“Local” is important to us. It could be local music, local art, local business, or our local school; no matter the subject, Vermont and the Northeast Kingdom are our backyard. When we go about our daily work, it is important to visit the grocery store, see the banker, and know who delivers our mail. All of these things build our community and our economy. We believe these personal connections increase our reliance on one another – our inter-dependence. For us, at the Center for an Agricultural Economy (CAE), advancing local food is most important, because through food our communities come together to eat and share, and our lands become productive.

This focus on food has put the CAE in the middle of many new initiatives. In 2013, we had the chance to work with 29 first-time business clients to the Vt Food Venture Center, we shared the Community Gardens with 21 individuals and 3 organizations, and we hosted over 100 tours groups and schools on visits to our corner of Vermont. These are folks who want to ‘work local’. Whether here in Vermont, or in their own neighborhoods, people know it takes hard work to make something last – to make it resilient.

Closer to home, 2013 brought about staff transitions at the CAE as we focused on those services which are most important for businesses, for farmers and for our community. We have strengthened our community and business partnerships, allowing us to share some signature events and activities. In addition, as the operations at the Vt Food Venture Center become more specialized, we are using the building efficiently and effectively to achieve its mission.

Our work would not be possible without our incredible supporters. As we move through our 10th year as a not-for-profit, and as we learn to operate and manage our region’s food hub facility, we are excited about new opportunities. We know that our economy can continue to grow, and that our advancement of a working and sustainable food system is possible. We believe food has the power to change the world.

With many thanks to our partners and community members,
Tom Stearns, President of CAE Board of Directors
Sarah Waring, CAE Executive Director
Who We Are:

- Sarah Waring, Executive Director
- Monty Fischer, Development Director
- Elena Gustavson, Program Director
- George Keener, Director of Operations
- Annie Rowell, Program Manager
- Connor Gorham, Program Manager
- Traci Rae Lamarche, Financial Manager
- Heidi Krantz, Vt Small Business Development Center, Business Advisor

What We Do:

Founded in 2004 the Center for an Agricultural Economy (CAE) builds a regenerative, locally based, healthy food system by engaging our community through collaboration, technical assistance, education and food system infrastructure. We work on issues of food access and awareness, we promote local foods and the people who produce them, and we provide vital services to entrepreneurs and farmers.

For 9 years, the CAE has encouraged the development of a comprehensive system that meets the needs and aspirations of the community, and ensures economic and ecological stability and abundance. The CAE owns and operates a shared use food hub and business incubator, designed for farmers expanding their markets, community groups, and value-added food processors.

Specifically, the CAE’s food hub facility, the Vermont Food Venture Center, supports job creation, strengthens Vermont’s value-added food businesses, creates opportunities for farmers, and further integrates the agricultural economy into the community and the state of Vermont.

Through our programs, we work to serve: our community, our food-based businesses, and our farmers.
Our Community

Within the greater Hardwick Area, the CAE works with local organizations and institutions to promote and manage local food activities, agriculture and food education, as well as community projects. We believe that sustainable agricultural practices, good education and resource stewardship are signs of healthy community engagement and food system change. This year we partnered with Sterling College on the Rian Friend Center for Sustainable Agriculture and Food Systems, a collaboration we value highly and will continue in years to come. Additionally, we had many Hardwick partners using our community open space:

- Atkins Field at Cooper Brook, a 15 acre parcel in downtown Hardwick, owned by the CAE and conserved by a VT Housing and Conservation Board easement for agricultural, recreational and community uses. In 2013, Atkins Field was home to:
  - Hardwick Spring Fest, a 72 year old tradition, sponsored by the Kiwanis Club
  - 22 Farmer's Markets from April to October
  - Buffalo Mountain Coop’s LocalVore Week Kick-Off Event
  - 21 Hardwick Community Gardeners, including reserved raised bed space for the Hardwick Area Food Pantry and the Hardwick Elementary School.
  - Town Ice Skating rink, sponsored by Town of Hardwick Recreation Committee
  - Vt All Terrain Vehicle Sportsman Association (VASA) trails, also used by Vt Association of Snow Travelers (VAST)

“During the summer months, with the REACH afterschool and summer program, children harvested and weighed the vegetables they picked from the raised beds in the community gardens. The children taste-tested the veggies, as well as local products, from food businesses here in the area, and Deb Wilson, from Buffalo Mountain Coop came in each week with different vegetables for us to try from the gardens.

