

VERMONT FOOD SYSTEM PLAN ISSUE BRIEF



ISSUE:
*Food Access and
Farm Viability*

What's At Stake?

All Vermont residents should have access to nutritious local foods they can afford, and Vermont farms should all be profitable. However, many people in our state struggle with the rising cost of living, high housing and utility costs, transportation barriers, health issues, and underemployment, all of which can make it challenging to afford food. Today, 74,520 Vermonters are food insecure, including 18,760 children. To build a robust and equitable food system, we must address both food access and farm viability simultaneously. For the health and wellbeing of all eaters, food access cannot be addressed by the charitable food system alone but rather must be considered in relation to all the major market channels: retail, direct markets, and institutions. By increasing the ability of all eaters to access and use local food, we also benefit our farm businesses and the entire Vermont economy.

Current Conditions

Although Vermont's local food economy grew from \$7.5 billion in 2007 to \$11.3 billion in 2017, access to Vermont-grown foods by all residents continues to remain inequitable. Programs which increase accessibility to locally produced foods for low-income and at-risk populations have grown and diversified in an attempt to address this inequity. At the same time, efforts to improve Vermont farm viability through expanding markets for locally produced foods have often focused on value-added, specialty, and export markets which do not inherently increase access within local communities where Vermont residents shop.

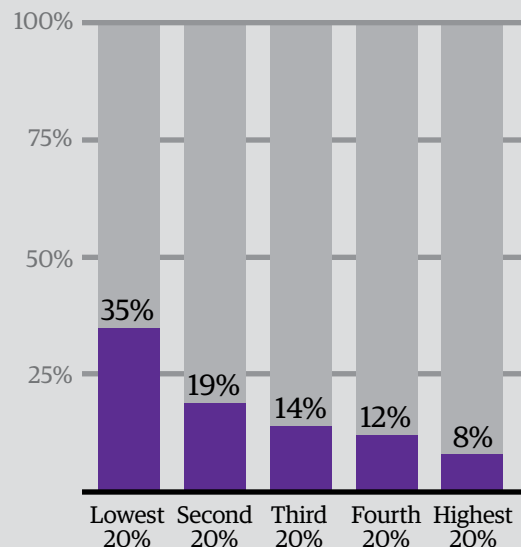
Vermont residents shop for and obtain food through a wide variety of outlets, or "market channels," with the majority of food purchased at supermarkets. Some Vermont communities may have multiple food outlets, others are "food deserts" without sufficient access to fresh, nutritious foods within a reasonable distance.¹ Some Vermonters rely on meals provided by state, municipal, or nonprofit institutions like schools, prisons, and hospitals. Food from any outlet may be supplemented by additional food received from charitable programs, including food shelves and free meal sites. Most market channels are limited in their ability to secure locally produced foods due to a variety of reasons, the most predominant including price points, ease of ordering, availability, and transportation logistics. Additional barriers exist within the operational mindset of some of these outlets, including a reluctance to adapt to different size packaging, varying appearance, consistency, and flavor, and/or a set of priorities that don't include sourcing locally grown and produced food to support the local economy (see [Grocers brief](#), [School Food Procurement brief](#), [College and Hospital Procurement brief](#)).

Many of Vermont's residents cannot afford to increase their spending on food. Food expenditures are often the

most flexible of basic needs, that is, in the short term, it is easier to purchase less or cheaper food than to lower housing or transportation costs. Local food is often more expensive than that produced out-of-state at the industrial scale. However, Vermont farmers are unable to reduce the cost of the foods they produce and net farm incomes are often below livable wage themselves. Vermont's effort to increase access to local food by all its residents must do so with an understanding of production costs and attention to providing a livable net income for farmers.

Percent of Income After Taxes Spent on Food, by Income Quintile (National, 2018)

Americans' food expenditures as percent of income varies significantly, with the lowest income quintiles spending a significant portion on food.



Closing the Economic Gap

Current Conditions

Barriers to increasing access to local foods are reinforced by the cheap cost of industrial, nationally and internationally sourced foods with which Vermont farms must compete. Even when retail and wholesale buyers and consumers understand and support the social and environmental benefits of local agriculture, price is often the bottom line.

- In 2018 the Vermont Livable Wage was a yearly income of **\$27,754**, compared to a yearly income of **\$21,840** working full-time at the Vermont minimum wage.
- In 2017, the average net income for Vermont farms was **\$26,215**, and only **42%** of farms had a net gain.

Bottlenecks & Gaps

- Fixed costs of production limit farmers' ability to reduce prices while maintaining economically viable businesses.
- Barriers in the supply chain affect the availability and affordability of local foods and reduce the income farmers receive. More aggregators, processors, and distributors are needed to help bring local food to markets but this also requires increased product volume.
- Many Vermont residents have limited resources, not only in money and transportation but also in time for food preparation and familiarity with utilizing different ingredients.

Opportunities

- Efforts to keep farmland in production and to increase the viability of farms can have a positive effect on local food access.
- New models and growing support for socially responsible businesses can help farms meet the social need of food access without sacrificing business viability.
- Efforts to increase consumer purchasing power are key to growing the number of Vermont residents who can afford local food. This includes expanding programs such as 3SquaresVT, and encouraging policies that help people meet basic needs like health care and housing.

Programs

Current Conditions

A number of Vermont programs across market channels increase the purchasing power of people and food outlets and enable them to purchase locally produced food. For example, many Vermont food co-ops offer members who qualify for food assistance additional discounts on purchases. Several local food incentive programs are underwritten by federal and philanthropic grant funding. Examples include vouchers for fresh local food; "Crop Cash" through which 3SquaresVT users can double their dollars at most Vermont farmers markets and some farmstands; and reduced-price or free Community Supported Agriculture (CSA) farm shares available to low-income individuals and families. In addition, both charitable programs and institutional meal programs purchase some of the food they distribute from local farms.

