

Senate Committee on Agriculture

January 17, 2025



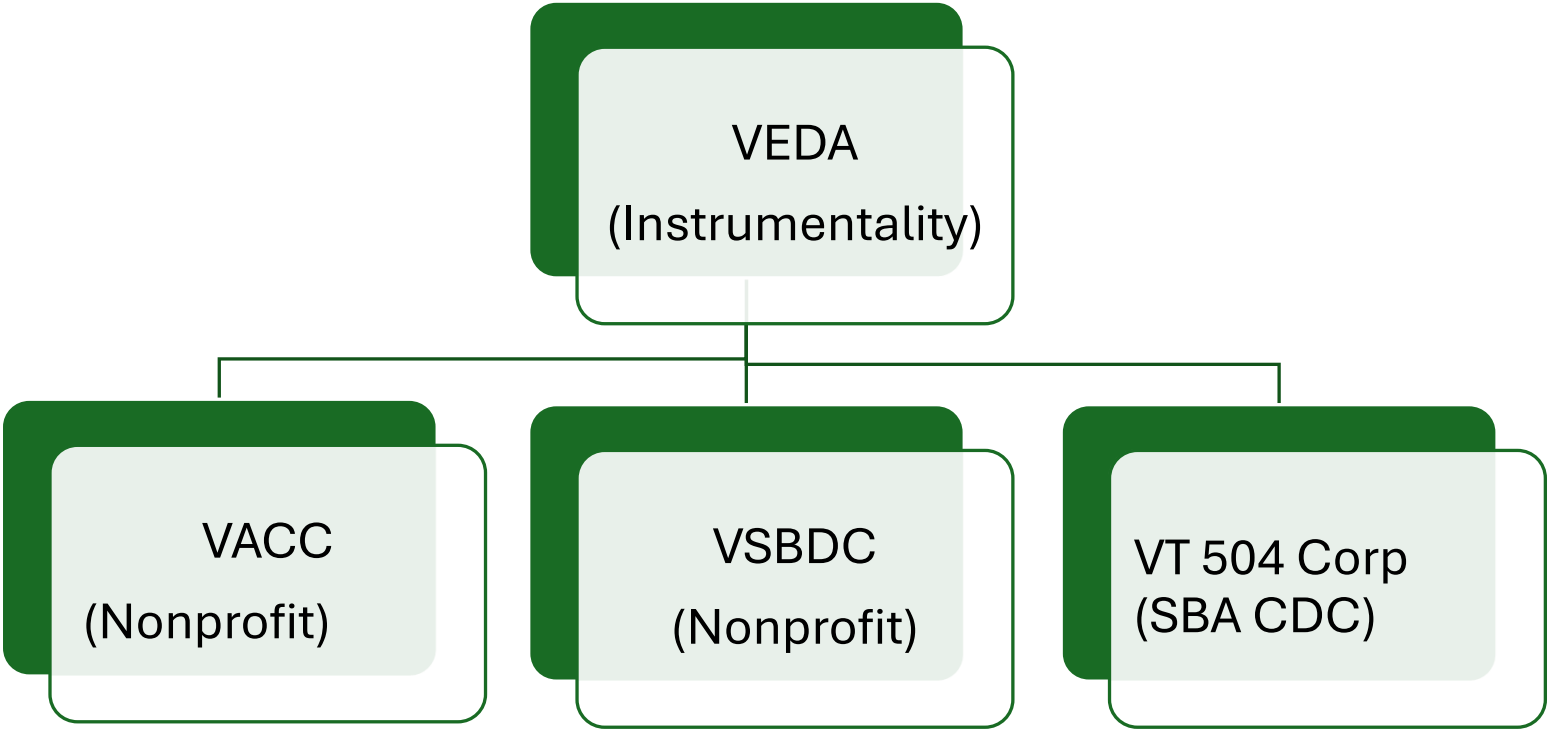
Vermont Agricultural Credit Corp.

(“VACC”; 10 V.S.A. § 374a)

Formed in 1999 as a non-profit corporation 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.”

