

**Vermont
Farm Viability
Enhancement
Program**

A program of the
Vermont Housing
and Conservation
Board

In collaboration with
the Vermont Agency
of Agriculture, Food
and Markets

Vermont Farm
Viability Program
VHCB
58 East State Street
Montpelier, VT 05602

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provider and employer*

November 30, 2009

ANNOUNCEMENT:

GRANT OPPORTUNITY FOR BUSINESS PLAN IMPLEMENTATION...

FOR COMMERCIAL & CUSTOM SLAUGHTER AND PROCESSING OF MEAT AND POULTRY, AND GRAIN PROCESSING PROJECTS.

\$60,000 in funding now available on a competitive basis to implement business plan projects.

DEADLINE:

Applications must be postmarked by THURSDAY, FEBRUARY 11, 2010

Thanks to funding from a private foundation, we are able to provide grants to assist meat, poultry and grain processing businesses in Vermont with the implementation of their business plans. Our goal is to support agricultural businesses, encourage business planning activities, and enhance the processing infrastructure of the Vermont food system.

To be eligible, the business must:

- Be primarily involved in the processing of meat, poultry or grain products;
- Be providing services to more than one farm business;
- Have a business plan that meets our Program's business plan guidelines and that supports the implementation project for which funding is requested; and
- Be located (preferably headquartered) in Vermont.

A strong preference will be given towards businesses that are based in Vermont, and have a proven track record. In addition, a preference will be made towards businesses that produce products primarily made with ingredients/products which are produced in Vermont or adjacent local areas, and businesses working to improve their ability to source local ingredients and/or products.

We expect that applications for funding will be highly competitive. The maximum grant amount you may request is \$20,000.

Your application will be strongest if you submit a thorough, up-to-date business plan and there is a clear link between your business plan and your proposed use of an implementation award. Please contact me to review your business plan in advance and make sure it meets our requirements (see next page). We may be able to help applicants develop, update or complete a business plan, in time for this or a future round of funding.

Please feel free to contact me for further information or to discuss developing a business plan. I will be out of town from December 7-25, during which time you may direct questions to Ethan Parke at 828-0795.

Regards,

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

Application materials enclosed with this mailing:

- Grant Program Information and Application Instructions
- Application Form
- Budget form

**Vermont Farm Viability Enhancement Program
2010 Business Plan Implementation Grants**

Grant Program Information and Application Instructions

Application deadline: Applications must be delivered or sent to the offices of the Vermont Housing and Conservation Board, 58 East State Street, Montpelier, VT 05602. **Applications must be delivered or postmarked by no later than 5 PM Thursday, February 11, 2010.**

We will not accept late applications. We will not accept faxed applications. We expect to notify applicants of funding decisions within 10 weeks of the deadline. Successful applicants will have to sign contracts with the Vermont Housing and Conservation Board and complete other paperwork before funds can be disbursed.

Eligibility requirements: In order to qualify for funding consideration your business must:

- Be primarily involved in the processing of meat, poultry or grain products;
- Be providing services to more than one farm business;
- Have a business plan that meets our Program's business plan guidelines and that supports the implementation project for which funding is requested; and
- Be located (preferably headquartered) in Vermont.

A strong preference will be given towards businesses that are based in Vermont, and have a proven track record. In addition, a preference will be made towards businesses that produce products primarily made with ingredients/products which are produced in Vermont or adjacent local areas, and businesses working to improve their ability to source local ingredients and/or products.

Funds will only be awarded for applications in which the proposed use of the implementation assistance funds has been adequately documented in the applicant's submitted business plan.

Eligible uses of the funds: The eligible uses for this funding include:

- Capital improvements including construction costs, materials and equipment;
- Conservation investments;
- Management and workforce training costs; and
- Certain market development costs, such as the cost of having a marketing specialist or graphic artist develop a product label.

Business plan requirements: Business plans submitted with your application must include:

- A business description
- The goals and objectives of the business
- A products and markets description
- Analysis of the business, such as a SWOT analysis, a market analysis and/or a feasibility analysis, as appropriate based on the nature of the business and your business goals
- Implementation plan – may include action items, a timeline, etc.

- A recent balance sheet
- A recent historical income statement
- Financial projections such as a cash flow analysis for the project, feasibility analysis, or other projected financial statement(s)

VHCB confidentiality policy regarding business plans: Business plans contain confidential information, such as financial statements, trade secrets and marketing strategies. Business owners may wish to keep this information confidential for reasons of competitive advantage. VHCB, as a public instrumentality, is subject to the Vermont Open Records Law, 1 VSA § 317. The statute contains specific exemptions for tax-related information of persons, personal financial information of an individual, and trade secrets. Therefore, business plans submitted to VHCB will be held in confidential files at VHCB and will not be available for public inspection under the Open Records Law.

