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New Hampshire
Department of Agriculture,
Markets & Food

Lorraine S. Merrill, Commissioner



March 26, 2013

Her Excellency, Governor Margaret Wood Hassan
And the Honorable Executive Council
State House
Concord, NH 03301

Dear Governor Hassan and Honorable Council:

REQUESTED ACTION

Authorize the NH Department of Agriculture, Markets & Food (NHDAMF) to enter into an agreement with the University of New Hampshire (vendor code # 177867 loc 46) for the period from Governor and Council approval to June 30, 2014 in the amount of \$12,797 to create and distribute a regional food guide in the Belknap County area. 100% Federal Funds.

Funding is available in account, Specialty Crop Block Grant, as follows with the authority to adjust encumbrances in each of the State fiscal years through the Budget Office if needed and justified, pending FY 14 budget approval.

Funding is available as follows: **02-18-18-185010-33460000 Specialty Crop Block Grant, # 12-25-B-1475**

| <u>ACCOUNT</u> | | <u>FY 2013</u> | <u>FY2014</u> | <u>TOTAL</u> |
|-----------------|-----------------------|----------------|---------------|--------------|
| 33460000-500575 | Promotion & Marketing | \$10,000.00 | \$2,797.00 | \$12,797.00 |

EXPLANATION

The New Hampshire Department of Agriculture, Markets & Food (NHDAMF) received Specialty Crop Block Grant (SCBG) money from the United States Department of Agriculture to fund nine specific projects. The projects were solicited through the RFP process and submitted for review by USDA, Agricultural Marketing Service as part of our state application. The proposal submitted by the University of New Hampshire was one of the projects accepted by USDA for funding.

In the event that these Federal funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,

Lorraine S. Merrill
Commissioner

COOPERATIVE PROJECT AGREEMENT

between the

STATE OF NEW HAMPSHIRE, **Department of Agriculture, Markets & Food**

and the

University of New Hampshire of the UNIVERSITY SYSTEM OF NEW HAMPSHIRE

- A. This Cooperative Project Agreement (hereinafter "Project Agreement") is entered into by the State of New Hampshire, **Department of Agriculture, Markets & Food**, (hereinafter "State"), and the **University System of New Hampshire, acting through University of New Hampshire**, (hereinafter "Campus"), for the purpose of undertaking a project of mutual interest. This Cooperative Project shall be carried out under the terms and conditions of the Master Agreement for Cooperative Projects between the State of New Hampshire and the University System of New Hampshire dated November 13, 2002, except as may be modified herein.
- B. This Project Agreement and all obligations of the parties hereunder shall become effective on the date the Governor and Executive Council of the State of New Hampshire approve this Project Agreement ("Effective date") and shall end on **6/30/2014**. If the provision of services by Campus precedes the Effective date, all services performed by Campus shall be performed at the sole risk of Campus and in the event that this Project Agreement does not become effective, State shall be under no obligation to pay Campus for costs incurred or services performed; however, if this Project Agreement becomes effective, all costs incurred prior to the Effective date that would otherwise be allowable shall be paid under the terms of this Project Agreement.
- C. The work to be performed under the terms of this Project Agreement is described in the proposal identified below and attached to this document as Exhibit A, the content of which is incorporated herein as a part of this Project Agreement.

Project Title: **Lakes Region Local Food Guide**

- D. The Following Individuals are designated as Project Administrators. These Project Administrators shall be responsible for the business aspects of this Project Agreement and all invoices, payments, project amendments and related correspondence shall be directed to the individuals so designated.

State Project Administrator

Name: Gail McWilliam-Jellie
 Address: State of New Hampshire
Dept. of Agriculture, Markets & Foods
25 Capitol Street, P.O. Box 2042
Concord, NH 03302-2042
 Phone: 271-3788

Campus Project Administrator

Name: Dianne Hall
 Address: University of New Hampshire
Sponsored Programs Administration
51 College Rd., Room 116
Durham, NH 03824
 Phone: 862-1942

- E. The Following Individuals are designated as Project Directors. These Project Directors shall be responsible for the technical leadership and conduct of the project. All progress reports, completion reports and related correspondence shall be directed to the individuals so designated.

