

To: Vermont House and Senate Agriculture Committees

From: George Putnam, President and CEO of Yankee Farm Credit

Date: January 12, 2014

I am pleased to present an overview of Yankee Farm Credit.

Enclosed in this packet are:

- A one-page introduction to Yankee Farm Credit
- A map of our territory

Yankee Farm Credit is a farmers cooperative. Privacy laws prevent me from discussing specific members without their permission. I can, however, share the following:

- A list of directors
- Vermont members featured on our annual report covers in recent years
- A recent FarmStart investment. FarmStart is a program to help beginning farmers who do not qualify for a conventional loan.

The one-page introduction above gives information about all of Yankee Farm Credit, which includes our operations in six counties outside Vermont. Also enclosed is information about our loans in Vermont only.

Finally, since dairy farming is such a large part of our portfolio, enclosed is information from the Northeast Dairy Farm Summary about net earnings on a sample of northeast dairy farms (New England and New York) over the past few decades.

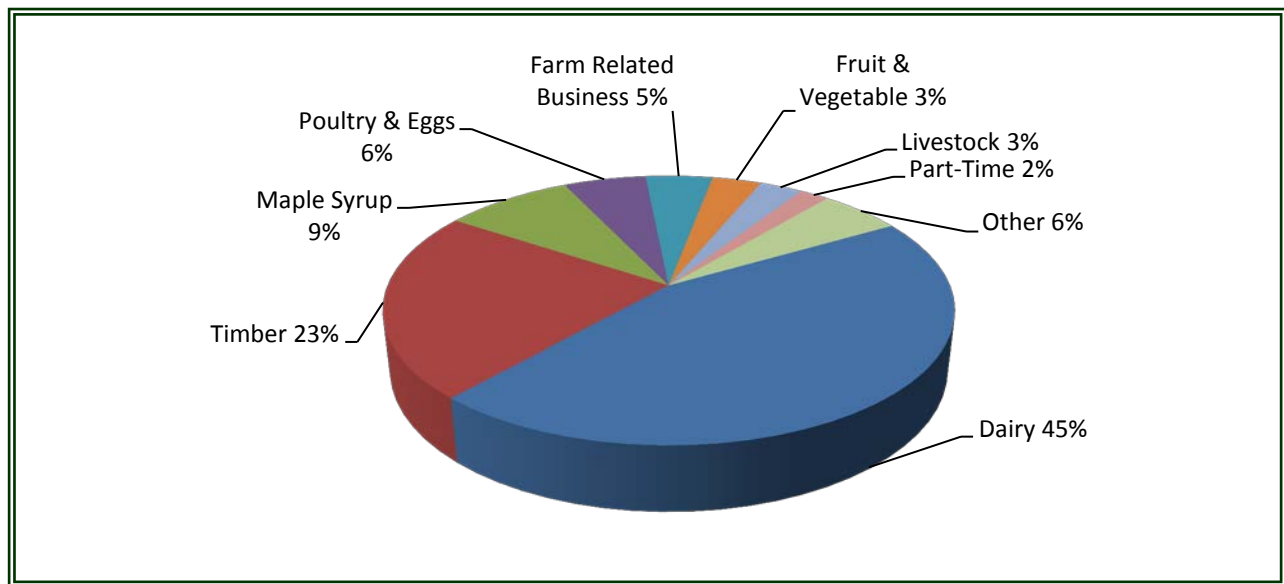
I look forward to meeting with you.