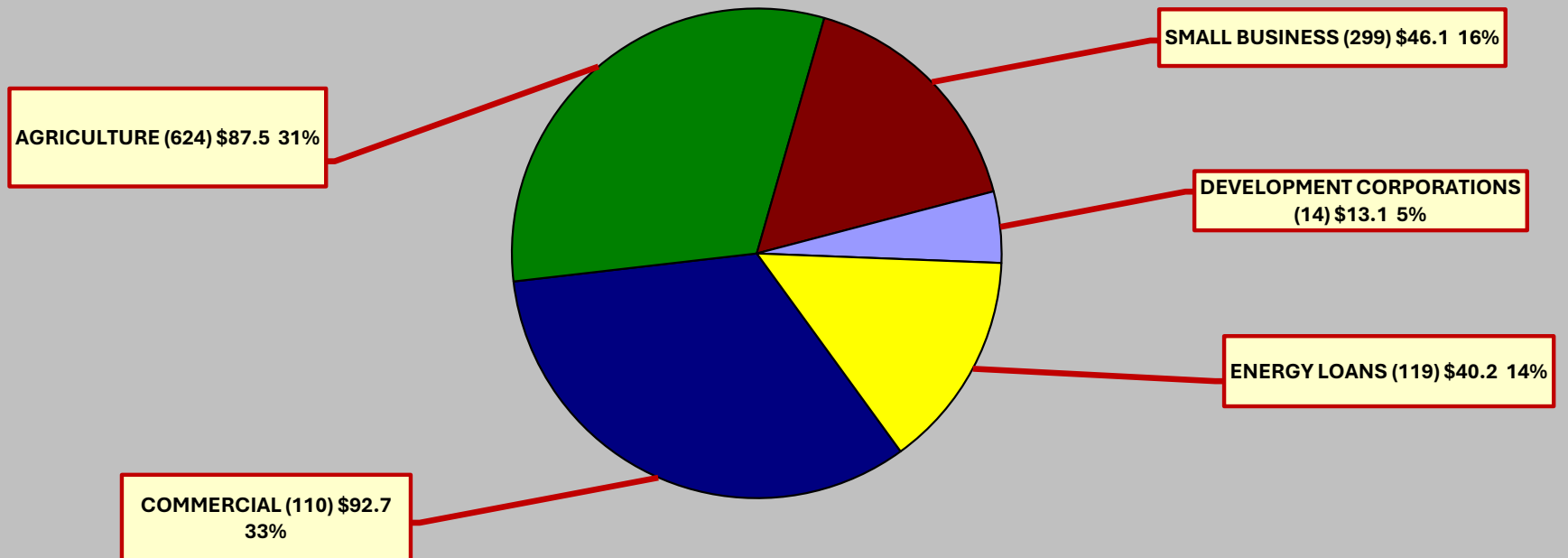
VEDA: An Instrumentality of the State



Loans to Agricultural Businesses Represent About 1/3 of VEDA's Loan Portfolio

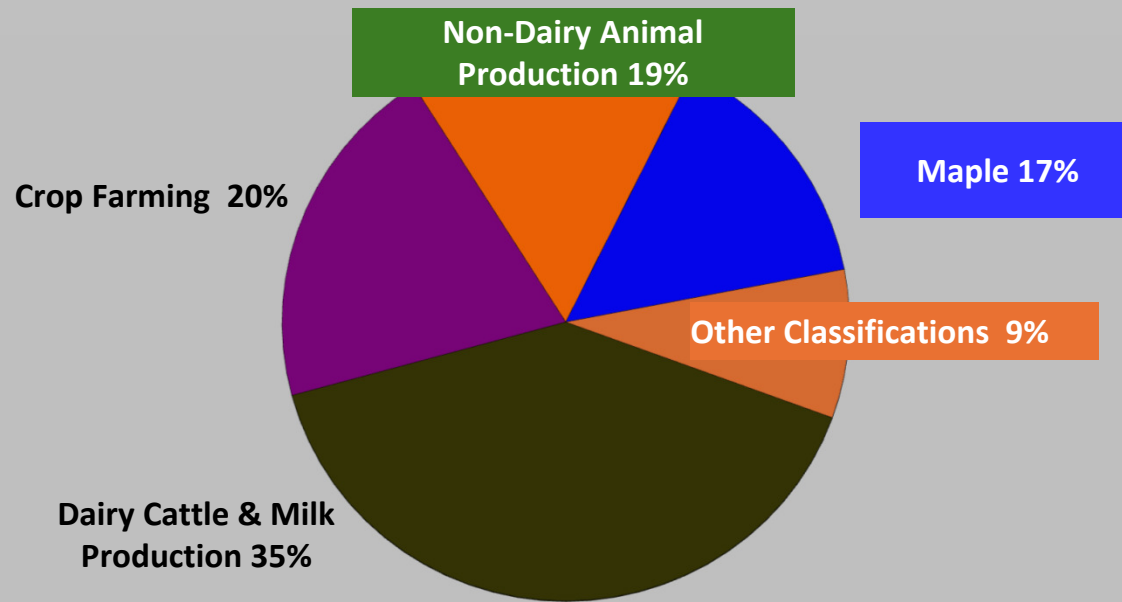
VEDA DIRECT LOAN PORTFOLIOS
By Number, Dollar Amount (in millions) and Percent of Total