Notwithstanding the Records Law exemption, when VHCB shares business plans with selected staff of the Program's statutory administrative partner, the Agriculture Agency, or with selected staff of the Viability funding agency, USDA/NRCS, strict confidentiality guidelines will be followed. Staff and members of the Farm Viability Advisory Board who review grant applications and related business plans also follow strict confidentiality, will not be allowed to make copies or to share information from the plans with any other person, and all copies are collected once reviewed.

Match requirement: Your application must demonstrate **at least** a 50 percent match from sources other than the Viability Program. Eligible match sources include your own capital, expected loan receipts, grants from private or public sources, outside investment capital, and your own or your employee's labor that is devoted to capital investment or market development (not ordinary operating labor). The matching funds must be directed to the same project for which you are requesting Viability funds.

Note: Your own or your employee's ordinary operating labor is not eligible as Viability Program funding match. It is OK to count labor costs you incur to carry out your project as "match." In other words, it is acceptable to demonstrate your own labor contribution as part of the financing of your project, sometimes referred to as "sweat equity." For instance, you might request \$10,000 to aid in the construction of a new cutting and packing facility. Your total project cost is \$20,000. Your budget could show \$4,000 of Viability funds allocated to purchasing building supplies, \$4,000 towards equipment, and \$2,000 in fees paid to a professional to design the new facility. Your budgeted match (non-VHCB funds) could show \$4,000 of your own labor in planning and building the project, \$2,500 of hired labor, and \$3,500 in a loan for equipment purchases.

Future obligations: Applicants who receive implementation assistance will be expected to remain in business for a period of five years. If a recipient of funds ceases to be in business within this time period, the Program reserves the right to require partial or full repayment. The recipient must also agree to allow Viability Program staff to visit the business and/or facilities to monitor the status of the project and the use of the funds. The recipient will be required to sign a contract with the Vermont Farm Viability Enhancement Program spelling out these conditions.

Tax consequences: Implementation awards must be reported as income on a business' tax return.

How to apply:

1. Check to see that you meet the Eligibility Requirements described in the accompanying literature.
2. Make sure that your project will have expenses that are eligible for Implementation Assistance Grant funding.
3. Fill out the application form and answer the application questions.
4. Fill out the one-page budget form, and attach a budget narrative, showing and describing the sources and uses of funding for your project. Be sure to show the required 50 percent funding match from sources other than the Viability Program.
5. Provide a copy of your business plan to document the project for which you are seeking funding.
6. Provide just one set of application materials – this should include the application cover page, narrative answers to questions, budget page, and your business plan. Do not use bindings, folders or covers, only paper please. Where possible, **PLEASE SUBMIT DOUBLE SIDED MATERIALS.**
7. Mail the completed application materials to:
Vermont Farm Viability Program
c/o Vermont Housing and Conservation Board
58 E. State Street
Montpelier, VT 05602
8. By submitting your application materials, you agree to allow your business plan and application materials to be read by the 10 members of the Farm Viability Advisory Board and review committee, and by staff of the Vermont Housing and Conservation Board. We have a strict confidentiality policy (see section on the policy above) regarding business plans submitted for review to the Farm Viability Program. No other persons will have access to your business plan, and all copies will be collected from staff and Advisory Board members following the Advisory Board meeting at which applications are reviewed.

Your application must be received at the offices of the Vermont Housing and Conservation Board, or POSTMARKED by 5 PM on THURSDAY, FEBRUARY 11TH. Late applications will not be accepted.

Application assistance: If you need assistance with your application or your business plan, please contact Ela Chapin, Farm Viability Program director, at 828-2117 or ela@vhcb.org.

Vermont Farm Viability Enhancement Program

**2010 IMPLEMENTATION GRANT APPLICATION
FOR AG-RELATED BUSINESSES**

INSTRUCTIONS

Please complete the entire application, including the budget sheet, and attach your business plan. Mail one complete set of application materials (including your business plan) to:

Vermont Farm Viability Program
c/o VHCB
58 E. State Street
Montpelier, VT 05602

Application deadline: Applications must be postmarked no later than **February 11, 2010.**

Applicants will be notified regarding funding decisions within 10 weeks of the deadline.