State Project Director

Name: Gail McWilliam-Jellie
 Address: State of New Hampshire
Dept. of Agriculture, Markets & Food
25 Capitol Street, P.O. Box 2042
Concord, NH 03302-20142
 Phone: 271-3788

Campus Project Director

Name: Kelly McAdam
 Address: UNH Cooperative Extension
635 Main St., Ste. 1
Laconia, NH 03246
 Phone: 527-5475

F. Total State funds in the amount of **\$12,797** have been allotted and are available for payment of allowable costs incurred under this Project Agreement. State will not reimburse Campus for costs exceeding the amount specified in this paragraph.

Check if applicable

Campus will cost-share _____ % of total costs during the term of this Project Agreement.

Federal funds paid to Campus under this Project Agreement are from Grant/Contract/Cooperative Agreement No. **12-25-B-1475** from **U.S. Department of Agriculture** under CFDA# 10.170. Federal regulations required to be passed through to Campus as part of this Project Agreement, and in accordance with the Master Agreement for Cooperative Projects between the State of New Hampshire and the University System of New Hampshire dated November 13, 2002, are attached to this document as Exhibit B, the content of which is incorporated herein as a part of this Project Agreement.

G. Check if applicable

Article(s) _____ of the Master Agreement for Cooperative Projects between the State of New Hampshire and the University System of New Hampshire dated November 13, 2002 is/are hereby amended to read:

H. State has chosen **not to take** possession of equipment purchased under this Project Agreement.
 State has chosen **to take** possession of equipment purchased under this Project Agreement and will issue instructions for the disposition of such equipment within 90 days of the Project Agreement's end-date. Any expenses incurred by Campus in carrying out State's requested disposition will be fully reimbursed by State.

This Project Agreement and the Master Agreement constitute the entire agreement between State and Campus regarding this Cooperative Project, and supersede and replace any previously existing arrangements, oral or written; all changes herein must be made by written amendment and executed for the parties by their authorized officials.

IN WITNESS WHEREOF, the University System of New Hampshire, acting through the **University of New Hampshire** and the State of New Hampshire, **Department of Agriculture, Markets & Food** have executed this Project Agreement.

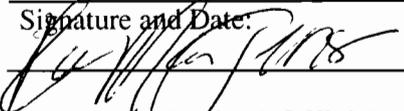
**By An Authorized Official of:
University of New Hampshire**

Name: Karen Jensen

Title: Manager, Sponsored Programs

Administration

Signature and Date:

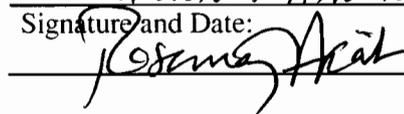
 3/24/13

**By An Authorized Official of: the New
Hampshire Office of the Attorney General**

Name: Rosemary Wiant

Title: Assistant Attorney General

Signature and Date:

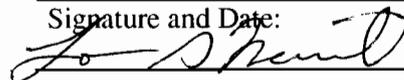
 4-1-13

**By An Authorized Official of:
Department of Agriculture, Markets &
Food**

Name: Lorraine S. Merrill

Title: Commissioner

Signature and Date:

 3-28-13

**By An Authorized Official of: the New
Hampshire Governor & Executive Council**

Name:

Title:

Signature and Date:

EXHIBIT A

- A. **Project Title:** Lakes Region Local Food Guide
- B. **Project Period:** Upon Approval by Governor and Executive Council through June 30, 2014
- C. **Objectives:** To create a regional food guide to raise awareness about local agriculture while promoting health, wellness and the local economy.
- D. **Scope of Work:** The demand for local food is growing, and growers of specialty crops have limited resources for advertising to the general public. Many residents of the Lakes Region are seasonal or vacationing from other parts of the state or country, which can further be a challenge in building a long-term customer relationship. A Lakes Region Local Food Guide would allow both residents and those vacationing in the Lakes Region with a "one-stop shop" for finding fruits, vegetables, plants, and nursery crops that are grown in the Lakes Region. Furthermore, this Guide will provide the public with information regarding crop seasonality, farmstands, pick your own and CSA farms, and when and where to shop at a local farmers' market. Farm listings in this Guide will allow specialty crop growers to reduce advertising costs, increase revenue, and help consumers easily find products.