The garden experience provided the students with a learning experience that was connected to their community and the food movement that is happening in their town. These opportunities help to create motivated students with strong ties to their community.”

--Suzanne Bader, Hardwick Elementary School Teacher
Tours and Events also bring many visitors to the Hardwick area and to visit our community. In 2013, the CAE worked with elementary, high schools and colleges, as well as visitors from out-of-state who were interested in sustainable agriculture, food hub and business incubation, or in what a town can achieve when many partners come together. This year, our Events were planned and executed with critical community partners – a chance to bring even more visitors to the region. Highlights from 2013 include:

- **Kingdom Farm and Food Days**, was planned and executed collaboratively with a Steering Group from High Mowing Organic Seeds, NOFA-VT, New England Culinary Institute, Pete’s Green and the CAE. This event celebrates local food, local farmers and agricultural organizations. Tours and visits to local farms happened throughout the weekend of Aug 17-18, and High Mowing Organic Seeds provided workshops and a local food meal to end the event on Sunday.

- **Pies for People, Soup for Supper** is a signature event combining food security, agricultural surplus and the wonderful work of volunteers. In 2013, Sterling College, High Mowing Organic Seeds, Pete’s Greens and the Hardwick Area Food Pantry were critical in the organization of materials, volunteers and cooking. The event made 165 pies, delivered to seven locations:
  - Hardwick Food Pantry, Hardwick Elementary School, Hardwick Community Dinner, Craftsbury Community Care Center, Craftsbury Community Dinner, Greensboro Nursing Home, and Woodbury Calais Community Food Shelf

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**100** THANKSGIVING TURKEYS STORED FOR THE HARDWICK FOOD PANTRY

**1,890** MEALS PREPARED AT VT FOOD VENTURE CENTER FOR VT FOODBANK IN 2013
Our Food Based Businesses

The Vermont Food Venture Center has proved to be our most significant program, in terms of staff time and impact in 2013. We focus on food business incubation, where small and start up enterprises can use our business planning, recipe and product development, workshops and technical service. The VFVC opened in Hardwick in 2012, so 2013 was our second year with the facility fully operational. We saw the following changes in the facility usage:

- **16 % increase** of Kitchen Hours (1,488 hours to 1,772 hours)
- **66% increase** of VFVC Assistance in Kitchens (1,008 hours to 1,669 hours)
- Over 595 hours of Business Advising, and technical assistance through classes and workshops
- **15.8% decrease** in food scraps composted from VFVC kitchens (an indication that processors are getting more efficient, and minimally processed vegetable production is using more of the raw product!)
- **55 New Clients**, including farmers, first-time clients and specialty food producers

What is a Food Hub?

“Food Hub” is a term which often gets used, when we speak about the local food system. Broadly, a food hub can be any business or organization that manages the aggregation, distribution and marketing of source-identified foods from local and regional producers.

As a community-based food systems organization, the CAE uses many strategies to help farms and businesses get to new markets. Our **food hub facility**, the Vermont Food Venture Center, is the epi-center of technical services and infrastructure. We host classes, rent kitchen space, provide business advising, technical service, cold, frozen and dry storage, and production assistance. We help to process, scale up recipes and develop products. We work with farmers on market expansion into school and institutional markets, provide food safety trainings, and assist all our clients as they grow their food-based enterprises.

