

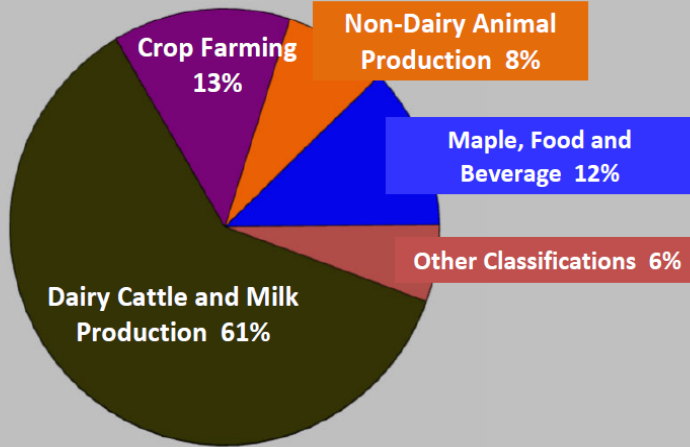


### **Brief History and Background of Agricultural Lending at VEDA**

- The Vermont Agricultural Credit Corporation (VACC) was formed within VEDA in 1999 to *“...provide an alternative source of sound and constructive credit to farmers and forest products businesses who are not having their credit needs fully met by conventional agricultural credit sources at reasonable rates and terms.”* (10 V.S.A. § 374a)
- The agricultural portfolio has grown from \$8.5 million at the end of 1999 to just over \$100 million at the end of January 2021.
- Historically, dairy has accounted for the largest concentration of the agricultural portfolio, however that concentration has been declining with increased diversification in the agricultural and forestry sectors.
- VEDA has a staff of 43 employees located in in four offices: Montpelier, St. Johnsbury, Burlington, and Middlebury. Our Agricultural Lending Department is led by Sarah Isham, Director of Agricultural Lending. She leads a team of twelve lenders, credit analyst and support staff dedicated to VEDA’s agricultural lending initiatives.
- <https://www.veda.org/>
- <https://www.veda.org/financing-options/vermont-agricultural-financing/>



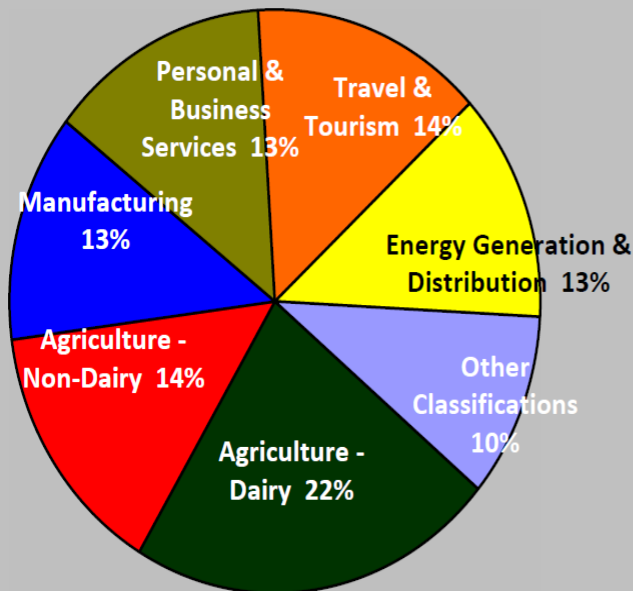
**VEDA Agricultural Loans**  
Dollar Concentration  
By Industry Classification



**Agricultural Loans**

Dairy Cattle and Milk Production	493	\$61,149
Crop Farming	142	13,407
Non-Dairy Animal Production	73	7,908
Maple, Food and Beverage	93	12,076
Other Classifications	54	5,731
<b>Agricultural Total</b>	<b>855</b>	<b>\$100,273</b>

**VEDA Direct Loan Portfolio**  
Dollar Concentration  
By Industry Classification



***DOLLAR AMOUNTS IN THOUSANDS***

**Major Industry Classifications:**

Agriculture - Dairy	493	\$61,149
Agriculture - Non-Dairy	362	\$39,123
Manufacturing	162	34,566
Personal & Business Services	228	36,584
Travel & Tourism	178	38,497
Energy Generation & Distribution	96	34,684
Other Classifications	242	27,998
<b>Total of All Loans</b>	<b>1,761</b>	<b>\$272,602</b>

