

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the December 8, 2017 regular business meeting. This is provided in summary form; an official record of the meeting is available in the permanent records of the Governor's Office of Agricultural Policy, 404 Ann Street, Frankfort, Kentucky 40601.



**Kentucky Agricultural Finance Corporation Board  
Summary Minutes of the Regular Business Meeting  
Franklin County Extension Office  
Frankfort, Kentucky  
December 8, 2017**

**Call to Order**

John McCauley, presiding, called the Kentucky Agricultural Finance Corporation Board (KAFC) regular business meeting to order at 10:03 a.m. (EST).

**Roll Call**

The following members were present: Commissioner Quarles, John McCauley (designee for Commissioner Quarles), Westy Adams, Kenny Burdine, Wayne Hunt, Larry Jagers, Doug Lawson, Aaron Miller, Frank Penn, Tonya Phillips, Linda Rumpke and John Brady (designee for Secretary William M. Landrum III).

Members absent: Frank McAninch.

**Notification of Media**

Mr. McCauley received verification from Marielle Manning, Public Affairs Manager, that the media had been notified of the KAFC board meeting.

**Welcome**

Mr. McCauley welcomed everyone to the meeting.

**Approval of Minutes**

Mr. McCauley entertained a motion to approve the minutes of the November 3, 2017 KAFC board meeting.

Mr. Miller moved to approve the minutes; Ms. Rumpke seconded the motion.

VOTE: Motion Passed; Unanimous.

**Executive Director's Report**

Mr. McCauley yielded the chair to Commissioner Quarles at 10:04 a.m.

Commissioner Quarles yielded the floor to Warren Beeler, GOAP Executive Director, to report to the board.

Mr. Beeler commented on the North American International Livestock Expo in Louisville.

Mr. Beeler referenced the November 2017 Beeler Report (*on file*).

Mr. Beeler updated the board on his activities since the November 3, 2017 board meeting.

Mr. Beeler introduced Rep. Brandon Reed.

Rep. Reed thanked the board for their service to Kentucky agriculture.

Commissioner Quarles introduced Cary King, husband of Rep. Kim King.

Commissioner Quarles commented on the progress of the KDA Hunger Initiative.

Commissioner Quarles mentioned the NASS Ag Census and urged members to complete the survey to ensure accurate data for the upcoming Farm Bill.

Commissioner Quarles updated the board on activities of KDA since the November 3, 2017 board meeting.

Commissioner Quarles commented on the international trade agreement with China to allow for the export of Kentucky horses.

Commissioner Quarles discussed Kentucky Farm Bureau annual meeting.

#### **Deputy Executive Director's Report**

Commissioner Quarles called on Bill McCloskey, GOAP Deputy Executive Director, to report to the board.

Mr. McCloskey referenced the KY Agricultural Development Board State Pool Tobacco Funds (*on file*) as of November 27, 2017.

Mr. McCloskey reviewed KADF County Balances (*on file*) as of November 20, 2017.

Mr. McCloskey reviewed the KAFC Statement of Financial Position (*on file*) as of November 30, 2017.

Mr. McCloskey reviewed update on Category B Loans (*on file*) as of December 1, 2017.

<b>KAFC Statement of Financial Position</b>	
<b>As of November 30, 2017</b>	
<b>Assets</b>	
Cash KAFC Accounts	\$ 19,212,362
Loan Payments Due KAFC	
Category A	\$ 54,798,417
Category B	\$ 615,240
Category C	\$
	\$ 55,413,657
<b>Total Assets</b>	<b>\$ 74,626,020</b>
<b>Liabilities</b>	
KAFC loans approved not closed	\$ 11,757,149
Loans Outstanding	\$ 55,413,657
<b>Total Liabilities</b>	<b>\$ 67,170,806</b>
<b>Unobligated Assets</b>	<b>\$ 7,455,213</b>
<b>Total Liabilities &amp; Unobligated Assets</b>	<b>\$ 74,626,020</b>

Mr. Penn moved to approve the KAFC Statement of Financial Position; Mr. Adams seconded the motion.

VOTE: Motion Passed; Unanimous.

**New Business**

**Agricultural Infrastructure Loan Program (AILP)**

**AF17-0101 Huff, Robert**

Applicants requested \$100,000 for the construction of two (2) Keystone broiler barns in Clinton County. Monticello Banking Company in Monticello, KY is the participating lender.

Staff recommends approval contingent on the C/LV being no worse than 85%.

Mr. Lawson moved to approve staff recommendation, as presented, pending availability of funds; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Unanimous.

**Agricultural Processing Loan Program (APLP)**

**AF17-0073 Father's Country Hams, Inc.**

Applicant requested \$80,000 for the purchase of a commercial slicer and upgrades to a facility in Muhlenberg County. Sacramento Deposit Bank in Sacramento, KY is the participating lender.

Staff recommends approval.

Mr. Hunt moved to approve staff recommendation, as presented, pending availability of funds; Mr. Jagers seconded the motion.

VOTE: Motion Passed; Unanimous.

**Beginning Farmer Loan Program (BFLP)**

**AF17-0072 Ladd, Chadley**

Applicants requested \$55,000 for the purchase of breeding livestock in Hopkins County. Sacramento Deposit Bank in Sacramento, KY is the participating lender.

Staff recommends approval.

In response to a question from Dr. Burdine, GOAP staff clarified that the net worth was a combination of both applicants.

Ms. Rumpke cited the previously approved exception to the applicant's off-farm income AF17-0031, and requested the same exception to be applicable to this application.

