

# VERMONT AGRICULTURAL CREDIT CORPORATION

## Minutes

October 29, 2021

A meeting of the Vermont Agricultural Credit Corporation (VACC) convened at VACC's office in Montpelier on October 29, 2021 beginning at 11:13 a.m. Directors of the Corporation present in VACC's Montpelier office were: S. Voigt, Chair; T. Gallagher; R. Shippee, and T. Foster. Members present via video conferencing were: A. Eastman (designee for A. Tebbetts); E. Delhagen (designee for J. Tierney); M. Tuttle; L. Graves; K. Hale; T. Collier, and D. Kurzman. Staff members present in VEDA's Montpelier office were: C. Polhemus, President; P. Samson, Vice President; T. Richardson, Treasurer; S. Isham, Secretary; R. Grzankowski, Assistant Secretary; C. Houchens, Chief Risk and Resource Officer; T. Porter, Director of Commercial Lending; S. Buckley, Senior Loan Officer, and A. Wright, Executive Assistant and Office Manager. Staff members present via video conferencing were: P. Fitzgerald, Director of Loan Resolution; Senior Loan Officers: M. Dussault, S. Croft, J. Conklin, E. Denny and A. Wood; Loan Officers: M. Corbett, E. Paradee, C. Leonard; J. Shackman, Senior Commercial Credit Analyst and K. Kilpatrick, Administrative Assistant. Also present: L. Ginsberg, Agricultural Development Section Chief from the Vermont Agency of Agriculture, Food and Markets. Those Directors present constituted a quorum.

### Minutes of September 24, 2021

On a motion by T. Foster, seconded by T. Collier, the minutes for the September 24, 2021 meeting were approved by those Directors of the Corporation present by a vote of 10 to 0 with the Chair abstaining.

### Status of Dairy Industry in Vermont

L. Ginsburg provided the Members with a presentation regarding the Status of the Dairy Industry in Vermont. She began with a review of the Northeast Dairy Business Innovation Center (NE-DBIC) and who is eligible to access resources through the NE-DBIC. She then explained the importance of investing in farms and dairy processors. Next, L. Ginsburg reviewed projects and investments of the NE-DBIC for 2019 through 2021, including events and activities,

competitive grants, research and development and current opportunities and ways to engage with NE-DBIC.

Danone Horizon Organic Exposure

L. Ginsburg explained steps the State has taken since the announcement of Danone Horizon Organic's termination of supply agreements with Vermont organic dairy producers. She also described the work done by NOFA VT, including farmer outreach. She explained this situation allows Vermont to consider long-term dairy systems improvements. Discussion ensued regarding the limited availability of processors able to process organic products as well as organic standards.

At 11:54 a.m. L. Ginsburg left the meeting for the remainder of the day.

Next, S. Isham gave an overview of VACC's exposure with regards to the Danone Horizon Organic announcement with P. Samson noting there has been no need to downgrade any of the effected loans at this time, explaining these farms are unleveraged with good operators.

Agricultural Update

A. Eastman explained the Agency of Agriculture, Food and Markets (the Agency) has been in contact with Agri-Mark/Cabot and Vermont Creamery as these facilities are currently at reduced production due to lack of personnel. She noted the State will continue to work with processors to verify their needs for employees. She continued, noting the Agency has been working with the Vermont Climate Council as well as the Agency of Natural Resources and the Vermont Wetlands Program. Discussion continued regarding the Agency's grant programs and the difficulties of informing farmers of the options available with these programs.

Election of Officers

S. Voigt presented the following slate of officers:

President:	Cassandra F. Polhemus
Vice President:	Peter F. Samson
Treasurer:	Thaddeus G. Richardson

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Secretary: Sarah C. Isham  
Assistant Secretary: Renée Grzankowski  
Heidi van Gulden  
Jennifer Pinsonneault

On a motion by T. Collier, seconded by A. Eastman, the following resolution was approved by those Directors of the Corporation present by a vote of 10 to 0 with the Chair abstaining.

Resolution

BE IT RESOLVED, that the following officers be and hereby are elected:

President: Cassandra F. Polhemus  
Vice President: Peter F. Samson  
Treasurer: Thaddeus G. Richardson  
Secretary: Sarah C. Isham  
Assistant Secretary: Renée Grzankowski  
Heidi van Gulden  
Jennifer Pinsonneault

Credit Risk Classification Report – 1<sup>st</sup> Quarter FY2022

P. Samson reviewed Staff's Credit Risk Classification Report recommendations for the VACC loan portfolio for the 1<sup>st</sup> quarter of fiscal 2022 (ended September 30, 2021) which included loan loss reserves in the amount of \$1,772,700.

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

Gevry Firewood LLC, Ethan C. Gevry and Matthew J. Gevry – Addison – Operating Loan: \$190,000 – Line of Credit: \$60,000

C. Leonard explained Gevry Firewood LLC, et al., are requesting \$250,000 in VACC financing. The loans will be secured by security interest in all of the now owned and hereafter acquired firewood machinery and equipment owned by Gevry Firewood LLC, including but not limited to all replacements, substitutions, accessories, accessions, and parts thereof and all projects and proceeds thereof and insurance proceeds thereof in a Cord King 134 firewood processor and a fixture filling on a 6 cord capacity firewood kiln, and a mortgage on 352 acres

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conserved (currently standard easement) real estate and buildings thereon owned by Ethan C. Gevry located at 3968 VT Route 22A in Addison, Vermont.

After discussion regarding owners' strengths, motivation and the beneficial location of the farm, on a motion by T. Foster, seconded by T. Gallagher, the above loan requests were approved by those Directors of the Corporation present by a vote of 10 to 0 with the Chair abstaining.

Staff Authority – Loan Approval

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 loan since the last VACC meeting:

<b>Name</b>	<b>Town</b>	<b>Loan Amount</b>
Grass Cattle Company LLC; Schubart, Steven S.	Charlotte	\$200,000

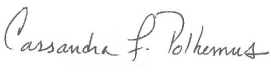
Staff Authority – Other Business

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 R. Shippee, the meeting adjourned at 12:21 p.m.

ATTEST:

Vermont Agricultural Credit Corporation

By:   
Cassandra F. Polhemus, President