as of December 31, 2024



Dairy Represents 35% of VACC's Ag Loans and 11% of all VEDA Loans

Agricultural Portfolio as of 12/31/24



Agricultural Loans

Dairy Cattle and Milk Production	202	\$30,541
Crop Farming	160	17,373
Non-Dairy Animal Production	106	16,564
Maple	88	14,778
<u>Other Classifications</u>	<u>68</u>	<u>8,206</u>
Agricultural Total	624	\$87,462

VEDA's Agricultural Loan Programs

Farm Ownership Loans:

- Acquire or enlarge farming or forestry facility
- Acquire or make improvements to a farming or forestry facility, including construction costs
- Promote soil and water conservation and protection
- Refinance existing farm debt

• **Farm Operating Loans:**

- Purchase livestock, M&E or fixtures
- Short-term working capital (lines of credit or term loans)
- Refinance existing working farm operating debt

• **Agricultural Energy Loans:**

- Renewable energy generation, energy efficiency and energy technologies
- Approximately 26 ag energy borrowers with loans totaling over \$8.0 million since inception.

Past One Time Special Loan Programs Using State Assistance

- **2009 Farm Operating Loan Program (FOLP)**
 - \$1.0 million appropriation to help farmers with cash flow shortfalls due to low milk prices.
 - State funds used to subsidize interest rates and fund loan loss reserves.
 - \$7.2 million in loans to 125 farms
- **2010 Debt Stabilization Program (DSP)**
 - Additional \$1.0 million appropriation to enable farmers to consolidate vendor debt and lengthen repayment term to improve working capital during a prolonged period of low milk prices.
 - State funds used to subsidize interest rates and fund loan loss reserves.
 - \$45.4 million in loans to 213 farms.

Past One Time Special Loan Programs Using State Assistance (cont'd)

- **2016 Organic Dairy Transition Loan Program**
 - \$75,000 grant from WLEB /VAAFm to subsidize interest rates.
 - \$808,500 in loans to 6 farms.
- **2018 FOLP**
 - \$250,000 appropriation to help cow dairy farmers with cash flow shortfalls due to sustained low milk prices.
 - State funds used to for loan loss reserves .
 - \$1.5 million in loans to 21 farms.

Other Emergency Loan Programs

2021-2022 SBA Paycheck Protection Program (PPP):