9,100 POUNDS OF FOOD SCRAPS COMPOSTED FROM THE VFVC
Our Farmers

Vermont Farm Fund: The Vermont Farm Fund has worked with many farmers in the past few years, loaning money when an operation has an emergency, such as a flood or fire, or for an innovative new idea. In 2013:

- Our first two farmers re-paid their loans in full, and early.
- We reached over $221,000 dollars loaned out since 2011.
- We had our first Annual Appeal for the program, which generated $14,680 from over 90 contributors.
- We are seeing more and more Innovation Loan applications from farms across the state!

Farm to Co-packer: This project was begun through a USDA Rural Development Rural Business Enterprise Grant, which enables the CAE to take on the roles of market expansion and business development for small and emerging farmers. In particular, this project aims to generate sales of value-added and minimally processed farm products to institutional settings, such as schools, hospitals, cafeterias and more. Fifteen new farms have started working with the CAE since this program began:

- 10 local schools and hospitals are currently purchasing the fresh cut or frozen products, furthering both market expansion for farmers, as well as reaching children and patients who might not otherwise have access to local food.

- Since July of 2013, this program has generated 3,100 pounds of value-added vegetables which have gone to schools, hospitals and other settings.
CAE Board and Staff

2013 was a year of transition for the Center for an Agricultural Economy, both within our staff and our Board of Directors. This year Linda Markin and Paul Costello have joined the Board, after many years of supporting in committee or partnership roles. Monty Fischer, the CAE’s first executive director, served as Development Director for 5 months of 2013, while Sarah Waring was hired to lead the CAE going forward. Elena Gustavson, our Program Director for 5 years, opened her own restaurant in Cabot, leaving the CAE with the legacy of community gardens, Pies for People and many other relationships in our local towns. George Keener, our Director of Operations, also left in 2013, having set up all of the systems, overseen the construction and managed day-to-day work at the Vt Food Venture Center since its opening in 2011. Connor Gorham has taken on the new role of Facilities Manager, and Annie Rowell has been promoted to Program Manager.

CAE Finances

The Center for an Agricultural Economy took ownership of the Vermont Food Venture Center in the summer of 2013. This building, was constructed with funds from 3 state and federal sources; the Economic Development Administration, United States Department of Agriculture, and the Vermont Housing and Conservation Board. The VFVC is now home to the CAE Offices, Cellars at Jasper Hill’s cheese cell, Grassroots Distribution’s storage cell, and is rented on a regular basis to over 22 businesses who are in production.
**Income**

- Government Grants: $111,710
- Individual and Foundation Donations: $349,046
- Program Income: $198,744
- **TOTAL INCOME**: $659,500

**Expenses**

- Program Services: $323,979
- Facilities and Depreciation: $217,398
- Office and Administrative: $95,625
- Development: $68,675
- **TOTAL EXPENSES**: $705,677

**Income/(Loss) Before Debt Forgiveness**: ($46,177)

**Debt Forgiveness** (*see note): $585,000

**Net Income**: $538,823

This represents a non-cash transaction due to the transfer of ownership of the Vt Food Venture Center building located at 140 Junction Rd, Hardwick VT, on June 07, 2013. In future years, this is expected to be $130,000/year.
**CAE Balance Sheet**

**Assets**

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<th>Asset</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Cash</td>
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<tr>
<td>Accounts Receivable</td>
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<td>Vt Farm Fund Loan Capital</td>
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<td>Pledge Receivable</td>
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<td>Inventory</td>
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<td>Facility and Equipment</td>
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<td><strong>TOTAL ASSETS</strong></td>
<td><strong>$3,577,845</strong></td>
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**Liabilities and Equity**