Yankee Farm Credit

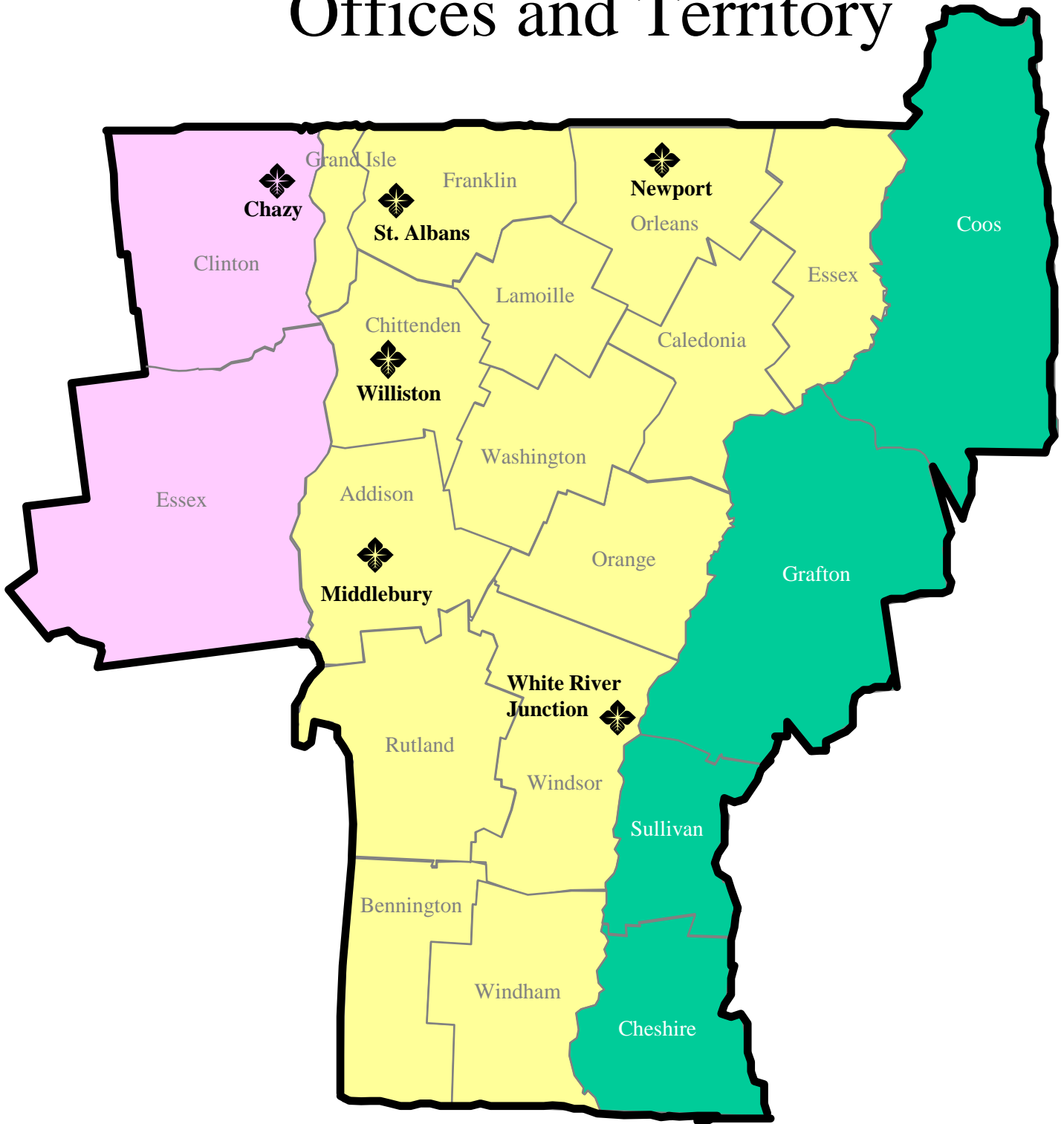
Building Relationships That Last Generations

- Farmer-owned **cooperative** serving agriculture and the forest products industry.
- Part of the national **Farm Credit System** created by Congress in 1916.
- Provide **credit** and **financial services** (e.g., recordkeeping, income tax preparation, consulting, crop insurance).
- Largest lender to agriculture and the forest products industry in the region we serve with loan volume of **\$579 million** at 12/31/14.
- Serving **1,370 customers** in 20 counties: all 14 counties in Vermont; four counties in New Hampshire along the Connecticut River; and two counties in New York bordering Lake Champlain.
- Dedicated staff of **53 employees** working out of six local offices.
- Diverse **board of directors**: nine directors elected by and from the farmer members of the cooperative, and two additional directors appointed by the nine elected farmer directors.
- Patronage refunds of **\$4.9 million** paid to members in March 2014.
- Total patronage refunds of **\$54 million** paid to members since 1995.