For more information, contact:

Ela Chapin, Program Director
828-2117
ela@vhcb.org

APPLICANT INFORMATION

Name(s) of individual applicant(s) _____

Name of business _____

Mailing address (street) _____

Town _____, VT Zip _____

Telephone _____ Email Address _____

How much financial assistance (up to \$20,000) are you requesting from the Program? \$ _____

BUSINESS PLAN INFORMATION

Does your business plan clearly describe a management change, new enterprise, or new investment for which you are now seeking funding? Yes No

Please list page number/s in your plan where the new activity is described: _____

Who prepared the business plan, or assisted in the preparation of the business plan? Please list contributors and advisors, and note the specific role of advisors (if any). We encourage third party involvement in the development of business plans but do not require it.

Vermont Farm Viability Enhancement Program

2010 IMPLEMENTATION GRANT APPLICATION FOR AG-RELATED BUSINESSES

APPLICATION QUESTIONS

Please answer the following questions on a separate sheet or sheets of paper. Answers must be typed. Please keep in mind that not all reviewers of your application will necessarily read your original business plan.

1. Overview of Business.

Please provide a basic description of your business, including a brief history, products produced, how products are marketed, ownership and management, etc. Not everyone who reads your application will have read your business plan. Please be specific about how your business supports or interacts with agricultural producers within and outside of Vermont.

2. Proposed Project Description.

Please describe the proposed investment (project) for which you are seeking assistance.

3. Coordination with your Business Plan.

Please provide a brief description of the goals and implementation plans set forth in your business plan, and describe how this project fits in. It will be most helpful to your application for you to reference specific portions of your plan. Not everyone reviewing your application will read your business plan.

4. Project Outcomes, Benefits and Impacts.

What are the outcomes that you expect from this project? How will the project benefit your business, your family (if it is a family-owned or operated business), your community, or the Vermont food and agriculture network and industry? Can you express this in terms of profitability, productivity, return on investment, viability, quality of life, and/or other areas? How do you expect the project will impact farmers, food producers, retailers, consumers, or other markets and parts of the food system?

5. Project Timeline.

Please provide a timeline for the project. Assuming successful funding, when do you expect completion of this project?

6. Contingencies and Permits.

Please list any other applications upon which your project is contingent (i.e. other grants or bank loans). Please list any federal, state, or local permits or approvals that will be necessary for you to implement this project, and their status.

7. Budget.

Please complete the budget sheet on the next page (required), and provide a budget narrative to demonstrate how the funds will be used, where matching funds are expected to come from, and what matching funds are already secured. In addition, you may provide a more detailed project budget in your own format, or identify where such project details are described in your business plan, although this is not required.

Vermont Farm Viability Enhancement Program

IMPLEMENTATION GRANT BUDGET SHEET

Please show budgeted amounts for the investment you hope to make in implementing your business plan. Fill in as many lines as are appropriate. You must fill out this form, even if you are also providing a more detailed project budget.

The first part of the budget should show how you would use funding from the Vermont Farm Viability Enhancement Program. The second part of the budget should identify each additional source of funding (the matching funds), such as personal savings, bank loan, grants, labor, etc.

In both cases, make sure you describe the specific uses of the funds under the "Uses" column.

PART ONE: VIABILITY FUNDED ITEMS

Sources

Uses

↓ Describe uses of funds ↓

Viability Funds: \$ _____ construction: _____

Viability Funds: \$ _____ equipment purchase: _____

Viability Funds: \$ _____ materials purchase: _____

Viability Funds: \$ _____ management and workforce training costs: _____

Viability Funds: \$ _____ conservation practice: _____

Viability Funds: \$ _____ marketing expenses: _____

Viability Funds: \$ _____ other expenses: _____

Total Viability: \$ _____ (This should be your requested amount.)

PART TWO: NON-VIABILITY FUNDED ITEMS (MATCH)

Sources

Uses

↓ List source of funds ↓

↓ Describe uses of funds ↓

_____ \$ _____ construction: _____

_____ \$ _____ equipment purchase: _____

_____ \$ _____ materials purchase: _____

_____ \$ _____ management and workforce training costs: _____

_____ \$ _____ conservation practice: _____

_____ \$ _____ marketing expenses: _____

_____ \$ _____ project labor*: _____

_____ \$ _____ other expenses: _____

Total non-Viability: \$ _____

Total Project Costs: \$ _____ (total Viability request from above, plus total non-Viability funding)

* Project labor may only be entered in the "Match" section, not in the "Viability" section.