## PANDEMIC RESPONSE

### SBA Paycheck Protection Program (PPP):

PPP Loans Round 1 (“First Draw”):

- 97 loans for \$2.0 million (53 loans and \$1.0 million went to dairy)
- PPP loan amount for farmers was based on *Net farm profit or (loss) (IRS Scheduled F line 34)*. In many cases, this resulted in a very small or no loan eligibility due to a net loss.
- The table below shows the distribution of PPP First Draw Loans:

Ag Sector	Note
Dairy Cattle and Milk Production	\$1,080,101.00
Crop Harvesting and Production	\$322,848.00
Vegetables and Berries	\$299,756.00
Nursery, Tree, and Flower Production	\$153,534.00
Livestock Production	\$76,365.00
Poultry	\$67,837.00
Apple Orchards	\$50,762.00
Grape Vineyards	\$23,730.00
Logging	\$11,085.00
Horses and Other Equine Production	\$7,130.00
<b>Grand Total</b>	<b>\$2,093,148.00</b>

PPP “Second Draw” Changes:

- Calculation has changed for farmers to base the loan amount on *Gross farm income* (Schedule F line 9). This will allow most farmers to increase their PPP loans and others that did not qualify in Round 1 to now qualify.

### Loan Payment Accommodations:

- Payment deferrals granted and processed on 173 agricultural loans and aggregating to over \$675,000 in temporary debt payment moratoriums to date (and counting) for borrowers impacted by the pandemic.
- Most deferrals are for three months, some up to 9 months.
- This effort is ongoing.

House Committee on Agriculture & Forestry

**State Economic Recovery Grant Program – VEDA Partnership with State Agencies:**

- Agriculture and Working Lands: Processed 302 grant applications from non-dairy agricultural producers for grant awards totaling over \$6.7 million.
- The table below shows the distribution of grants awarded.

Primary Activity	Business Category	Awarded Amount	Amount Requested	Count
Agriculture Business	Commercial Processor	\$ 132,059.00	\$ 353,656.20	5
	Commercial Slaughterhouse	\$ 175,782.69	\$ 253,618.30	5
	Farmers Market	\$ 112,520.75	\$ 213,575.28	7
	Farmer	\$ 4,027,095.94	\$ 10,975,933.81	198
	<b>SUBTOTAL</b>	<b>\$ 4,447,458.38</b>	<b>\$ 11,796,783.59</b>	<b>215</b>
Value-Added Food		\$ 1,087,720.35	\$ 3,567,269.50	41
Forest Products Business		\$ 964,632.48	\$ 2,409,906.69	35
Dairy Producer or Processor		\$ 154,466.00	\$ 206,784.59	5
Agriculture Producer Association		\$ 81,252.98	\$ 306,640.88	6
<b>NDWL TOTAL</b>		<b>\$ 6,735,530.19</b>	<b>\$ 18,287,385.25</b>	<b>302</b>

- Forest Economy Stabilization Grant Program: Processed 70 grant applications for grant awards totaling over \$3.6 million to the forest economy.
- The table below provides detail on the distribution of the funds.

TYPE OF ENTITIES	AGGREGATE FUNDING	COUNTY	AGGREGATE FUNDING
C Corporation	315,375.00	Addison	383,575.00
Individual/Sole Proprietor or Single Member LLC	1,538,889.00	Bennington	161,688.00
Limited Liability Company	471,908.00	Caledonia	705,887.00
Partnership	344,403.00	Chittenden	181,253.00
S Corporation	986,590.00	Essex	149,145.00
<b>Grand Total</b>	<b>3,657,165.00</b>	Franklin	176,888.00
		Lamoille	167,636.00
		Orange	292,268.00
		Orleans	297,441.00
		Rutland	151,810.00
		Washington	384,605.00
		Windham	115,620.00
		Windsor	489,349.00
		<b>Grand Total</b>	<b>3,657,165.00</b>