

Funds for Market Development

Funds Available: \$150,000 total; \$5,000-\$30,000 per project

Proposals Due: October 13, 2010

The Vermont Agriculture Innovation Center (AIC) was created in 2009 when Senator Patrick Leahy secured \$469,000 in funding through the USDA's Agriculture Innovation Demonstration Center program. The goal of the Innovation Center program is to fund state-based Agriculture Innovation initiatives that provide technical, marketing and organizational development services to value-added agricultural businesses. Value-added businesses include farms that do some level of processing for raw products, alternative production (e.g. organic), diversified farming, or local foods marketing. The AIC is chaired by the VT Secretary of Agriculture Roger Allbee and directed by 13 board members, representing food system components and primary agriculture sectors of the state of Vermont. For FY 2010, Senator Leahy has secured one million dollars for the Vermont Agriculture Innovation Center to continue its work and disburse funds to strategically enhance value-added agriculture in the state of Vermont. FY 2010 funding will be available in five high-leverage project areas, including **Market Development**.

The last several years have witnessed a significant increase in planning processes for Vermont's agricultural development and a sentiment among service providers, producer groups, community organizations, and funders that more collaborative action is needed around strategic priorities. The AIC Board has identified the following project area –Market Development - as being of key importance and also advancing the value-added agriculture goals of the USDA's Agriculture Innovation Demonstration Center program. **Activities pertaining to general agriculture production without a value-added strategy or focus are not eligible for funding.**

The Vermont Agriculture Innovation Center will make \$150,000 available from 2010 USDA-RD funding for farmers, processors, distributors, organizations, businesses and/or individuals to offer specific market development projects based on the value-added product and the producers' goals along the full supply chain. Funds will be provided in the following areas:

- Initial identification and quantification of market demand for the proposed product.
- Cooperation between farmers and targeted end buyers to define specifications of a value-added product – for example quality standards that may differ between private consumers and commercial users (e.g. bakers, brewers, vintners, etc), or retail outlets' requirement for particular production practices such as eco-friendly.
- Collaboration between farmers, technical assistance providers, researchers, and others to meet the agreed-on specifications.
- Agreements between farmers, processors (if necessary), distributors / aggregators, and end buyers on systems for product delivery.
- Increase in volume of product going through the established supply chain, including bringing in new producers and new buyers.
- Protecting original production standards and ensuring continued quality of product - for example, offering technical assistance to new producers or writing specification manuals.

Vermont can benefit from building greater local and regional markets for Vermont products, supporting emerging products lines through collaboration along every point of the supply chain, and supporting greater producer control in establishing market outlets and price.

Eligible Applicants:

Applications are encouraged from existing farmers, processors, distributors, organizations, businesses and/or individuals and anyone else with experience in providing market development to Vermont farmers and ag businesses. **Strong preference will be given to proposals that demonstrate partnerships between multiple organizations, have a statewide reach, are innovative, and build on existing programs.** Projects may address more than one of the topic areas listed above. All producer groups are targeted through this work. Examples of types of producers that have already approached strategic market development along the supply chain include:

- Grains / flours
- Ice cider
- Traditional hard cider
- Artisan cheese
- Charcutery
- Hops
- Lightly processed local products for commercial kitchens (e.g. frozen vegetable mixes, pre-sliced carrots, etc.)
- Dairy beef for local markets.

Projects must meet the following criteria:

- Clearly identify the targeted market, sales potential within the market (descriptive if part of the project includes quantification of demand), producers interested in reaching the market, and the specific barriers to entry or expansion that will be addressed by their project.
- Applicant group must include at least one producer, although a non-producer may be the lead organizer.
- Market development projects must serve a producer group, not a single business.
- Market development must directly benefit producers who meet the USDA definition of “value added”, which includes products that are transformed from one state to another, produced using special practices (e.g. organic, IPM), marketed as local products, farm-based renewable energy, and /or produced on a diversified farm.
- **Be completed prior to September 30, 2011.**
- Present a budget that uses between \$5,000 - \$30,000 of Agriculture Innovation Center funds **and has a match of non-federal funds equal to at least 60% of the total budget.** In-kind contributions *can* count towards this match. For FY 2010, in recognition of time constraints, the AIC will review and consider **strong** proposals with an insufficient match, pending further match development. Meeting the 60% match requirement must be verified prior to contracting and release of AIC funds.
- Proposal does not exceed 4 pages for the proposal narrative; an additional page may be used for budget information, and an appendix may be used to list board members and/or to list personnel and their qualifications.
- All proposals are due: **October 13, 2010** and are to be **submitted electronically** to: colleen.leonard@state.vt.us

Required Proposal Outline:

1. Name of Organization(s) & Contact Information.
 - If there are multiple organizations presenting a collaborative proposal, please identify one primary contact.
 - Identify board of directors for applying organizations.

- Number of years in business for each applying organization or business.
 - Current activities related to Market Development and any examples of relevant past experience at your organization(s).
2. Project area or areas addressed in the application & brief description of how you plan to address each.
 3. Description of value-added business/businesses targeted in the proposal.
 4. Project Goals
 5. Performance Measures
 - Plans for measuring effectiveness of services provided (what will be measured, how it will be measured, when it will be measured).
 6. Expected Outcomes
 - What will the expected outcomes of this project be and how will it enhance value-added agriculture.
 7. Timeline
 8. Target Audience
 - If the target audience is primarily service providers please describe the producer audience that these service providers reach. Producer audience must meet USDA definition of value-added.
 9. Marketing & Outreach Plan
 - All marketing & outreach materials will need to recognize AIC as a funder
 10. List the personnel who will work on the project, and their qualifications.
 11. Detailed budget including non-federal match funds.
 - Contracted services or in-kind donated services require a per-hour or per-diem rate.
 12. Include a budget narrative.
 13. Include the page number, lead organization, and project title(s) on each page.