- In 2019, the Department of Children and Families' Farm to Family program issued a total of **\$140,280** in coupons to **4,676** customers. **\$91,020** of these coupons (**65%**) were redeemed.
- In the May 2018-April 2019 market season, **\$62,538** in Crop Cash were redeemed at Vermont farmers markets, a redemption rate of **90%**.
- **37%** of farmers markets in towns with high 3SquaresVT eligibility levels do not accept 3SquaresVT payment.

Bottlenecks & Gaps

- Many of these programs have limited budgets reliant on philanthropic and governmental funding, which can lead to caps on the services or number of recipients. Availability of funding may also change and it is often difficult to fund a program long-term through these sources.
- Participation can be hampered by a lack of consumer understanding about how the programs operate, the burden participants face in learning about and applying for multiple programs, the stigmatization of receiving charity, and a perception that local food is exclusive and elitist.
- Participation in these programs can be burdensome to the farmers, who need to understand different programs available to them and acquire and manage infrastructure such as EBT machines.

Opportunities

- For some farms, participation in these programs supports their existing business plan.
- Many market outlets and social service providers, including healthcare entities, are interested in supporting these programs.
- 3SquaresVT benefits can be applied to food-producing items (trees, seeds, etc.) as well as food itself, providing a way for recipients to produce their own food over a span of time and potentially freeing up additional funds for purchases from local farms.
- Program providers do coordinate to a certain extent and are interested in increasing alignment of outreach and evaluation to more effectively and efficiently serve participants.

Gleaning

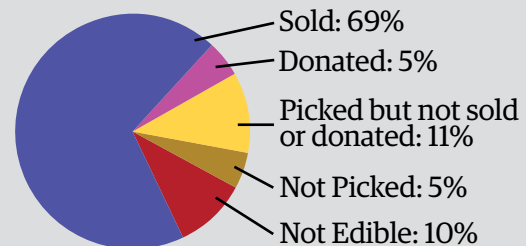
Current Conditions

“Gleaning” means gathering food left behind after harvest, an activity historically performed by food insecure people themselves. Modern gleaning is a service provided to farms by coordinating agencies that engage volunteers to harvest edible crops or collect already-harvested crops and facilitate distribution to charitable food outlets. These gleanings are donated by the farm. Federal charitable tax deductions are sometimes available but are often not utilized by the farm.

Bottlenecks & Gaps

- Not all areas of Vermont are served by gleaning programs with adequate staff and infrastructure.
- The charitable food system experiences market saturation during peak harvest times and cannot fully utilize all the surplus food that is available.
- The availability of gleaning (and potential tax deductions) as an option to manage surplus food can disincentivize the development of other markets for this surplus.

Estimated Percentages of Food Sold, Donated, and Lost on Vermont Vegetable Farms



Opportunities

- Data, information, and trends observed in gleaning programs can inform other food system development opportunities.
- On-farm surplus presents an opportunity to increase in-state paying markets for surplus or seconds in addition to serving the charitable food system.
- Gleaning is a community-building, educational activity that furthers community members' connections with their local farms and increases opportunities for people to try local foods, leading to increased consumer comfort and purchasing by individuals and meal programs.

Summary

Though Vermont has a strong reputation for its local food system, many Vermonters struggle to put food on the table and aren't able to fully participate in that local food system. It is critical for the legislature to support programs that help lift people out of poverty and provide access to local food for all Vermonters. Strengthening the programs that work at the intersection of food access and farm viability will feed people today while supporting our local agricultural economy. These programs have a lasting impact on the individuals and communities who are given opportunities to engage directly with Vermont farms and the food they raise, building familiarity and comfort with using local foods and instilling a sense that local food is for everyone. Beyond these programs, however, long-term farm viability and food access require efforts to strengthen the economic stability of both farmers and consumers.

Recommendations

- Fund a pilot aggregation and sales system that effectively serves both the charitable food system and institutional and other market channels, through a structured partnership among established processors, aggregators, and gleaners. The pilot would include data collection on specific marketable surplus food products. Potential partners include Center for an Agricultural Economy, Deep Root Organic Cooperative, Salvation Farms, and the Vermont Department of Corrections. Estimated cost: \$100,000 per year for four years.
- The Vermont Legislature should fund an appropriation of \$500,000 a year to enable organizations in the charitable food system to source food directly from Vermont farmers (e.g., Vermonters Feeding Vermonters).
- The Vermont Legislature should create a Local Food Access Funding Program, with an appropriation of at least \$250,000 a year, available to multiple organizations to support program needs including:
 - maintaining or increasing benefits that increase consumer purchasing power for local food at farmers markets or other retail outlets, and outreach around these services.
 - making wireless EBT machines available at no cost to producers and farmers markets. Estimated cost: \$43,000 annually to support equipment and fees for 45 farmers markets and 20 farms.
- The Vermont Legislature should fund an appropriation of at least \$100,000 a year to enable the hiring of a shared full-time staff person to support coordination across gleaning programs in the state.
- Social service providers and those who are delivering food access programs should each understand the many different program options that are available and work cooperatively to market them to reach full utilization with less administrative burden on participants. State agencies should explore ways to coordinate or otherwise support this effort in partnership with key nonprofit partners.



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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For end notes and data sources, and to read other food system briefs, visit vtfarmtoplate.com/plan