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<tr>
<th>Liability</th>
<th>Amount</th>
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<td>Security Deposits</td>
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<td>Facility Loan</td>
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<td>Useful Life Mortgages</td>
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<td><strong>TOTAL LIABILITIES</strong></td>
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<td>Permanently Restricted Net Assets</td>
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<tr>
<td>Temporarily Restricted Net Assets</td>
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<td>Unrestricted Net Assets</td>
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<td>Net Income</td>
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<tr>
<td><strong>TOTAL EQUITY</strong></td>
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<tr>
<td><strong>TOTAL LIABILITIES AND EQUITY</strong></td>
<td><strong>$3,577,845</strong></td>
</tr>
</tbody>
</table>

**Donors/Supporters:** This year, we would like to recognize and thank the following supporters, sponsors and friends;

- Anonymous Donors
- Amelia Peabody Charitable Fund
- Andrew & Mary Meyer
- Ann Gaillard & Louis Pulver
- Boston Foundation
- Buffalo Mountain Co-op
- Butternut Mountain Farm
- Castanea Foundation
- Cellars at Jasper Hill
- Champlain Orchards, Inc
- Charles Wohlers
- Deb Wilson
- Franklin Templeton Charitable Fund
- High Meadows Fund
- Helen & William Mazer Foundation
- Holburn Foundation
- Janice Uzicconi
- JD Farrow & Sons, Inc

- Johanna & John Laggis
- John J. Ryan
- Karl Hayden
- Harris and Frances Lattner Foundation
- Linda Markin & Marie LePre Grabon
- Madeline Swerin
- Margaret Ramsdell
- Michael Lamere
- Paul R. Costello
- People’s United Bank
- Sarah Williams
- Stephen & Patricia Meyer
- Susan Houston
- Susan Mesner
- Tom & Heather Stearns
- Tom & Molly Gilbert
- Vermont Community Foundation
- USDA Rural Development: Rural Business Enterprise Grants

**Photograph Credits:**

**Cover:** Kingdom Farm and Food Days, Perry Heller

**Page 1:** Vermont Baby, USDA Rural Development

**Page 3:** Hardwick Community Gardens/HES school kids, Elena Gustavson

**Page 4:** Kingdom Farm and Food Days, High Mowing Organic Seeds

**Page 5:** VFVC Food Business Retailer Gathering, Perry Heller

**Page 6:** Broccoli Processing at the VFVC, Annie Rowell

**Page 7:** Stony Pond Farm, Melanie Webb

- Vermont Cranberry Company, Carol Sullivan

- Madden’s Flowers, Stowe: Erin McDonald
- Vermont Food Venture Center, Perry Heller
We are extremely proud of the members of 2013 who are a vibrant part of our Food Venture Center, and our growing community:

- Bongo & Blanket’s Bakehouse
- Burke Mtn Confectionery
- Cellars at Jasper Hill
- Claire’s Restaurant
- Deena Masten
- Edward J. Reposa
- Freeze Dry, Inc
- Garnet’s Garden LLC
- Green Mtn Marinades
- Green Tara’s
- Hemmaway Hillbillies of VT
- High Mowing Organic Seeds
- Ho Hum Hollow Farm
- Joshua’s Specialty Foods
- Julianne Mackey
- Laughing Moon Chocolates
- Magic Spoon Bakery
- Macean Mate
- Nancy DeBona
- Neil Beaudry
- Oliver Dorfman
- Per’s Smoked of VT
- Perry’s Fruit Pate
- Red House Granola
- Robert Boivin, II
- RutaBaby Food Co.
- Ryan Gillard
- Sulaiman J. Jadalab
- Sumptuous Syrups
- Suzegz Specialty Foods
- Suzgi’s Smoothies
- Vermont Switchel Co
- Three Springs Farm
- Tom Knows Salsa
- Vermont Baby LLC
- Vermont Chevon
- Vermont Herbal Products
- Vt Homestead Gourmet
- Vermont Kale Chips
- Vermont Peanut Brittle
- Wizzy Kitchen Creations
- Yolo Snacks

We also wanted to specifically thank the donors and supporters of the Vermont Farm Fund. This year we’ve had an extremely successful series of loans, thanks to VFF Advisory Board and to these folks!