The Guide will be in paper format and can also be placed online for access via the Internet. For this first year, however, emphasis will be placed on distributing the Guide in paper format to ensure that all residents and non-residents have access to the publication. The Guide will be distributed at the following locations:

- Lakes Region Chamber of Commerce, Plymouth Regional Chamber of Commerce, and Wolfeboro Area Chamber of Commerce
- Lakes Region General Hospital, Huggins Hospital, and Speare Memorial Hospital
- Hannaford Grocery Stores in Alton, Ossipee, Meredith, and Gilford
- Shaw's Grocery Stores in Gilford and Belmont
- Local Natural Food Stores such as Sunflower Foods in Laconia and Peppercorn Natural Foods in Plymouth
- Farms and Farmer's Markets (approximately 11 regional farmers markets)
- Other retail and services businesses including but not limited to local restaurants, banks, and dental offices
- Online version (PDF) to various websites of interest including but not limited to UNHCE, Prescott Farm, Chambers of Commerce

The Committee members involved in the planning of the project will be responsible for distributing the Guide. Distribution services have been researched (the Laconia Daily Sun, a free daily newspaper); however, it will cost \$900 to distribute 18,000 copies of the Guide to meet the Laconia Daily Sun's printing quota. This would mean getting an additional 13,000 copies printed to have enough inserts for this newspaper, and the uncertainty of how many will be thrown away with the newspaper is unknown. As a result, it may be more cost-effective to distribute the Guide by individual members of the project planning Committee. Postage for mailing Guides to some distribution outlets have been factored into the budget.

Printing cost estimates in the budget are based on a publication that is printed in color and has a glossy front and back cover. After meeting with an advertising professional at the Laconia Daily Sun, the Project Coordinator has learned that this is a more desirable format than a newspaper format, as it is more appealing to the public and more apt to be noticed.

The Guide will only list commercial producers of agriculture food products and will exclude recreation, attraction, and shopping businesses that are unrelated to agriculture. Products must be produced at the farm, and not bought from other suppliers or vendors. A farm that sells goods that are not produced on the farm can only list in the Guide those products for sale that are produced on the farm.

Producers of non-specialty crops including but not limited to meats, dairy, and eggs may list these products in the Guide as long as 1) they produce these products, and 2) they pay a small fee for their listing. For example, to list a farm under the Dairy (milk, cheese, yogurt) category, a fee of \$10 may be charged. If the farm also sells meats, they would pay an additional \$10 to be listed in the Meats category. These fees for non-specialty crop listings may be waived if enough funds are raised through sponsorships. It has already been estimated that 25% of Lakes Region farms produce non-specialty crops (approx. 135 farms). An estimated \$3,201 will need to be raised to complete this project for the non-specialty crop portion of the Guide.

Local sponsors that will be approached include but are not limited to J. Jill Co., Peppercorn Natural Foods, Sunflower Natural Foods, Meredith Village Savings Bank, Bank of New Hampshire, Osborne's Agway, and Tilton Autoserv. Sponsors will have the opportunity to include their logo on the inside front or back cover of the Guide. If sponsorship funds are lacking, advertising space may also be available for farms that would like to include a logo in the Guide (regardless of specialty or non-specialty crop production).

The Guide will also feature a listing of Lakes Region restaurants that serve local food (they must have served local fruit, vegetables, meats, or dairy products for the 2012 season). These restaurants will only be listed if they pay a small sponsorship fee, such as \$10. Contact information, hours of business, and local menu items will be listed.

