

# VERMONT AGRICULTURAL CREDIT CORPORATION

## Minutes

March 27, 2020

A telephonic meeting of the Vermont Agricultural Credit Corporation (VACC) originated at the offices of the Vermont Economic Development Authority, Montpelier, Vermont on March 27, 2020 beginning at 10:55 a.m. Those Directors of the Corporation present via phone were: T. Gallagher, Chair; A. Eastman (designee for A. Tebbetts); R. Shippee; L. Graves; E. Delhagen (designee for J. Tierney); M. Tuttle; S. Voigt; D. Kurzman; T. Foster; B. Pearce; T. Collier; A. Gagner; M. Snyder and J. Goldstein (designee for L. Kurrle). Staff members present in VEDA's offices were: A. Wright, Executive Assistant. Staff members present via phone were: C. Polhemus, President; P. Samson, Vice President; T. Richardson, Chief Financial Officer; S. Isham, Secretary; R. Grzankowski, Chief Operations Officer; C. Houchens, Chief Risk and Resource Officer; T. Porter, Director of Commercial Lending; Senior Loan Officers: J. Conklin; E. Denny and A. Wood; Loan Officers: C. Leonard; E. Paradee and K. Richardson; B. Koch, IT Manager; C. Morris, Communications Manager and K. Kilpatrick, Administrative Assistant. Also present via phone: J. Kimberly, Consultant. Those Directors present constituted a quorum.

### Minutes of February 28, 2020

On a motion by T. Collier, seconded by J. Goldstein, the minutes for the February 28, 2020 meeting were approved by those Directors of the Corporation present by a vote of 13 to 0 with the Chair abstaining.

### Agricultural Update

A. Eastman explained staff had been reorganized at the Agency of Agriculture, Food and Markets (the Agency) in order to be able to respond to the many COVID-19 related emails and voicemails so far received. She continued, noting the Agency had been working with Secretary Kurrle at the Agency of Commerce and Community Development to provide responses to the many inquiries.

Next, A. Eastman described the current situation in the milk industry, noting cooperatives had notified their members of an expected drop in milk prices as fluid milk consumption is

## VACC Minutes – March 27, 2020

expected to be down to due to closed schools and restaurants. She noted local farmers' markets and consumer supported agriculture is doing well. She continued, explaining Secretary Tebbetts has tasked the Agriculture Development Team to meet each day – she explained the team discusses disruptions in the supply chain and how to better serve those in the community. She continued her update noting she had been involved in conference calls with producers, cooperatives and lenders, noting not everyone is feeling a negative impact. She is encouraged to see positives on the forefront.

Next, A. Eastman described the difficulties associated with the closing of embassies in Mexico and Jamaica due to COVID-19 and the impacts on H2A workers. The Agency is working with cooperatives to ensure all workers are healthy and those employers are forward thinking if quarantine is needed after workers arrive. The Agency is also working to ensure programs are in place for these workers.

### Update on Milk Prices – COVID-19 Impact

A. Wood opened his update by noting dairy represents a large part of the VACC portfolio. He explained COVID-19 effects will not be immediate but will show as an impact to price on the commodities market. He described the anticipated impact, noting 2020 was expected to bring potentially positive milk prices and allow farmers to rebuild, but instead will provide another challenging year for dairy farmers and markets.

### Scholten, Roger H. and Patricia J. – Weybridge – Item 1: FSA Guaranteed Operating Loan – \$182,500; Item 2: Other Business – Partial Release of Security and Take Additional Security, Release of FSA Guarantee

J. Conklin explained Roger H. and Patricia J. Scholten are requesting a \$182,500 Operating Loan and a release of security and subsequently take additional security and the release of the 80% FSA Guarantee on the loan. The loan and other business request will be secured by 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 borrower's milk and all products and proceeds thereof, a security interest in all of the borrower's now owned and hereafter acquired crops, both growing and stored, and feed inventory and all products and proceeds thereof, a mortgage lien on

VACC Minutes – March 27, 2020

approximately 634,91 acres of real estate and the buildings thereon owned by Roger H. and Patricia J. Scholten located in Whiting, Vermont.

After discussion regarding business accounting, the need for borrower oversight and the overall request, on a motion by T. Foster, seconded by L. Graves, the above loan and other business request were approved, with the covenant that the borrowers obtain guidance before attempting to grow any new crop, by those Directors of the Corporation present by a vote of 12 to 0 with the Chair and B. Pearce abstaining.

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>
Rooney, Francis W. and Delia A.	Enosburg Falls (farm is in Fairfield)	\$ 31,500
Bathalon, Robert G. and Joanne M.	Westfield	\$115,000
Thompson, Tommie D. and Jackson, Josiah B.C.	Lincoln	\$125,000
Jericho Settlers Farm, Inc.; Alexander, Christa; Fasching, Mark	Jericho	Loan 1: \$150,000 Loan 2: \$150,000

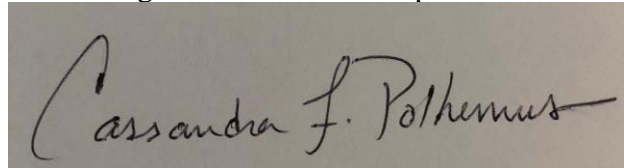
Staff Authority – Other Business

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 T. Collier, seconded by B. Pearce, the meeting adjourned at 11:23 a.m.

ATTEST:

Vermont Agricultural Credit Corporation



By: \_\_\_\_\_  
Cassandra F. Polhemus, President