

VERMONT AGRICULTURAL CREDIT CORPORATION

Minutes

May 31, 2019

A meeting of the Vermont Agricultural Credit Corporation (VACC) convened at the offices of the Vermont Economic Development Authority, Montpelier, Vermont on May 31, 2019 beginning at 10:21 a.m. Those Directors of the Corporation present were: T. Gallagher, Chair; T. Foster; E. Delhagen (designee for J. Tierney); M. Tuttle; S. Voigt; T. Collier; L. Graves and D. Kittell. Members present via phone were: B. Pearce; D. Kurzman; A. Eastman (designee for A. Tebbetts) and T. Richards. Staff members present were: C. Polhemus, President; D. Carter, Treasurer; S. Isham, Secretary; R. Grzankowski, Chief Operations Officer; C. Houchens, Chief Compliance and Loan Review Officer; T. Porter, Director of Commercial Lending; J. Kimberly, Deputy Director of Agricultural Lending; Senior Loan Officers: M. Dussault, J. Conklin, S. Buckley, S. Croft; Loan Officers: A. Wood, C. Leonard, E. Paradee; C. Brown, Office/Facilities Manager and K. Kilpatrick, Administrative Assistant. Senior Loan Officer A. Curler entered the meeting later. Those Directors present constituted a quorum.

Minutes of April 26, 2019

On a motion by M. Tuttle, seconded by T. Collier, the minutes for the April 26, 2019 meeting were approved by those Directors of the Corporation present by a vote of 11 to 0 with the Chair abstaining.

Executive Committee Update

T. Gallagher explained the Executive Committee met just prior to today's meeting. He noted at the March 29, 2019 meeting the Board had requested all hemp loans and modification requests be brought before the full Board for consideration. The Executive Committee, feeling this is no longer necessary, has directed staff to return to normal operating procedures.

Agricultural Update

A. Eastman explained she was pleased with the Legislative Session – noting long term funding for water quality and hemp were included in several bills passed. The hemp bill will

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help with funding for lab certifications and field inspections as well as providing funding for a staff attorney at the Agency of Agriculture. Other bills passed by the Legislature included pollinator protection.

At 10:28 a.m. A. Curler entered the meeting.

A. Eastman continued, noting Legislature also formed various work groups, including a wetlands group which will be legislatively led.

Next, A. Eastman noted milk prices and crops are not faring well due to weather. This is urging Vermont dairy farmers to diversify; including moving to hemp crops, vegetables, syrup, etc. She then explained the Legislature had provided an additional \$1 million in funding for Working Lands Enterprise Initiative, with \$500,000 earmarked to help dairy farms diversify.

Interfund Lending – Renewal and Increase of Line of Credit

D. Carter explained Staff is recommending the Directors extend the maturity of the Line of Credit (LOC) loan from Vermont Economic Development Authority (VEDA)/Vermont Jobs fund to VACC from September 30, 2019 to September 30, 2022, and increase the LOC amount from \$70 million to \$80 million.

On a motion by M. Tuttle, seconded by S. Voigt, the following resolution was approved by those Directors of the Corporation present by a vote of 11 to 0 with the Chair abstaining.

Resolution

RESOLVED, that the Vermont Agricultural Credit Corporation (“VACC”) hereby approves the term extension on its Line of Credit Loan Facility with the Vermont Economic Development Authority to September 30, 2022 in an amount not to exceed \$80,000,000 pursuant to 10 V.S.A. Chapter 12, Section 234(c); and

BE IT FURTHER RESOLVED, that the interest rate, terms, conditions and collateral to be pledged for the facility will be those approved by the Directors of the VACC.

Board Loan Committee – Loan Modification

Staff presented the Directors with the Internal Board Loan Committee Loan Modification memo.

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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:

Name	Town	Loan Amount
Lehouillier, Tony C. and Joie; dba Foote Brook Organic Farm	Johnson	\$80,000
Wagenbach, Philip J. and Sarah J.	Castleton	Loan 1: \$15,000 Loan 2: \$20,000
Scotch Burn Farm LLC; Nelson, Ethan R. and Erin Nelson	Ryegate	\$100,000
Canonica, Benjamin D. and Megan W.; Canonica Farm & Forest Services, LLC	Chelsea	\$100,000
Rainville, Paul	Highgate	Loan 1: \$102,000 Loan 2: \$ 25,500

Staff Authority – Other Business

Staff presented the Directors with the Internal Other Business memo.

Champlain Orchards, Inc. and William F. Suhr – Shoreham – Farm Ownership \$1,500,000 – Farm Ownership \$700,000 – Line of Credit \$500,000

A. Wood explained Champlain Orchards, Inc. (CA) and William F. Suhr of Shoreham are requesting \$2,700,000 in VACC financing. The loans will be secured by a mortgage lien on the 158 acre main farm property and buildings thereon owned by William F. Suhr located in Shoreham, Vermont with orchards and buildings housing CA storage, packing, processing, office, a farm labor and retail facility, a mortgage lien on the former “Giard Farm” consisting of approximately 212 acres of real estate and the building thereon owned by William F. Suhr located in Bridport, Vermont, a mortgage lien on the former “Noggin Orchard” consisting of approximately 109 acres of real estate and the buildings thereon owned by William F. Suhr located in Shoreham, Vermont, interest in all now owned and hereafter acquired business assets including, but not limited to, all machinery, equipment, furniture and fixtures, all replacements, parts, accessories, substitutions, and accessions, including all products and proceeds thereof; all inventory, raw materials, work in process and supplies now owned or hereafter acquired, including all proceeds and products thereof; all accounts, deposit accounts, accounts receivable,

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contract rights, intangibles, rights and causes of action now owned or hereafter acquired, including all products and proceeds thereof and all insurance proceeds thereof, security interest in all crops, both growing and stored, and all products and proceeds thereof.

At 10:35 a.m. T. Gallagher left the meeting and returned at 10:36 a.m.

After discussion regarding growth opportunity, mobile canning benefits, harvest labor, the H2A program and pollination, on a motion by S. Voigt, seconded by D. Kittell, the above loan request was approved by those Directors of the Corporation present by a vote of 9 to 0 with the Chair, A. Eastman and T. Foster abstaining.

Other Business

Two loans were brought before the Directors of informational purposes only: Ackermann Dairy, LLC of Hardwick and Dog River Farm, LLC of Berlin.

There being no other business to properly come before the Corporation, on a motion by S. Voigt, seconded by T. Collier, the meeting adjourned at 10:53 a.m.

ATTEST: Vermont Agricultural Credit Corporation

By: _____
Cassandra F. Polhemus, President