Dr. Burdine moved to approve staff recommendation as presented, including the previous exception, pending availability of funds; Mr. Adams seconded the motion.

VOTE: Motion Passed; Unanimous.

**AF17-0102 Woolf, Earl**

Applicant requested \$250,000 for the purchase of 15 acres and the construction of two (2) Tyson broiler barns in Graves County. First Community Bank of the Heartland in Clinton, KY is the participating lender.

Staff recommends approval, contingent on the approval and obligation of 90% FSA guarantees on FCB and KAFC funds and the C/LV being no worse than 85%.

In response to a question from Mr. Penn, GOAP staff clarified that the KAFC funds to be used only for the new construction and not for refinancing.

Mr. Hunt moved to approve staff recommendation, as presented, pending availability of funds; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Unanimous.

**AF17-0103 Bowen, Jason**

Applicant requested \$250,000 for the construction of three (3) Tosh finishing barns in Graves County. First Community Bank of the Heartland in Clinton, KY is the participating lender.

Staff recommends approval contingent on the C/LV being no worse than 85%.

Mr. Adams moved to approve staff recommendation, as presented, pending availability of funds; Mr. Hunt seconded the motion.

In response to a question from Ms. Rumpke, GOAP staff clarified why the loan officer did not request a FSA guarantee on the KAFC loan.

VOTE: Motion Passed; Unanimous.

**AF17-0104 Komar, Joshua**

Applicants requested \$105,000 for the purchase of 100 acres in Barren County. Farm Credit Mid-America in Glasgow, KY is the participating lender.

Staff recommends approval.

Mr. Jagers moved to approve staff recommendation, as presented, pending availability of funds; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Unanimous.

**Old Business**

**Amendments**

**AF16-0110 The Cattle Group**

Ms. Mobley presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested a disbursement exception to allow funds to be disbursed, such that the C/LV is no more than 68%. All other original approval contingencies will be unaltered.

Mr. Penn moved to approve staff recommendation, as presented; Ms. Rumpke seconded the motion.

VOTE: Motion Passed; Unanimous.

**Extension Requests**

**AF16-0047 Beiler, Menno**

Ms. Mobley presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested a 3-month extension to allow time for construction to be completed, all necessary equipment to be installed and permanent financing in place. The new expiration date would be March 10, 2018.

Mr. Lawson moved to approve staff recommendation, as presented; Mr. Adams seconded the motion.

VOTE: Motion Passed; Unanimous.

**AF16-0058 Miller, Ryan**

Ms. Mobley presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested a 3-month extension to allow time for construction to commence, be completed and permanent financing in place. The new expiration date would be April 15, 2018.

Mr. Miller moved to approve staff recommendation, as presented; Mr. Adams seconded the motion.

VOTE: Motion Passed; Unanimous.

**AF16-0059 Miller, Robert**

Ms. Mobley presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested a 3-month extension to allow time for construction to commence, be completed and permanent financing in place. The new expiration date would be April 15, 2018.

Dr. Burdine moved to approve staff recommendation, as presented; Mr. Brady seconded the motion.

VOTE: Motion Passed; Unanimous.

**AF16-0077 Miller, Ronnie**

Ms. Mobley presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested a 3-month extension to allow time for construction to commence, be completed and permanent financing in place. The new expiration date would be May 15, 2018.

Mr. Brady moved to approve staff recommendation, as presented; Ms. Rumpke seconded the motion.

VOTE: Motion Passed; Unanimous.

**AF16-0064 Riley, Catherine**

Ms. Mobley presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested a 1-month extension to allow time for loans to close and KAFC funds disbursed. The new expiration date would be December 14, 2017.

Approved by Operations Committee on November 22, 2017.

**AF16-0074 Clifford, Lincoln**

Ms. Mobley presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested a 3-month extension to allow time for loans to close and KAFC funds disbursed. The new expiration date would be March 15, 2018.

Approved by Operations Committee on November 30, 2017.

**AF17-0077 Davis, Korey**

Ms. Mobley presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested a 2-month extension to allow time for loans to close and KAFC funds disbursed. The new expiration date would be February 15, 2018.

Approved by Operations Committee on November 22, 2017.

**AF17-0079 Eshman, Clay**

Ms. Mobley presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested a 3-month extension to allow time for negotiations to be completed and KAFC funds disbursed. The new expiration date would be March 15, 2018.

Approved by Operations Committee on November 30, 2017.

**Withdrawn**

AF17-0036	<b>Hunter, Skyley</b>	Graves	\$250,000	Withdrawn
AF17-0083	<b>Winfield, Joseph</b>	Daviess	\$35,000	Withdrawn
AF17-0087	<b>Hancock, Travis</b>	Union	\$250,000	Withdrawn

**2018 Programmatic Changes**

Ms. Mobley presented a memorandum (*on file*) regarding the Strategic Planning Committee recommendations.

Mr. Penn moved to approve committee recommendation, as presented; Ms. Rumpke seconded the motion.

VOTE: Motion Passed; Unanimous.

**Adjournment**

Commissioner Quarles commented on the NAFTA discussions and possible impact on Kentucky agriculture.

Commissioner Quarles entertained a motion to adjourn.

Ms. Rumpke moved to adjourn the KAFC board meeting; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Unanimous.

The KAFC board meeting adjourned at 11:17 a.m. (EST).

APPROVED DATE: 1-19-2018  
PRESIDING OFFICER: [Signature]  
BOARDS COORDINATOR: [Signature]