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## **Council: State should invest in Vt.'s rural resources**

By [Thatcher Moats](#)

VERMONT PRESS BUREAU

MONTPELIER — A Vermont group hoping to revitalize the state's rural economy and preserve its "working landscape" said the state should invest at least \$15 million annually for grants, loans and other initiatives to boost agriculture and forest-product businesses.

The Vermont Council on Rural Development launched its Revitalizing Vermont's Rural Economy campaign last week. Its goal: To grow the local economy and protect the character of a state beloved for its pastoral landscapes and recreational opportunities.

"It's the small businesses and farms and forests that make Vermont what it is, and we know that without investment, without action, we won't have it in the future," said Paul Costello, the executive director of the Vermont Council on Rural Development.

The 32-page report the VCRD unveiled last week paints a familiar picture of a struggling dairy industry that has seen the number of farms shrink drastically and a timber industry "in a slow and unheralded decline."

The implications are huge, according to Costello, and could result in Vermont looking more like formerly rural parts of Connecticut, Massachusetts or southern New Hampshire that have been developed.

But Vermonters don't want the state to simply be a playground for the rich. That is why developing farming and forestry are perfect ways to maintain the state's character and also help the economy, Costello said.

"Vermonters don't want it to be parkland for the well-to-do," said Costello. "They want it to be an active foundation for local community prosperity."

Central to the group's plan is a fund Costello hopes the governor and lawmakers will support — the Agriculture and Forest Products Development Fund.

"...Vermont should assess an incremental addition to the Vermont sales tax to invest in Vermont working lands and the enterprises that sustain them," according to the report. "The State should raise at least \$15 million annually to support the Agriculture and Forest Products Development Fund. Funds would be invested in infrastructure, enterprise development, and designated 'Working Lands' conservation and incentives."

The report suggests adopting a recommendation from the Vermont Blue Ribbon Tax Commission to expand the sales tax to apply to some services. With a broader sales tax base, the group says, the sales tax rate could be reduced and still provide money

for the fund.

Devoting \$15 million a year for the fund would be a departure for the state. Vermont's elected leaders have spent money investing in the kind of agricultural renewal Costello and others are calling for, but it has been incremental.

Sen. Vince Illuzzi, chairman of the Senate Committee on Economic Development, Housing and General Affairs, said that in 2009 and 2010 the state spent \$600,000 to develop a Farm-to-Plate plan to serve as a road map for rural economic development.

But that was funded with the help of federal stimulus money, he said, and this year lawmakers set aside only small chunks of money to start implementing parts of the plan.

"It was just a tighter year," said Illuzzi, a Republican representing Orleans and Essex counties. "We had federal stimulus money in the 2009 and 2010 jobs bill, but didn't have any kind of money like that this year."

It will be difficult next year to convince people to spend large amounts of tax money for the fund VCRD hopes to create, Illuzzi said. That's because the economy remains weak and impacts from Tropical Storm Irene could dampen revenue by requiring more state funding for flood-related repairs.

"The prospects are grim," he said.

Gov. Peter Shumlin has spoken often of the need for an agricultural renaissance, and his Agriculture Secretary Chuck Ross praised the group's plan, saying it's absolutely headed in the right direction.

But the money will be a challenge, said Ross, pointing out that his agency's budget is \$15 million.

"There's no way that I see a way to fund a \$15 million fund given what I am watching my other secretaries and commissioners do in the way of cutting budgets or managing budgets to meet their budgetary circumstances," said Ross. "I don't have that kind of money."

But Ross said there is still important policy groundwork to prepare for a time when more public money is available, and the group also could seek private grants or donations.

"I think there's money out there, just not in state government," he said.

Costello believes the stakes are high for Vermont. Despite the slow economy and the ongoing recovery from Irene's devastating flood damage, "it's not beyond the capacity" of the state to make a major investment, Costello said.

He added that he doesn't necessarily expect that all the group's dreams will come to fruition immediately.

"I don't know that this is all going to happen in one year," he said. "It's a vision and a comprehensive plan."

Costello pointed out that Vermont has already made great progress developing a new type of diversified, organic agriculture. In fact, per capita, Vermont has more organic farms and farmers' markets than any other state, according to the report.

But he thinks Vermont could become a mecca for agriculture and forestry businesses if the state takes the lead, demonstrating its commitment to the industries.

VCRD's campaign was launched last week at a news conference at Jericho Settlers Farm, the kind of farm that maintains the agrarian landscape, said Costello.

"It's a new model of agriculture in Vermont," Costello told reporters. "It's a diversified operation and it's one of so many new enterprises that are beginning to form on the land here in Vermont. We're going to need a new generation of entrepreneurship in Vermont if we're going to preserve the working landscape for the future."

Christa Alexander, one of the owners of Jericho Settlers Farm, said her meat, poultry and vegetable business puts \$250,000 back into the economy as it buys items from local businesses, such as hardware stores, meat processors, and feed suppliers.

"So many of my peers I talk to every day are so ready and have so much energy, and to have a lot of support behind them can really do a lot for Vermont," she said. Illuzzi agrees the rural economy holds growth potential and says the state has a role to play to spur investment.

"It's almost akin to the state providing roads, which are available to individuals and businesses to engage in commerce," he said. "It's somewhat of a rough analogy, but we need to provide infrastructure to allow these farm and agriculture-based businesses to develop and grow.

"They simply can't do it on their own."

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