

The Farm & Forestry Operations Security Fund – Bill Summary (S.60)

This bill would establish a **Farm & Forestry Operations Security Special Fund** ("Fund") to provide payments for farm and forest business losses due to extreme weather conditions. The Fund would be managed by the Vermont Agency of Agriculture, Food & Markets – Agriculture Development Division.

The bill has Findings, which outline the reason for the Fund:

1. In 2023 and 2024, Vermont experienced extreme flooding and other climate-fueled disasters that devastated farms and other working lands businesses across the State.
2. Many existing State and federal programs that are designed to support farms and forestry operations are difficult to access, are administratively burdensome, are not equitably distributed to small- and medium scale farmers and forestry operations and currently do not meet the needs of Vermont farmers and forestry operations in a holistic way.
3. In particular, because federal crop insurance programs are not designed to serve the needs of smaller scale or more diversified farming operations, many Vermont farmers are not covered by crop insurance.
4. The State should establish a permanent funding support program to:
 - a. maintain the viability of farms in Vermont in order to ensure food security, climate resilience, rural economic vitality, and environmental health.
 - b. continuously invest in farms in a way that makes them more resilient to current and future challenges; and
 - c. provide a source of relief funds permanently available to farmers impacted by climate emergencies and extreme weather.

Review Board

The bill would not only create the Farm Security Special Fund, but also a Farm Security Special Fund Review Board. This Board would be comprised of the following people:

- the Secretary of Agriculture, Food and Markets or designee, who shall serve as chair;
- the Commissioner of Forests, Parks and Recreation or designee;
- the State Chief Recovery Officer or designee;
- representatives of three agricultural organizations who can demonstrate expertise in dealing with all sizes and types of farms in Vermont, whether through granting funds, offering technical assistance or advocacy and have a proven track record of working with farmers, appointed by the Secretary of Agriculture, Food and Markets;
- two farmers who have received relief funding appointed by the Secretary of Agriculture, Food and Markets; and
- two forestry operators, appointed by the Secretary of Agriculture, Food and Markets.

The Review Board would review applications for awards, assess the accuracy and validity of the applications, and recommend to the Secretary applicants who should receive payments.

Once the Secretary determines that an application is complete, it would be reviewed by the Review Board. Within 15 days of receipt of an administratively complete application, the Review Board by majority vote would recommend to the Secretary whether to issue a payment to the applicant. If the Review Board recommends an award under this section, the Secretary would issue the award within 15 days of the date of the Review Board's recommendation.

Weather Conditions

The bill would establish the conditions that would trigger the ability of farmers to apply for a payment from the Farm & Forestry Operations Security Special Fund, and the process by which funds would be awarded.

“Eligible weather condition” means any of the following weather conditions that are found to be closely correlated with agricultural income losses:

- high winds;
- excessive moisture, intense precipitation, or flooding;
- extreme heat;
- abnormal freeze conditions;
- forest fire or wildfire event;
- hail;
- drought; or
- any other severe weather or growing conditions impacting agricultural income, as determined by the Review Board.

The Secretary of Agriculture will determine whether an eligible weather event has occurred.

Payments from the Fund

Payments from the Farm & Forestry Operations Security Special Fund will be given to farms that have incurred financial losses or expenses due to an eligible weather condition. The Secretary of Agriculture will award payments, after recommendations from the Review Board.

Payments from the fund shall be in an amount that reimburses a farm or forestry operation for up to 50% of uninsured or otherwise uncovered losses due to eligible weather conditions. No single award shall exceed 5% of the funds available at the start of the fiscal year, or be more than \$150,000.00 per qualified application.

The bill would establish the types of losses that can be covered by the Fund (other things could be included, per the discretion of the Secretary of Agriculture):

- wages and compensation
- replacement of lost income from destroyed crops or livestock or timber
- debt payments or other ongoing expenses
- costs of replanting
- livestock feed replacement costs
- infrastructure or equipment repair and replacement
- repair of farm roads, roads necessary to access farms, repair of washed out or otherwise damaged logging roads
- inability to access harvested timber

The bill would also allow the Secretary to allow coverage of other losses after consulting with the Review Board.

Application Process

The bill would specify what would be required for farmers to apply for a payment from the

- Fund:
1. a brief description of the damage that occurred;
 2. attestation of an eligible weather condition or event;
 3. an estimate of losses; and
 4. a year-end financial statement.

The bill also specifies that an application for an award from the Fund would be able to be made at any time, and the Secretary could only close the application process upon award of all appropriated funds for the relevant fiscal year.

Appropriations are TBD in the Big Budget Bill. Currently, the Senate Appropriations Committee has approved \$1 million for the Fund for FY26. The House Budget did not have any money appropriated for the Fund, so this will be a conference committee issue.

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