



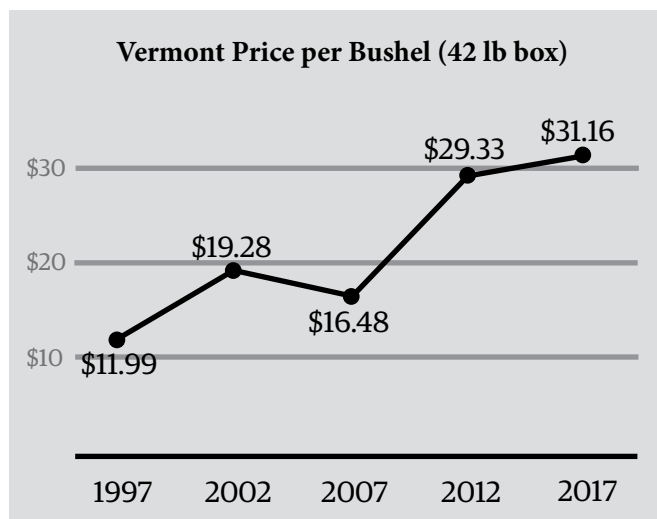
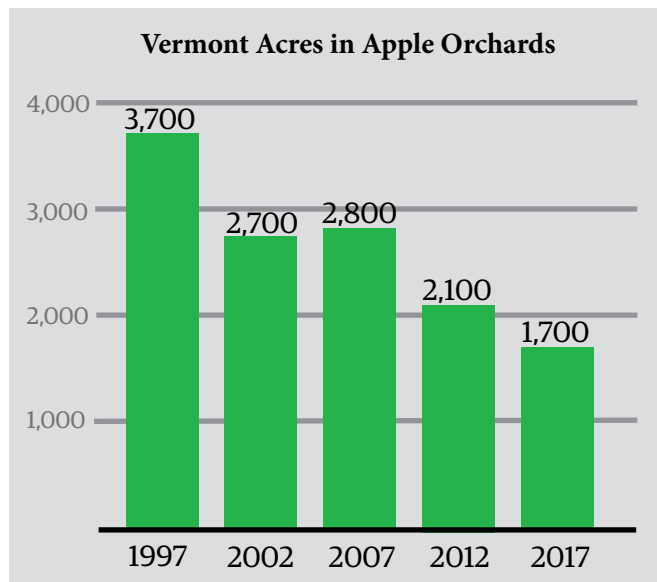
What's At Stake?

Apples in Vermont are behind only dairy and maple in total annual crop value. Since the 1990s, Vermont's share of all apples sold to eastern U.S. wholesale markets has decreased. Apple acreage fell from approximately 3,500 acres in 2001 to 1,700 acres in 2017. Local sales at pick-your-own and farm stand sales have increased, and cider markets have grown, but have not replaced lost volume nor revenue from wholesale sales. Some Vermont orcharding communities are seeing a loss of economic activity from crop sales and farm employment and the disenfranchisement of growers. Without supportive policies and more investment in marketing, technical assistance, and supply chain coordination, Vermont growers will continue to lose out to growers in regions where larger concentrations of orchards have the advantage in efficiency, modernization, and infrastructure.

Current Conditions

Wholesale apple producers are presently experiencing very difficult economic circumstances. Apples have historically been one of Vermont's primary regional wholesale crops, and thus provide significant revenue from out of state. Vermont orchards are planted primarily to McIntosh and similar varieties, but consumer tastes are shifting to newer varieties that require replanting of orchards. Recent shifts in marketing to in-state buyers has increased per-bushel prices paid to growers who are selling fewer fruit into commodity markets, but the increased value has not offset reduced sales volume that previously supported about twice the orchard acreage that Vermont now has. This shift has led to contraction in the wholesale market, facilitated by loss of in-state packing and distribution facilities. Some growers have adopted direct store delivery models by assuming their own packing and distribution systems, but limited outlets and local population limits potential growth.

Licensed hard cider manufacturers have increased to 24 in 2019 from less than ten in 2010, but the prices paid for cider apples are typically one half to one sixth the price for packed fresh fruit. Higher-value cider apples require growing unique varieties with no secondary market and sometimes unknown production needs. Orchards take three to ten years to reach full production, and installation costs up to \$30,000 per acre. This causes barriers to entry as time between investment and return requires saved or borrowed capital. Apples also have substantial, unique, and annual pest management needs relative to most annual crops. Despite recent losses in technical support at UVM Extension, private-sector technical assistance has been provided by a consultant with the primary agrichemical product dealer who works closely with UVM personnel to expand technical assistance services to growers.



Bottlenecks & Gaps

- Limited in-state growth in population and fruit consumption limits the potential for increased local apple sales.
- Lack of independent storage, packing, and distribution facilities limits individual growers' entry into many markets.
- Technical assistance for growers through UVM Extension is limited to grant-funded personnel with multiple other duties.
- Coordinated marketing support through the Vermont Apple Marketing Order was withdrawn by the Vermont Secretary of Agriculture in 2009 and cancelled by the Vermont Legislature in 2014.
- Orchards are highly reliant on seasonal labor, including migrant labor through the federal [H-2A program](#), which makes them vulnerable to labor shortages at critical times and to onerous regulations and inspections.

Opportunities

- Older orchard systems include deep-rooted, healthy trees that are resilient to climate and pest pressures. Well-managed orchards are a long-term asset, although prices for fruit from older varieties are low and many older trees may be past their commercial prime.
- Increased production of high-value specialty ciders creates markets for unique specialty cider varieties and for growers to establish on-farm cideries that add value to their crop.
- Institutional purchasers such as schools, colleges and hospitals may be an important area for increased local sales.
- Retail or pick-your-own apple markets are not saturated in many areas of the state and provide customers with a valuable agritourism experience.

Recommendations

- Collaborate across the distribution chain to increase in-state and regional institutional purchases of Vermont apples. Local food coordinators and other market specialists should assist with USDA purchases for school lunches, contracts at key institutions including higher education food service and hospitals, and aggregation through food hubs that prioritize fruit from local orchards.
- Support increased purchases of apples and production of high-value ciders through farm cidery legislation that would allow growers to more easily enter the cider market themselves and increase farm gate value for the fruit they produce.
- The Vermont Agency of Agriculture, Food and Markets (VAAFAM) should conduct and expand marketing programs for all Vermont horticultural crops, including apples. Marketing programs should be two-tiered to support both in-state and out-of-state promotions. Quality standards should be established for Vermont products that are exclusive and meaningful and thus may indicate provenance and quality of Vermont products sold outside the state.
- Increase and permanently fund technical assistance services through UVM Extension, VAAFAM, or other stakeholder organizations. Include pest management, horticultural, food safety, and economics expertise in technical assistance programming.
- VAAFAM should work with Vermont's federal delegation to urge sensible reform to immigration and labor rules that affect fruit and vegetable growers (e.g. [H-2A](#), [Title 29, Part 780 of CFR Agricultural Labor Exemption Rules](#)).

Farm to Plate is Vermont's food system plan being implemented statewide to increase economic development and jobs in the farm and food sector and improve access to healthy local food for all Vermonters.

The Vermont Agency of Agriculture, Food & Markets (VAAFAM) facilitates, supports, and encourages the growth and viability of agriculture in Vermont while protecting the working landscape, human health, animal health, plant health, consumers, and the environment.

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