- 242 loans to ag businesses totaling \$5.0 million

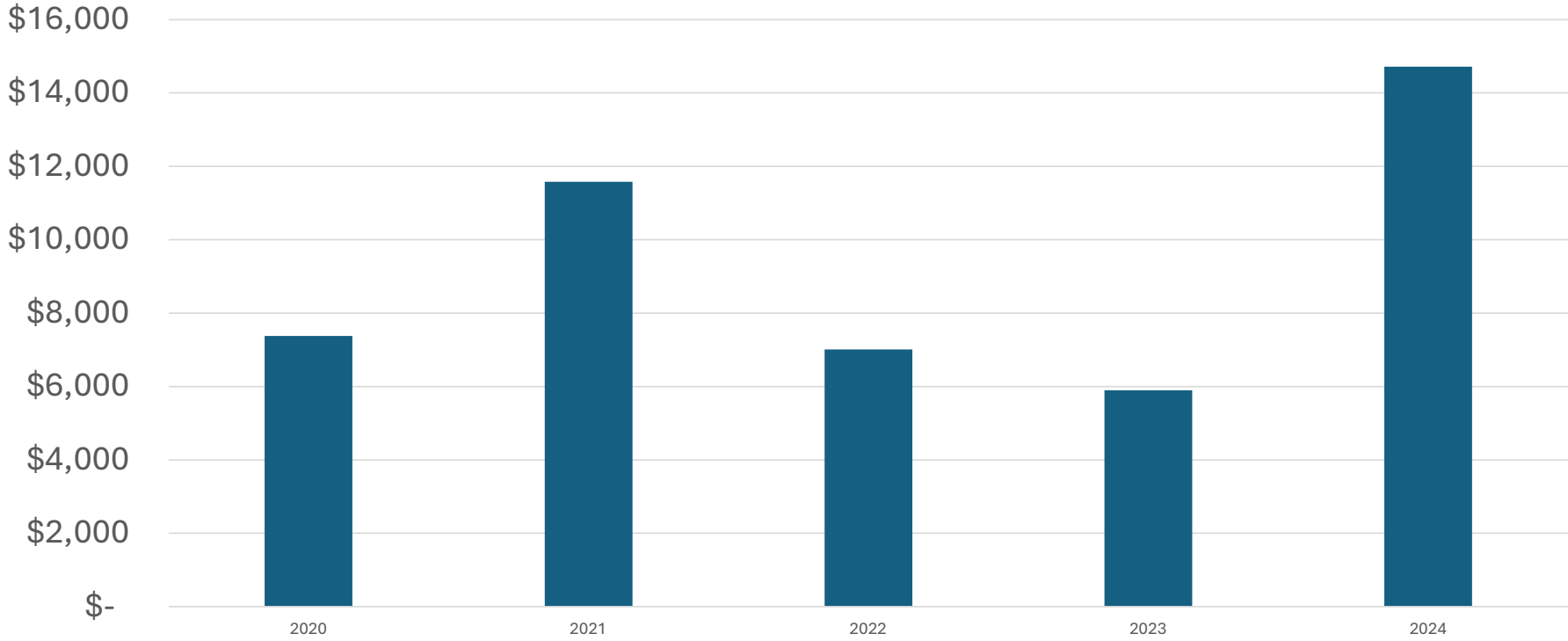
2023 Forgivable Loan Program (FLP):

- 48 loans to ag businesses totaling \$3.2 million

STATE SMALL BUSINESS CREDIT INITIATIVE (SSBCI) Funding from US Treasury

- VEDA is VT's implementing entity for \$58.9 million in SSBCI funding reauthorized under the Biden Administration American Rescue Plan (ARPA).
- VEDA is using 50% to provide loan funding at subsidized interest rates on SSBCI eligible projects, including agricultural projects
- The remaining 50% is allocated for venture capital investments to be managed by third party VC fund managers (selected through an RFP process).
- SSBCI funds are granted to the states and remain in the state in perpetuity

Ag Loans Closed FY 20 -24 (\$millions)



ADDITIONAL RESOURCES

- VEDA's Website: <https://www.veda.org/>
- VEDA's Annual Reports: <https://www.veda.org/about-veda/annual-reports/>
- Documentary on VEDA: [https://www.veda.org/hubfs/WEBSITE_CONTENT/50th/veda50%20\(360p\).mp4](https://www.veda.org/hubfs/WEBSITE_CONTENT/50th/veda50%20(360p).mp4)
- VEDA Borrowers' Stories: <https://www.veda.org/borrower-stories/>
- VACC's Statue: <https://legislature.vermont.gov/statutes/chapter/10/016A>

VEDA Contacts

- Cassie Polhemus, CEO
 - cpolhemus@veda.org
- Pete Samson, Chief Lending Officer
 - psamson@veda.org
- Jennifer Emens-Butler, General Counsel & Director of Closing
 - jemens-butler@veda.org
- Sarah Isham, Co-Director of Agricultural Lending
 - sisham@veda.org
- Andy Wood, Co-Director of Agricultural Lending
 - awood@veda.org

THANK YOU!



VEDA.org