Agricultural Industries Served by Yankee Farm Credit
Loan Volume of \$579 million at 12/31/14



Yankee Farm Credit, ACA Offices and Territory



Yankee Farm Credit

Directors as of 12/31/14

Rocklyn Giroux – Chairperson. One of the owners of Adirondack Farms in Peru, New York, a 2,200 cow dairy farm. From 1972 to 1995 Mr. Giroux operated Giroux Bros., Inc., a John Deere dealership in Plattsburgh and Malone, New York.

Alan Bourbeau – Vice Chairperson. With his family, owns and operates Bourbeau & Sons, Inc., in Swanton, Vermont, a 260 cow dairy farm. In addition, Mr. Bourbeau makes maple syrup from 34,000 taps.

Thomas Colgan. President and CEO of Wagner Forest Management, Ltd., of Lyme, New Hampshire, a timber management company. Mr. Colgan is an appointed director.

Bryan Davis. With his wife, owns and operates Grand View Farm in Derby Line, Vermont, a 135 cow dairy farm. In addition, Mr. Davis makes maple syrup from 4,500 taps.

Dr. Rocki-Lee DeWitt. Professor of Management at the University of Vermont School of Business Administration. Dr. DeWitt grew up on a dairy farm in Accord, New York. Dr. DeWitt is an outside director.

Paul Franklin. With his wife, owns and operates Riverview Farm in Plainfield, New Hampshire, a 45 acre fruit and vegetable farm specializing in pick-your-own apples, blueberries, raspberries and pumpkins. In addition, they own and operate a 170 acre woodlot.

Walter Gladstone. With his family, owns and operates Newmont Farm in Bradford, Vermont, a 1,200 cow dairy farm. In addition, Mr. Gladstone grows 150 acres of pumpkins.

Celeste Kane-Stebbins. With her family, owns and operates Stebbinshire Farms in Sheldon, Vermont, a 375 cow dairy farm. In addition, the family makes maple syrup from 4,500 taps.

Bradley Maxell. With his family, owns and operates Maxwells' Neighborhood Farm in Coventry, Vermont, an 800 cow dairy farm. The farm includes a methane digester, greenhouse, and a small sugaring operation.

Stephen Taylor. With his family, owns and operates Taylor Brothers Farm in Plainfield, New Hampshire, a 60 cow dairy farm with an on-farm cheesemaking operation. In addition, the family makes maple syrup from 7,000 taps. From 1982 to 2007 Mr. Taylor was the Commissioner of Agriculture for New Hampshire.

There is one vacancy on the board of directors. **Paul Saenger** passed away in October 2014. He was a beef farmer from Shoreham, Vermont. The members of Yankee Farm Credit will elect someone to fill this position at the annual meeting in April 2015.

More information about directors is on our website: <http://www.yankeeaca.com/>

Yankee Farm Credit Annual Report Covers

2009 – Monument Farms Weybridge, VT

Building Relationships That Last Generations

Yankee Farm Credit would like to thank all the longtime customers we've known through the years. We look forward to working with future generations. One relationship that spans four generations is Monument Farms Dairy in Weybridge, Vermont. Started in 1930 by Richard and Marjory James, the operation now has three generations working together.

Top: Milicent (James) Rooney preparing for milk delivery.
Middle: Steve James and sons Bob and Peter.
Bottom: The three generations.

2009 Annual Report

Yankee Farm Credit

2010 – Maxwells' Neighborhood Farm Coventry, VT

Building Relationships That Last Generations

2010 Annual Report

Our story lies in the history of each farm family we encounter. One relationship that spans generations is Neighborhood Farms in Coventry, Vermont. Started in 1959 by Maurice and Lois Maxwell, they currently have four sons and two grandsons involved with the operation. Lois is part of a four-generation relationship with us. Her father was a long time member and her brother is also.

