

VERMONT AGRICULTURAL CREDIT CORPORATION

Minutes

July 27, 2018

A telephonic meeting of the Vermont Agricultural Credit Corporation originated at the offices of the Vermont Economic Development Authority, Montpelier, Vermont on July 28, 2018 beginning at 10:27 a.m. Those Directors of the Corporation present via phone were: J. Snow, Vice Chair; W. Patten, B. Pearce; J. Goldstein (designee for M. Schirling); L. Graves; M. Tuttle; T. Richards and T. Gallagher. Directors present in VEDA's offices were: A. Eastman (designee for A. Tebbetts) and E. Delhagen (designee for J. Tierney). Staff members present were: C. Polhemus, Vice President; D. Carter, Treasurer; S. Isham, Secretary; R. Grzankowski, Director of Operations; S. Croft, Senior Loan Officer; A. Wood, Loan Officer; and K. Kilpatrick, Administrative Assistant. Staff members present via phone were: R. Bradley, President; T. Porter, Director of Commercial Lending; J. Kimberly, Deputy Director of Agricultural Lending; C. Houchens, Chief Compliance Officer; Senior Loan Officers: C. Anderson and J. Conklin; Loan Officers: E. Paradee; C. Leonard and M. Corbett; and P. Fitzgerald, Credit Specialist.

J. Snow chaired the meeting.

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On a motion by W. Patten, seconded by T. Gallagher, the minutes for the June 29, 2018 meeting were approved by those Directors of the Corporation present by a vote of 9 to 0 with the Chair abstaining.

Agricultural Update

L. Graves explained the recent rains have been a help to farmers. He next noted the emergency aid package currently being crafted by the Trump administration to aid farmers affected by the recent tariffs will be beneficial.

A. Eastman agreed, stating the Agency of Agriculture has been working with Vermont's Congressional delegation as the tariffs are affecting the maple industry as well as dairy. She noted the Agency will be working on a policy and hopes to have it completed by August, with payments to farmers beginning in September. She also noted milk prices are expected to

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decrease this year. She next noted duties in China have increased drastically on milk and whey, both of which are exported to China from Vermont.

Next, A. Eastman explained there have been discussions at the Agency of Agriculture regarding the legality of industrial hemp crops. She stated she has been working with Senator Leahy’s office and Yankee Farm Credit as they are also having discussions on this topic. She explained producers are legally growing hemp due to Section 7606 of the Agricultural Act of 2014, which authorizes state Departments of Agriculture to grow and cultivate industrial hemp. She further explained the Drug Enforcement Administration (DEA) will consider the growing of hemp to be legal if the producer is enrolled and registered with the Agency of Agriculture. She noted her Agency is working to incorporate this into a future farm bill. J. Snow asked to have Staff process this information and present it to the Directors at a future meeting.

Credit Risk Classification Report – 4th Quarter FY2018

C. Polhemus reviewed Staff’s Credit Risk Classification Report recommendations for the VACC loan portfolio for the 4th quarter of FY2018 (ended June 30, 2018) which included recommended loan loss reserves in the amount of \$752,600.

After discussion regarding the reserves and changes recommended thereto, on a motion by T. Gallagher, seconded by W. Patten, the recommendations were approved by those Directors of the Corporation present by a vote of 9 to 0 with the Chair abstaining.

Board Loan Committee – Approvals

The following loan has been approved by the Board Loan Committee of the Authority

Name	Town	Loan Amount
Champlain Orchards, Inc.; Suhr, William F.	Shoreham	\$253,000

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Staff Authority – Loan Approvals

Pursuant to a Resolution adopted by the Directors of the Vermont Agricultural Credit Corporation at the July 29, 2016 meeting, Staff has approved the following loans since the last VACC meeting:

<u>Name</u>	<u>Town</u>	<u>Loan Amount</u>
Cornett, Donald W. and Kimberlee A.	Enosburg Falls	\$ 15,000 OL
LeBlanc, Jonathan M. and Rachel B.	East Hardwick	\$ 100,000 FO
Rooney, Francis W. and Delia A.	Enosburg	\$ 20,500 OL
Pine Hill View Farm II, LLC; Henry Strohmaier and Cecily Strohmaier	Bennington	\$ 150,000 FOLP 2018
Chimney Point Farm Limited Partnership; Robert W. (Jr.) and Rita B. Smith; Peter J. and Dawn M. Smith	Addison	\$ 124,000 FOLP 2018
Connor, Jonathan P. and Mary A.	Addison	\$ 35,000 FOLP 2018
Murray, Gordon and Patsy	East Ryegate	\$ 20,000 FOLP 2018
DeGraaf, Harold P. and Anje V.	Richmond	\$ 88,000 FOLP 2018
Judd Dairy, LLC; Bradley E. and Logan B. Judd and Gislaine R. Gobeil-Judd	Derby	\$ 30,000 FOLP 2018
Hunt, Robert J. and Suzanne B.	Addison	\$ 80,000 OL \$ 135,000 FOLP 2018
King, Daniel J. and Chassidy M.	Cambridge	\$ 250,000 FO \$ 54,000 OL
Lussier Dairy at Lone Pine Farm, Inc.; Paul M. and Kerrilee A. Lussier	Benson	\$ 92,000 FOLP 2018
Ingwersen, Kurt; Ingwersen, Michael; Harvest Moon Holsteins, LLP	Bridport	\$ 270,000 OL \$ 204,250 FO \$ 50,000 LOC
Aines, Dale R.	Pawlet	\$ 215,000 FO \$ 300,000 OL \$ 60,000 LOC
Veldman, Harry G., Johanna H., Benjamin A. and William M.	Addison	\$ 262,500 OL
Bartlett, Zachary L. and Paige M. Picard	Greensboro Bend	\$ 37,500 OL
Marszalkowski, Richard R.	Panton	\$ 50,000 OL

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Staff Authority – Other Business

Staff presented the Directors with the Internal Other Business memo.

There being no other business to properly come before the corporation, on a motion by B. Pearce, seconded by W. Patten, the meeting adjourned at 10:42 a.m.

ATTEST:

Vermont Agricultural Credit Corporation

By: _____
Rosalea W. Bradley, President

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