

REVIEW OF FEBRUARY 2024 FINANCIAL STATEMENT

Aaron Smith presented the February 2024 financials. He stated that for FY24 year-to-date, IADD had operating income of \$536,000, an operating expense of \$231,000, and a net operating income of \$305,000.

LOAN PARTICIPATION PROGRAM

Tammy Nebola presented information on the following loan participation application.

P0324 - Christopher and Andrea Kelderman. The LPP application is for \$187,500. The borrower will purchase 5.42 acres including a 2,400 Hd Hog Building. Total project cost is \$625,000. The borrower has also applied for a Beginning Farmer Loan AG 24-015. The bank is Premier Bank in Rock Valley.

MOTION

On a motion by Mr. Boyle and a second by Ms. McLain, the Board unanimously approved the loan participation for Christopher and Andrea Kelderman subject to obtaining a limited guaranty on the \$187,500 LPP Loan, an Assignment of the Feeding Contract and recommendation that the beginning farmer obtain additional life insurance to also cover his new facility debt.

BEGINNING FARMER LOAN AMENDING RESOLUTIONS

Tammy Nebola presented the following resolution to adjust the terms and conditions on a closed BFLP project:

Resolution AG 19-01M – Benjamin N. Bruck – Shelby County State Bank in Portsmouth is the lender. The amendment will lower the interest rate from 8.25% (which reset on March 1, 2024 from 5.00%) to 6.28% until March 1, 2029, at which time the rate will adjust to the original index of 0.25% below the announced prime rate of Wall Street Journal Prime and be adjustable annually thereafter. Due to the rate increase on March 1, 2024 the annual payment was set to increase from \$10,511.52 to \$14,027.59 beginning on March 1, 2025. Due to the rate decrease the annual payment amount will decrease from the projected \$14,027.59 to \$11,875.17 beginning on March 1, 2025. All other loan terms will remain the same.

MOTION

On a motion by Mr. Boyle and a second by Ms. McLain, the Board unanimously approved the Beginning Farmer Loan Program Amending Resolutions.

BEGINNING FARMER LOAN APPLICATIONS

Tammy Nebola introduced the following applications for Beginning Farmer loans:

AG 23-088 – Johnathon Grant Boogerd – Beginning farmer loan of \$397,350 to purchase approximately 22 acres of agricultural land, house and cattle buildings/yards in Lyon County. The loan will have a 5.60% variable interest rate and a loan length of 30 years.

The index will be 1.20% above the 5-year Treasury Rate. The lender is Peoples Bank in Rock Valley, Iowa.

AG 24-012 – Russell Ryan and Sara Lynn Holmes – Beginning farmer loan of \$579,500 to purchase approximately 219.55 acres of agricultural land, house and out-buildings in Ringgold County. The loan will have a 3.00% variable interest rate and a loan length of 30 years. The index will be 4.00% below FNB's Ag Base Real Estate Rate. The lender is FNB Bank in Greenfield, Iowa.

AG 24-013 – Karl and Brandi Jo Nielsen – Beginning farmer loan of \$617,500 to purchase approximately 97 acres of agricultural land in Black Hawk County. The loan will have a 5.75% variable interest rate and a loan length of 30 years. The index will be 75% of (5 year US Treasury Index plus 3.00% margin). The lender is Green Belt Bank & Trust in Grundy Center, Iowa.

AG 24-014 – Jeremy and Stephanie Hodapp – Beginning farmer loan of \$187,500 to purchase approximately 76 acres of agricultural land in Adams County. The loan will have a 6.50% variable interest rate and a loan length of 30 years. The index will be 2.00% below the Wall Street Journal Prime Rate. The lender is TS Bank in Corning, Iowa.

AG 24-015 – Christopher and Andrea Kelderman – Beginning farmer loan of \$437,500 to purchase 5.42 acres including a 2,400 Hd Hog Building in Sioux County. The loan will have a 5.50% variable interest rate and a loan length of 15 years. The index will be 2.00% over the five year CMT. The lender is Premier Bank in Rock Valley, Iowa.

