January 28, 2025

Dear Members of the Vermont Vegetable and Berry Growers Association:

I want to start by once again pointing out the amazing work of our partners in UVM Extension. They continue to be a huge asset to our industry, helping all of us to navigate the oft-murky waters of technical improvement development, regulation, environmental stewardship, and increasingly – financial assistance. Vern, Virginia, Becky, Hans, Chris, Andy, Ann, Julie, Laura – thank you!

So, natural disasters….. 2024 was in many ways a cruel facsimile of 2023, with thousands of acres of crops once again destroyed by this summer's version of July 10th flooding. This was followed up a few weeks later by another round of even more apocalyptic flooding in the northeastern part of the state.

Those of us who suffered flooding damage in 2023 and/or 2024 have benefited from Vermont's BEGAP program, which has helped to fill the financial chasm between low/no insurance payouts and the tremendous losses faced on many of our farms. It has been a crucial lifeline for many farmers these last 2 years, and though I find this to be a naïve request, I hope it is a program we never have to see again.

However, I want to thank the state of Vermont in general, and the Agency of Ag in particular, for its support of us growers as many of us work to put the pieces back together. Other important sources of support included NOFA-VT's emergency grant fund, and countless individual community groups and GoFundMe pages.

The fact that we need something to fill that gap is itself quite a problem. It will likely not be solved any time soon, but our sector is in real need of appropriate tools to manage our financial risk. We always say we should be running our farms like businesses, but normal businesses can purchase insurance to hedge against their industry's particular flavor of risk.

This is not so for fruits and vegetables. Commodity crop growers can purchase federally subsidized crop insurance to insure 85% of their revenue; fruits and vegetables can only insure up to 65%, and at significant cost. The typical basic coverage from NAP essentially insures 25% of production. While this lower level of coverage is very affordable (free in many cases), losing 75% of one's crop before a payment is triggered is not functionally effective in a disaster.

My personal experience with NAP insurance has been generally positive, but the particulars of how it works make it so that I cannot count it as a reliable risk management tool. I will continue to encourage my fellow growers to avail themselves of what NAP has to offer, but as an industry we need something simpler, faster, and more comprehensive. Perhaps improvements can be made to Whole Farm Revenue Protection program, but to-date that product has seen very little uptake by our growers.

Federal policy of late has grown more adventurous with direct payments to specialty crop growers, be it through one-off programs like CFAP and MASC, or USDA disaster-aid programs like WHIP+ and ERP. Whatever one's individual beliefs are about the merits of these programs, the flows of money have ripple effects on the prices of inputs, machinery, land and labor. I respect anyone's choice not to put their hand out when these programs come around. But given the lack of financial tools at our disposal for hedging risk and protecting our investments in growing crops, these programs might just be the best way to seed a financial cushion of Working Capital to help put our farms in improved financial positions to better withstand future natural disasters. In an uncertain business environment, Working Capital is key.

I apologize for the focus on insurance and risk management, but I've spent the better part of the last 6 months thinking of little else on the farm front.

And since my toast went unheeded last year, I'll say it again, in hopes of gaining better traction: Here's to a 2025 with adequate – but not excessive – rainfall.

Justin W. Rich

Burnt Rock Farm

President, VVBGA