

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the July 16, 2021 business meeting. This is provided in summary form; an official record of the meeting is available in the permanent records of the Kentucky Office of Agricultural Policy (KOAP), 404 Ann Street, Frankfort, Kentucky 40601.



**Kentucky Agricultural Finance Corporation Board
Summary Minutes of the Business Meeting
Sloan Convention Center- 1021 Wilkinson Trace- Bowling Green, KY
July 16, 2021**

Call to Order

Commissioner of Agriculture Dr. Ryan Quarles, presiding, called the Kentucky Agricultural Finance Corporation Board (KAFC) regular business meeting to order at 9:00 a.m. (CDT).

Next Steps on Strategic Direction

Aleta Botts, KCARD and Planning Session Moderator, reviewed with the KAFC and KADF board members outcomes and ideas from the previous day planning session. Ms. Botts presented a timeline for making final recommendations for consideration by the boards.

Roll Call

The following members were present: Commissioner of Agriculture Dr. Ryan Quarles, Dr. Kenny Burdine, Wayne Hunt, Larry Jagers, Jonathan Noe, and David Rink. The following participated by teleconference: Doug Lawson and Linda Rumpke.

Members absent: Billy Aldridge (designee for Sec. Holly M. Johnson), Frank Penn and Mac Stone

Notification of Media

Commissioner Quarles received verification from Milinda Sosby, Boards and Special Events Manager; the media had been notified of the KAFC board meeting.

Welcome

Commissioner Quarles welcomed everyone to the KAFC and KADB joint board meeting. Commissioner Quarles gave a recap of the highlights of the previous day's session with legislators and industry leaders who were instrumental in the developing legislation and the focus for what is now known as the Kentucky Office of Agriculture Policy.

Kentucky Department of Agriculture Report

Commissioner Quarles mentioned the LAND forums being held across the state, the farmers' market campaign underway, KDA leveraging federal programs, Kentucky hosting the NASDA Annual Meeting in September, planning for the State Fair, and a grant KDA had received for programs for farmers' mental health/suicide prevention.

Approval of Minutes

Commissioner Quarles entertained a motion to approve the minutes of June 11, 2021.

Mr. Noe moved to approve the minutes, as presented; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Unanimous.

Executive Director's Report

Commissioner Quarles called on Mr. Brian Lacefield, KOAP Executive Director, to report to the board.

Mr. Lacefield called on Donald Dunn, District Director for the Farm Service Agency to provide an update on the program and current activities.

Mr. Lacefield mentioned the next KADB Board meeting would be at the Kentucky State Fair with a virtual option.

Mr. Lacefield thanked presenters, board members, staff and guests for providing input during the two-day planning session.

Deputy Executive Director's Report

Commissioner Quarles called on Mr. McCloskey, KOAP Deputy Executive Director, to report to the board.

Mr. McCloskey reviewed the Kentucky Agricultural Development State Pool Status (*on file*) as of July 7, 2021.

Mr. McCloskey reviewed an updated version of the Kentucky Agricultural Development Fund County Account Balances (*on file*) as of July 7, 2021.

Mr. McCloskey reviewed the KAFC Statement of Financial Position (*on file*) as of June 30, 2021.

K AFC Statement of Financial Position	
As of June 30, 2021	
Assets	
Cash KAFC Accounts	\$ 20,176,778
Loan Payments Due KAFC	
Category A	\$80,098,480
Category B	\$
Category C	\$
	\$ 80,098,480
Total Assets	\$ 100,815,258
Liabilities	
KAFC loans approved not closed	\$ 9,571,128
Principal Outstanding	\$ 80,098,480
	\$ 89,669,608
Total Liabilities	\$ 89,669,608
Unobligated Assets	\$ 11,145,650
Total Liabilities & Unobligated Assets	\$ 100,815,258

Mr. Rink moved to accept the KAFC financial report, as presented; Mr. Jagers seconded the motion.

It was noted the KAFC had officially reached over \$100,000,000 in assets for the program.

VOTE: Motion Passed; Unanimous.

Compliance Committee Report

Commissioner Quarles called on Mr. Noe to give the Compliance Committee report.

Mr. Noe reported he had reviewed a section of loans from the previous quarter and found all files to be complaint and complete. Mr. Noe reported the committee would be considering requesting some additional information on applications. The next meeting for the Compliance Committee would be in October.

Dr. Burdine moved to accept the Compliance Committee report, as presented; Mr. Jagers seconded the motion.

VOTE: Motion Passed; Unanimous.

Loan Review Committee Report

Commissioner Quarles called on Ms. Rumpke to give the Loan Review Committee report. Ms. Rumpke stated that the loans reviewed would be discussed in order of the agenda.

