

VERMONT AGRICULTURAL CREDIT CORPORATION

Minutes

February 28, 2020

A telephonic meeting of the Vermont Agricultural Credit Corporation (VACC) originated at the offices of the Vermont Economic Development Authority, Montpelier, Vermont on February 28, 2020 beginning at 10:05 a.m. Those Directors of the Corporation present via phone were: T. Gallagher, Chair; L. Graves; D. Kurzman; M. Tuttle; R. Shippee; E. Delhagen (designee for J. Tierney); T. Collier; A. Eastman (designee for A. Tebbetts) and B. Pearce. Members present were: T. Foster. Staff members present were: C. Polhemus, President; P. Samson, Vice President; S. Isham, Secretary; R. Grzankowski, Chief Operations Officer; T. Porter, Director of Commercial Lending; J. Kimberly, Deputy Director of Agricultural Lending; Senior Loan Officers: S. Croft and A. Wood; C. Morris, Communications Manager; A. Wright, Executive Assistant and K. Kilpatrick, Administrative Assistant. M. Corbet, Loan Officer participated via phone. Also present via phone: R. Milrod of CFO Consulting Partners. Those Directors present constituted a quorum.

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On a motion by T. Foster, seconded by T. Collier, the minutes for the January 24, 2020 meeting were approved by those Directors of the Corporation present by a vote of 9 to 0 with the Chair abstaining.

Agricultural Update

A. Eastman began the update explaining she is watching a bill currently in the Senate, S.180, which would ban a specific pesticide in statute. She noted this has not been done before. She continued, noting the universal recycling law going into effect in July 2020 is having an effect on chicken farmers in the state, as farmers are currently feeding food scraps to their livestock. She noted food scraps are considered solid waste and need to be regulated by the Agency of Natural Resources and is subject to Act 250. She explained the Senate and House Agricultural Committees may alter this for chicken farmers in the state.

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Discussion ensued regarding marijuana crops. She explained marijuana is not considered an agricultural product and current legislation regarding marijuana crops may be problematic for the agricultural community. She noted the legislation will go through committee hearings. Next, A. Eastman noted the Dairy Innovation and Strategic Plan had been released and contained valuable information for farmers. She then explained the Agency of Agriculture, Food and Markets (the Agency) would be applying for an agricultural innovation grant. This grant would be tied to financial assistance. She then explained the Agency will be hosting the Northeast Association of State Departments of Agriculture 2020 Conference in June. She continued, noting the Agency has been working to have the legal level of THC for hemp grown in Vermont be raised from 0.3% to 1%. She explained the Agency will be filing with the Interagency Committee on Administrative Rules later this month.

T. Foster then noted milk prices are starting to decline again and not looking good for the dairy industry. He noted the export of whey powders has been impacted by both the federal trade wars as well as the recent coronavirus outbreak. He predicts a stressful year for the agricultural industry.

Guaranteed Agricultural Loan Review Report and Cover Memo

C. Polhemus explained the Guaranteed Agricultural Loan Review Report outlines findings, recommended action and management responses to those findings. She then reviewed the report and the findings, noting the overall report was good.

On a motion by L. Graves, seconded by M. Tuttle, the report was approved by those Directors of the Corporation present by a vote of 9 to 0 with the Chair abstaining.

Belter Family Partnership and Belter, Joyce N., John H. and David T. – South Burlington – Line of Credit – \$450,000

J. Kimberly explained Belter Family Partnership, et al., of South Burlington are requesting a \$450,000 VACC line of credit. The loan will be secured by a NRCS-CPA-1236 Assignment of Payment (Phase 1 of 3) from the Middlebury/Williston NRCS office, a security interest in all of the borrower's now owned or hereafter acquired cattle, machinery and equipment, including but not limited to all offspring, replacements, substitutions, accessories, accessions and parts and all products and proceeds thereof, and insurance proceeds thereof, a security interest in all of the borrower's now owned and hereafter acquired crops (including

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compost), both growing and stored, and feed inventory and all products and proceeds thereof, a mortgage lien on approximately 288.1± acres of real estate and the buildings thereon (excluding Todd Belters .33± acre residence) owned by John H. and Joyce N. Belter located in South Burlington, Vermont, and a security interest in borrower's milk and all products and proceeds thereof.

After discussion regarding water quality improvements, owner dedication and the structure of the loan, on a motion by T. Foster, seconded by L. Graves, the above loan request was approved by those Directors of the Corporation present by a vote of 9 to 0 with the Chair abstaining.

At 10:38 a.m. E. Delhagen disconnected from the call.

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>
Bridport Creamery, LLC; Foster, Nicole O.	Bridport	\$33,000
Demarest, Ryan Z. and Breitenbeck, Genica C.	Hyde Park	\$24,500
Chapman, Randall C. and Ann C.	Tunbridge	\$20,000
Full Belly Farm, LLC; Park, Sarah M. and Stephen O.	Hinesburg	\$50,000

Staff Authority – Other Business

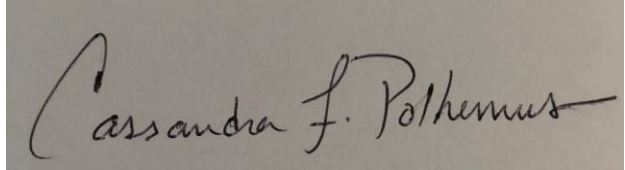
Staff presented the Directors with the Internal Other Business memo.

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There being no other business to properly come before the Corporation, on a motion by B. Pearce, seconded by T. Foster, the meeting adjourned at 10:39 a.m.

ATTEST:

Vermont Agricultural Credit Corporation

A rectangular box containing a handwritten signature in black ink. The signature is written in a cursive style and reads "Cassandra F. Polhemus".

By: _____
Cassandra F. Polhemus, President