Potential Impact: According to the 2007 USDA Agriculture Census, there were 270 farms in Belknap County and 274 farms in Carroll County¹. For both counties, which include most of the Lakes Region of New Hampshire, this is an increase in the number of farms since 2002. Belknap County had an increase of 17% and Carroll County 20%².

Both counties experience a significant increase in population during the summer months. According to a Lakes Region tourism study conducted in 2000, travel counts totaled 111,391 for the Lakes Region.³ Driving more tourist and resident traffic to farmers' markets and specialty crop operations will increase specialty crop revenue and reduce advertising expenditures for these operations. Furthermore, the Lakes Region Local Food Guide will increase the public's awareness for where, when, and how food is produced, thereby strengthening the connection between local agriculture and the public.

Expected Measurable Outcomes:

Outcome #1: Increase the profitability of Lakes Region specialty crop producers that market their products through direct sales.

The Guide will increase the number of consumers at farmers' markets and farm operations, thereby increasing producer's revenue. The improvement in advertising will decrease marketing expenditures and improve profitability for specialty crop producers. In 2007, 161 farms produced specialty crops in Belknap County, and 134 farms in Carroll County¹. Farms that are listed in the Guide will be called on to

¹ http://www.agcensus.usda.gov/Publications/2007/Full_Report/Census_by_State/New_Hampshire/

² http://www.agcensus.usda.gov/Publications/2002/Volume_1_Chapter_1_State_Level/New_Hampshire/

³ http://www.bcedc.org/data/uploads/pdf_library/Tourism_Profile.pdf

complete a survey either online, in-person, or through the mail to determine the effect of the Guide on sales and customer traffic. The goal is to have an improvement in profitability over the previous year.

Outcome #2: Increase the number of consumers that are accessing local specialty crops.

Another goal of the Lakes Region Local Food Guide is to educate and inform the general public where to buy locally produced food and plants. To do this, the number of Guides distributed and remaining at the end of the growing season will be closely monitored and recorded for each distribution area. The need for reprinting these guides in year two will help dictate the success of the Guide, in addition to which distribution spots were most important throughout the growing season.

E. Deliverables Schedule: Written progress reports shall be submitted quarterly to the NH Dept. of Agriculture, Markets & Food. Upon completion of the entire project, the contractor shall submit a written report of the project outcomes per federal reporting guidelines for the SCBG program.

Work Plan: A Committee will be formed consisting of members of the partner organizations. This Committee will oversee the project and give their input as to what the final publication should look like and where to distribute it. Some activities will involve support staff of the partnering organizations (UNHCE and Prescott Farm).

| Timeline of Project Activities | |
|--|--|
| What: Planning the layout of the guide | |
| Who: Project Coordinator, Partner organizations, graphic designer, printer | When: September 2012 (Begin) |
| What: Identify sponsors for non-specialty crop portion of the Guide | |
| Who: Partner organizations | When: September-November 2012 |
| What: Solicit, gather, and organize producer's information | |
| Who: Prescott Farm AmeriCorps VISTA Member, UNHCE Support Staff, Project Coordinator | When: October 2012-March 2013 |
| What: Review Guide before final printing | |
| Who: Project Coordinator, Partner organizations, graphic designer, printer | When: March 2013 |
| What: Distribute guides/Publish Online version | |
| Who: Partner organizations, Project coordinator, UNHCE Support Staff, AmeriCorps VISTA member | When: Beginning April 2013, ongoing |
| What: Gather and assess evaluation data | |
| Who: Partner Organizations, UNHCE Administrative Assistant, Project Coordinator | When: October-December 2013 |

| | |
|--|----------------------------------|
| What: Final reporting on grant activities | |
| Who: Project coordinator | When: February-March 2014 |

