITY
ESSENTIALS**

Skilled Professional Services

- Accounting Records
- Taxes
- Legal
- Marketing



Partner Organizations

- Networks and training
- Sector Expertise and farmer profiles
- Regional coverage

INDIVIDUALIZED BUSINESS PLANNING

Transfer Planning is Shifting

- Using 2 planners per project when needed

Acquisition Planning – Feasibility Planning

Exit Planning

VHCB Transfer Planning Guidelines





PROGRAM MANAGEMENT

1 Staff = ~12-15 plans per year

- BUT.... No one is 100% on this project

Costs to Operate:

- Business Plans and Transfer Plans : \$4,000 - \$6,000 each
- Enterprise Analysis: \$2,500 each
- Year Two Implementation: \$2,000 each
- Consultants and a Consulting Budget

PROGRAM MANAGEMENT

Balancing the Recipe

- Deliverables based contracts
- Service Based Delivery
- Educational Organization Metrics

Economic Development Metrics

Professional Development/Training




AGRICULTURAL BUSINESS PROGRAMS TODAY

Service – Education

- Individualized Business Planning – Statewide Farm Viability, Water Quality Business Analysis
- *New: Forest Business Coaching
- Management Teams – serving as facilitators and project managers

General Management Education

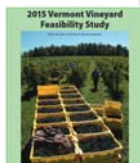
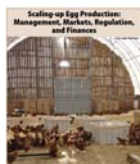
- Clinics by registration
- Classes, seminars, workshops
- **Weak links:** attendance, online curriculum, cost recovery



AGRICULTURAL BUSINESS PROGRAMS TODAY

Applied Research – Service Hybrid

- Cost Analysis and Benchmarking – Organic Dairy, Maple, Direct Market Vegetables
- Feasibility Studies



CONTINUE THE DISCUSSION

Break out session Wed. 3-4pm

- Dive in to discuss delivery of services and program models
- Examine opportunities for regional and national network & professional development

Contact Us

Ela Chapin, Vermont Farm & Forest Viability Program
802-828-2117
ela@vhcb.org

Mark Cannella, University of Vermont Extension
802-476-2003
mark.cannella@uvm.edu



National Farm Viability Conference attendees