Special thanks to all the customers who help our story continue to be written.

Top: Left to right Brad, Jeff, Tony, Stewart.
Middle: Lois and Maurice with their prize cow "Delight".
Bottom: The three generations on the farm.

Yankee Farm Credit

2011 – Sam Mazza's Farm Colchester, VT

Building Relationships That Last Generations

Thanks to all the customers we've had the pleasure to work with through the years, we look forward to working with future generations. One relationship that spans three generations is Sam Mazza's Farm in Colchester, Vermont. The farm has been in the family since 1928 when Frank and Rose Mazza purchased their first parcel of farmland. In 1969 Sam Mazza's Farm was created with an extension of the original farm by Sam and Annette Mazza. The farm has gone through many changes over the years but they have remained committed to being a family operation. Currently it's run by Seth, his four daughters, Lenie, Cheryl, Melissa and Theresa, and son-in-law Gary. His granddaughter, Melanie, helps in the office.

Top: Sam Mazza, Sr., the patriarch. Below: Lenie, Middle: (left to right) Melanie, Deborah, Michael, Seth, Mazza, Elizabeth, Deborah, Stephanie, Bowles.
Bottom: From top, from the left: Lenie, Mazza, Deborah, Cheryl, Mazza, Patricia, Theresa, Mazza, Anthony, Melissa, Mazza, Melissa, Deborah, Mazza, Michael, Gary & Annette, Sam, Mazza, Mike, Prusse, Lori, Mazza, Seth, Mazza, Lenie, Cheryl, Melissa, Theresa, Mazza, Gary, Mazza, Lenie, Mazza, Deborah, Mazza, Michael, Gary & Annette.

**2011 Annual Report
Yankee Farm Credit**

Yankee Farm Credit

2012 – Cersosimo Lumber Brattleboro, VT

Building Relationships That Last Generations

2012 Annual Report

All Yankee Farm Credit asks take pride in every relationship we have, and are especially proud of the many we have that span generations. One such relationship is with Cersosimo Lumber Co. in Brattleboro, Vermont, dated in 1947 by Anthony "Tony" Cersosimo, the Company managed by Tony's son, Dominic "Bitch" as Chairman, and Bitch's son, Michael as President. From the original sawmill in the backyard, the company has grown to the point where lumber is now sold in 13 countries (including the US) around the globe!

Top: Tony at the original office.
Middle: Three generations - Bitch, Michael and Tony.
Bottom: Bitch and Michael.

Yankee Farm Credit

Annual reports are available on our website: <http://www.yankeeaca.com/>

Yankee Farm Credit FarmStart Investments

From our blog at <http://yankeeaca.blogspot.com/> :

FarmStart - Tanner and Heleena Abbott May 20, 2014



Tanner and Heleena Abbott are Yankee's most recent FarmStart investment. They used the investment monies to start up a goat cheese manufacturing facility. While Tanner is new to this operation, Heleena is not. Heleena's grandmother, Jean Hurlburt, owned and operated her own operation for over 15 years in New Hampshire. Heleena spent many summers with her grandmother helping her milk the goats and package the cheese. Last year when her grandmother decided to get out of the business, Heleena and Tanner decided they wanted to take it over.

The Abbott's operation is located in the small town of Franklin, Vermont. They currently have 32 milkers with each goat producing approximately 6 pounds (young herd) of milk per day. Their goats range in age from just 1 week to 3 years. The milk is used to make two types of cheese: Feta and Chevre. Feta cheese can be purchased plain, Greek, or marinated in a tomato basil olive oil mixture. The Chevre cheese (more of a cream style cheese) comes in many flavors such as dill & garlic, Boursin (thyme, pepper & garlic) and sweet dessert cheese with flavors like Cranberry-Orange or Pineapple-Apricot. These are just a few of the flavors currently available. They plan to add additional flavors in the future.



The Abbotts plan to sell their cheeses at local farmer's markets, Co-ops and eventually via their website: www.hilandfarm.com. They already have customers (previous customers of Heleena's grandmother) anxiously waiting to place their orders.