F. Budget and Invoicing Instructions: Campus will submit invoices to State on regular Campus invoice forms no more frequently than monthly and no less frequently than quarterly. Invoices will be based on actual project expenses incurred during the invoicing period, and shall show current and cumulative expenses by major cost categories. State will pay Campus within 30 days of receipt of each invoice. Campus will submit its final invoice not later than 30 days after the Project Period end date.

| Budget Items | State Funding | Total |
|-------------------|---------------|-------|
| Salaries and Wage | 2405 | 2405 |
| Fringe Benefits | 947 | 947 |
| Supplies/Services | 9445 | 9445 |
| Subtotal | 12797 | 12797 |
| Total | | 12797 |

Program Income (\$3,201 estimated)

Sponsorships to cover non-specialty crop portion (approx. 25% of total project cost). Local businesses will be approached by the committee, including specialty crop producers and grower associations that will have space in the Guide to acknowledge their sponsorship. Program income will be used in the additive method.

EXHIBIT B

This Project Agreement is funded under a Grant/Contract/Cooperative Agreement to State from the Federal sponsor specified in Project Agreement article F. All applicable requirements, regulations, provisions, terms and conditions of this Federal Grant/Contract/Cooperative Agreement are hereby adopted in full force and effect to the relationship between State and Campus, except that wherever such requirements, regulations, provisions and terms and conditions differ for INSTITUTIONS OF HIGHER EDUCATION, the appropriate requirements should be substituted (e.g., OMB Circulars A-21 and A-110, rather than OMB Circulars A-87 and A-102). References to Contractor or Recipient in the Federal language will be taken to mean Campus; references to the Government or Federal Awarding Agency will be taken to mean Government/Federal Awarding Agency or State or both, as appropriate.

Special Federal provisions are listed here: Upon completion of the project, the contractor shall submit a written report of the project outcomes per federal reporting guidelines for the SCBG program. Guidelines will be provided to the Grantee.

McWilliam Jellie, Gail

From: McAdam, Kelly [Kelly.McAdam@unh.edu]
Sent: Thursday, March 28, 2013 12:17 PM
To: McWilliam Jellie, Gail
Subject: RE: 2012 SCBG-- YOUR RESPONSE NEEDED ASAP

Exhibit C

Due to the uncertainties of the federal budget sequestration and the still not finalized State of New Hampshire budget approval process for Fiscal Years 2014 and 2015, it is possible that part or all of the funds for this grant could be withdrawn with the State of New Hampshire, Department of Agriculture, Markets & Food (DAMF) prior to the Grant Agreement specified end date. In the event that funding is reduced, DAMF would have to adjust or end this grant accordingly.

University of New Hampshire Cooperative Extension (Grant recipient organization) acknowledges and accepts this condition for Specialty Crop Block Grant # 12-25-B-1475.

(Please add authorizing name, organization, address)

Kelly McAdam
UNH Cooperative Extension, Belknap County
635 Main St. Third Floor, Suite One
Laconia, NH 03246

Kelly G. McAdam
Field Specialist, Food & Agriculture
UNH Cooperative Extension

Belknap County
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PH: (603) 527-5475
Follow Belknap County Agriculture on Facebook

Stafford County
268 County Farm Road
Dover, NH 03820
PH: (603) 749-4445

www.extension.unh.edu

From: McWilliam Jellie, Gail [mailto:Gail.McWilliam.Jellie@agr.nh.gov]
Sent: Thursday, March 28, 2013 11:09 AM
To: Gail McWilliam Jellie (gail.mcwilliam.jellie@agr.nh.gov)
Subject: 2012 SCBG-- YOUR RESPONSE NEEDED ASAP

Hello Grantees:

As we finalize your grants for Governor & Council approval we have been asked to inform you about the potential for reduction of funding of your grant due to budget issues at the federal level. Please understand that we have not been informed of any specific impacts to the 2012 Specialty Crop Block Grant Program, but much is uncertain in Washington, now and the NH State budget also still not final.

3/28/2013