

# VERMONT AGRICULTURAL CREDIT CORPORATION

## Minutes

September 29, 2017

A telephonic meeting of the Vermont Agricultural Credit Corporation originated at the offices of the Vermont Economic Development Authority, Montpelier, Vermont on September 29, 2017 beginning at 10:11 a.m. Those Directors of the Corporation present via phone were: D. Kurzman, Chair; T. Gallagher; T. Richards; J. Snow; L. Graves; M. Snyder, B. Pearce; A. Eastman (designee for A. Tebbetts); J. O'Meara Sanders and W. Patten. Member E. Delhagen (designee for J. Tierney) was present at VEDA's offices. Staff members present were: R. Bradley, President; C. Polhemus, Vice President; S. Isham, Secretary; C. Brown, Office Manager; T. Porter, Director of Commercial Lending; R. Grzankowski, Director of Operations; Senior Loan Officers: S. Croft and J. Conklin; Loan Officers: E. Denny and M. Corbett and S. Anechiarico, Commercial Credit Analyst. Staff members present via phone were: J. Kimberly, Deputy Director of Agricultural Lending; M. Dussault, Senior Loan Officer; Loan Officers: C. Leonard and E. Paradee; C. Houchens, Chief Compliance and Loan Review Officer; P. Fitzgerald, Credit Specialist and J. Drouin, Commercial Loan Assistant.

### Minutes of August 25, 2017

On a motion by W. Patten, seconded by T. Richards, the minutes for the August 25, 2017 meeting were approved by those Directors of the Corporation present by a vote of 9 to 0 with the Chair and E. Delhagen abstaining.

### Agricultural Update

L. Graves noted milk supply is starting to realign with demand; due in part to a decline in production related to weather and feed. The start of the school year increases demand. He continued, noting milk prices increased and the weather has been favorable for farmers; allowing for harvesting of crops. He noted both quality and quantity of harvest will be below average.

Next, L. Graves explained numerous Vermont Farmers have received letters stating the National Farmers Organization (NFO) will no longer be taking their milk and these farmers are now in the process of finding another market as Dairy Farmers of America (DFA) is not taking

on any of the NFO farms at this time. He noted the NFO has several organic farms locally with marketing capabilities which should not be impacted by this change. The St. Albans Cooperative Creamery has taken on a small number of these farms.

Staff Authority – Loan Approvals

Staff presented the Directors with the Internal Loan Approval memo.

Staff Authority – Other Business

Staff presented the Directors with the Internal Other Business memo.

J. Snow asked about a high loan to value ratio on the memo. P. Fitzgerald explained this was a means to make the account current.

Blissful Dairy, LLC and Andre Z. and Lydia S. Vorsteveld – Bridport – Operating Loan – \$450,000 and Farm Ownership Loan – \$368,000

Uses			Sources	
Amount	Uses	Description	Amount	Sources
\$ 450,000	Working Capital (LOC, Oper Exp)	Prepay 2018 Expense(s)	\$ 450,000	VACC-OL 4.50% V., 12 month term and amortization, \$38,420.33 per month
<b>\$ 450,000</b>	<b>Uses Subtotal</b>		<b>\$ 450,000</b>	<b>Sources Subtotal</b>
\$ 362,650	Construction – New	180' x 60' Fodder Barn	\$ 368,000	VACC-FO 5.65% F.*, 20 year term, 234 month amortization, 6 months interest-only, followed by 234 payments of \$2,598.28 per month
\$ 5,350	Legal and Closing Fees			
<b>\$ 368,000</b>	<b>Uses Subtotal</b>		<b>\$ 368,000</b>	<b>Sources Subtotal</b>
<b>\$ 818,000</b>	<b>Total Project Uses</b>		<b>\$ 818,000</b>	<b>Total Project Sources</b>

\* 10 year fixed rate, thereafter VACC Prime (currently 5.00%) plus 0.50%.

J. Kimberly explained Blissful Dairy, LLC and Andre Z. and Lydia S. Vorsteveld of Bridport are requesting \$818,000 in VACC financing for the above purposes.

After discussion regarding historical cash flow and financials, tax liability, construction options and the overall project, on a motion by J. Snow, seconded by W. Patten, the above 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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There being no other business to properly come before the corporation, on a motion by W. Patten, seconded by J. Snow, the meeting adjourned at 10:32 a.m.

ATTEST:

Vermont Agricultural Credit Corporation

By: \_\_\_\_\_  
Rosalea W. Bradley, President

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