Tanner and Heleena are excited as they begin their new venture and while Heleena's grandmother is no longer the owner and operator of the business she is there providing them guidance and in a small way will always be a part of their business as she painted the goat found on the HI-LAND FARM label.

The goal of FarmStart is to provide working capital to help start-up farmers establish a positive business and credit history during the early phases of their business careers. Within five years recipients should be positioned to graduate to a conventional line of credit from Yankee or another lender.

Source: <http://yankeeaca.blogspot.com/2014/05/farmstart-tanner-and-heleena-abbott.html>

As of 12/31/14 Yankee Farm Credit has closed 11 FarmStart investments. There is a blog post for each one. [Click here](#) to read about all of them.

More information about the FarmStart program is on our website: <https://www.yankeeaca.com/Products-and-Services/FarmStart.aspx>

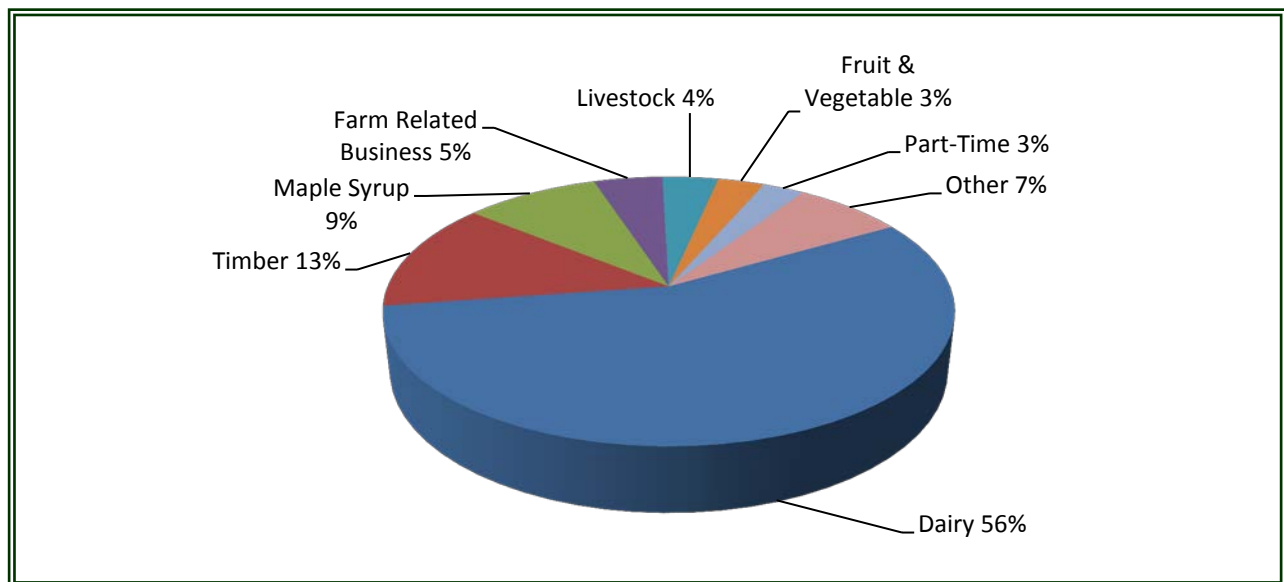
Yankee Farm Credit

Building Relationships That Last Generations

Vermont-only loan information

- Total loan volume **\$579 million** at 12/31/14. Vermont: **\$381 million**.
- Serving **1,370 customers** in total. Vermont: **1,077 customers**.

Agricultural Industries Served by Yankee Farm Credit – Vermont-only Loan Volume of \$381 million at 12/31/14



Vermont-only loan volume (\$ in millions) and number of customers at 12/31/14:

Dairy	\$213	442
Timber	50	83
Maple Syrup	35	186
Farm Related Business	18	71
Livestock	14	71
Fruit & Vegetable	12	44
Part-Time	11	56
Other	<u>28</u>	<u>124</u>
Total	\$381	1,077

Net Earnings Per Cow

