

VERMONT AGRICULTURAL CREDIT CORPORATION

Minutes

April 30, 2021

A video conferencing meeting of the Vermont Agricultural Credit Corporation (VACC) convened on April 30, 2021 beginning at 10:28 a.m. Directors of the Corporation present via video conferencing were: S. Voigt, Vice Chair presiding as Chair; A. Eastman (designee for A. Tebbetts); B. Pearce; D. Kurzman; E. Delhagen (designee for J. Tierney); J. Goldstein (designee for L. Kurrle); L. Graves; M. Tuttle; R. Shippee; T. Foster and T. Collier. Staff present via video conferencing in VEDA's Montpelier office: A. Wright, Executive Assistant and K. Kilpatrick, Administrative Assistant. Staff members present via video conferencing were: C. Polhemus, President; T. Richardson, Treasurer; S. Isham, Secretary; R. Grzankowski, Assistant Secretary; T. Porter, Director of Commercial Lending; Senior Loan Officers: A. Wood; J. Conklin; M. Dussault; S. Buckley and S. Croft; Loan Officers: E. Paradee and M. Corbett; P. Fitzgerald, Director of Loan Resolution and H. Hook, Senior Accountant. Those Directors present constituted a quorum.

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On a motion by T. Collier, seconded by T. Foster, the minutes for the March 26, 2021 meeting were approved by those Directors of the Corporation present by a vote of 9 to 0 with A. Eastman and the Chair abstaining.

Agricultural Update

A. Eastman provided a legislative update on S.102, a proposal accepting post-consumer scraps as feed for chickens. The Bill is likely to pass and be successful this year. Next, A. Eastman indicated The Vermont Pesticide Advisory Council (VPAC) has been reorganized/replaced with a new board to come, Agricultural Innovation Board. A. Eastman continued her update on H.420, a technical bill to have a legal hemp program at the state level. A. Eastman then provided an update on what is being debated including on-farm slaughter to increase numbers. The backlog with slaughtering is recognized and the program cannot be put at

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risk. A. Eastman was excited to get the message out that we will have wastewater infrastructure where it has been lacking. A lot of positive conversations happening.

T. Foster indicated there are some bright spots in dairy pricing and futures are looking good, although grain prices have increased significantly. Hoping for a good crop season to support the agricultural industry.

Credit Risk Classification Report – 3rd Quarter FY2021

Staff's Credit Risk Classification Report recommendations for the VACC loan portfolio for the 3rd quarter of fiscal 2021 (ended March 31, 2021) included recommended loan loss reserves in the amount of \$2,126,000.

After discussion regarding the reserves and changes recommended thereto, on a motion by L. Graves, seconded by M. Tuttle, the recommendation was approved by those Directors of the Corporation present by a vote of 10 to 0 with the Chair abstaining.

Loan Presentation:

Stonewood Farm, Inc., Siegrid A. Mertens and Peter K. Stone – Orwell – Other Business

E. Paradee explained Siegrid A. Mertens and Peter K. Stone wish to extend their VACC LOC for another five years to coincide with the seasonal cash flow as well as waive the zero-out provision for the term ended November 20, 2020. Collateral securing VACC's LOC is a shared second priority security interest in all of the Borrower's inventory, machinery and equipment, a first priority security interest in accounts receivable, and a mortgage lien on two parcels of real estate totaling approximately 624 acres located in Orwell, Vermont.

After discussion regarding previous loans and grant status, on a motion by L. Graves, seconded by B. Pearce, the above loan request was approved by those Directors of the Corporation present by a vote of 10 to 0 with the Chair abstaining.

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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>
Bragg, Eric G. and Elise M.	Thetford Center	\$145,000
Hall and Breen Farm, LLC; H & B Land Holdings, LLC; Hall, Justin L. and Hall, Louis L.	Orwell	\$250,000

Staff Authority – Other Business

Staff presented the Directors with the Internal Other Business memo.

Staff Authority – Loan Denial

Staff presented the Directors with the Internal Loan Denial.

There being no other business to properly come before the Corporation, on a motion by T. Collier, seconded by L. Graves, the meeting adjourned at 10:52 a.m.

ATTEST:

Vermont Agricultural Credit Corporation



By: _____
Cassandra F. Polhemus, President