AG 24-016 – Darin J. Banowetz – Beginning farmer loan of \$278,964 to purchase approximately 68.04 acres of agricultural land in Jackson County. The loan will have a 5.61% variable interest rate and a loan length of 30 years. The index will be 66% of Wall Street Journal Prime Rate. The lender is First Trust & Savings Bank in Grand Mound, Iowa.

AG 24-017 – Kaleb L. Miller – Beginning farmer loan of \$272,500 to purchase approximately 63 acres of agricultural land in Warren County. The loan will have a 6.00% variable interest rate and a loan length of 30 years. The index will be 80% of the bank's 1 year ag real estate rate. The lender is Marion County State Bank in Knoxville, Iowa.

MOTION

On a motion by Ms. Townsley and a second by Ms. McLain, the Board unanimously approved the BFLP applications.

PUBLIC HEARING ON BEGINNING FARMER LOANS

A public hearing was held by the IADD Board at the Iowa Finance Authority office on March 27, 2024 at 10:32 a.m. There were no comments received regarding the Beginning Farmer Loan applications. The public hearing was closed at 10:33 a.m.

MOTION

On a motion by Ms. McLain and a second by Ms. Townsley, the Board unanimously recommended approval of the BFLP Bond documents.

BEGINNING FARMER TAX CREDIT APPLICATIONS

Nicki Howell presented a summary of the Beginning Farmer Tax Credit applications. There were three new BFTC applications for an estimated tax credit amount of \$16,141. She noted that all three applications are cash rent leases.

MOTION

On a motion by Ms. Townsley and a second by Mr. Boyle, the Board unanimously recommended approval of the Beginning Farmer Tax Credit applications as presented.

MARKETING UPDATE

Included in the Board packet is the IADD marketing calendar. Tammy Nebola shared that staff recently presented or had a booth at the Farm Talk Friday Meetup on LinkedIn and the ISU Ag Marketing and Management Organization and the IBA Ag Bankers Conference in Ames. Tammy also shared that staff has several events coming up in Iowa Falls, Ames, Ankeny, Des Moines, and Ridgeway in the coming months.

OTHER BUSINESS

IADD REPRESENTATIVE TO SERVE ON THE IFA BOARD

Mr. Leonard asked the IADD Board if there were any volunteers to serve as the IADD Representative on the IFA Board. Ms. Townsley nominated Ms. McLain to continue to serve as the IADD Representative on the IFA Board.

MOTION

On a motion by Ms. Townsley and a second by Mr. Boyle, the Board unanimously approved Ms. McLain to continue to serve as the IADD Representative on the IFA Board.

NCOSAFP NEWSLETTER

Tammy Nebola shared the NCOSAFP newsletter that was included in the board packet. The newsletter gave an overview of the 2023 NCOSAFP conference which was held in Raleigh, North Carolina.

BFTC SURVEY RESULTS

The board and staff discussed the 2022 Survey of Iowa Beginning Farmer Tax Credit Participants that was included in the board packet. The BFTC survey was conducted by the Indiana University Sustainable Food Systems Science research group as part of a USDA-funded assessment of land access incentive policies nationwide.

IFA BOARD MEETING UPDATE

Mr. Smith presented the agenda from the March 6, 2024 IFA Board Meeting. He gave the IADD Board a brief update of the items discussed and shared that Amy Reasner has stepped down from the IFA board.

NEXT IADD BOARD MEETING

The April IADD Board meeting will be Wednesday, April 24, 2024 at 9:30 a.m.

ADJOURNMENT

On a motion by Mr. Boyle and a second by Ms. McLain, the March 27, 2024 meeting of the IADD Board of Directors adjourned at 11:17 a.m.


Dated this 24th day of April 2024.

Respectfully submitted:



Aaron Smith
Director's Designee/Board Secretary

Approved as to form:



Mark Leonard, Chair
IADD Board