New Business

Commissioner Quarles called on Lindsay Bates, Bill McCloskey and Ali Hulett to present the following applications:

Agricultural Infrastructure Loan Program (AILP)

AF21-0054 Futrell, Chase

The applicants requested \$105,886 for the construction of four tobacco barns in Calloway County. The Murray Bank of Murray, KY is the participating lender.

Staff recommended to approve the request, with loan-to-value no greater than 85%.

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

VOTE Motion Passed; Unanimous.

Agricultural Processing Loan Program (APLP)

AF21-0023 Haseotes, Demetrios

The applicant requested \$2,500,000 for the purchase of equipment and installation of a soybean crushing plant in Pulaski County. Cumberland Security Bank in Somerset, KY is the participating lender. The applicant had previously been awarded \$500,000. This loan was referred to the Loan Review Committee.

The Loan Review Committee recommended denying the additional request for \$2.5 million.

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

VOTE: Motion Passed; Unanimous.

AF21-0058 Rowlett, Sharon

The applicants requested \$225,000 to refinance the construction of a milkhouse and creamery in Henry County. United Citizens Bank of Eminence, KY is the participating lender. This loan was referred to the Loan Review Committee.

The Loan Review Committee recommended denying this request due to it being a refinance and outside of the KAFC scope.

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

VOTE: Motion Passed; Unanimous.

Beginning Farmer Loan Program (BFLP)

AF21-0049 Howard, Jack

The applicant requested \$160,000 for the purchase of 138 acres in Crittenden County. Community Financial Services Bank in Mayfield, KY is the participating lender. This loan was referred to the Loan Review Committee.

The Loan Review Committee recommended approving the request, contingent upon the approval and obligation of a FSA guarantee and accurate financials.

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

VOTE: Motion Passed; Unanimous.

AF21-0050 West, Javin

The applicants requested \$250,000,000 for the purchase of and upgrades to 18 acres with two (2) Tush swine finishing barns in Hickman County. First Community Bank of the Heartland in Fancy Farm, KY is the participating lender.

Staff recommended approval, contingent upon the approval and obligation of a 90% FSA guarantee on FCB and KAFC funds, with combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

AF21-0051 Dismang, John

The applicants requested \$62,000 for the purchase of 26 acres in Meade County. Farm Credit of Mid-America in Hardinsburg, KY is the participating lender.

Staff recommended approving the request, contingent upon the approval and obligation of a 95% FSA guarantee on FCMA and KAFC funds, with combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

AF21-0052 Drumm, Rachael

The applicants requested \$232,500 for the purchase of 205 acres in Garrard County. Central Kentucky ACA in Paris, KY is the participating lender.

Staff recommended approving the request, contingent upon the approval and obligation of a 95% FSA guarantee on CKACA and KAFC funds, with combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Mr. Noe abstained.

AF21-0053 Simmons, Hillary

The applicant requested \$250,000 for the purchase of 10 acres with four (4) Perdue broiler barns in Daviess County. Old National Bank in Owensboro, KY is the participating lender.

Staff recommended approving the request, contingent upon the approval and obligation of a 95% FSA guarantee on Old National Bank and KAFC funds, with combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

AF21-0055 Thompson, Christie

The applicants requested \$250,000 for the purchase of 156 acres in Owen County. Central Kentucky ACA in Paris, KY is the participating lender.

Staff recommended approving the request, contingent upon the approval and obligation of a 95% FSA guarantee CKACA and KAFC funds, with combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Mr. Noe abstained.

AF21-0057 Ballew, Lee

The applicants requested \$250,000 for the purchase of 43 acres with four (4) Tyson broiler barns in Graves County. River Valley AgCredit in Mayfield, KY is the participating lender.

Staff recommended approving the request, contingent upon the approval and obligation of a 95% FSA guarantee on RVAC and KAFIC funds, with combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

AF21-0059 Martin, Matthew

The applicants requested \$250,000 for the purchase of 100 acres in Nelson County. Central Kentucky ACA in Lebanon, KY is the participating lender.

Staff recommended approving the request, with combined loan-to-value no greater than 85%.

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

VOTE: Motion Passed; Mr. Noe abstained.

AF21-0060 Newman, Sherry

The applicant requested \$108,750 for the purchase of 28 acres in Bourbon County. Central Kentucky ACA in Paris, KY is the participating lender.

Staff recommended approving the request, contingent upon the approval and obligation of a 95% FSA guarantee CKACA and KAFIC funds, with combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Mr. Noe abstained.

Diversification through Entrepreneurship in Agribusiness Loan Program (DEAL)

AF21-0048 Chisholm, Barbara

The applicant requested \$29,000 for the purchase of a 2008 John Deere 6330 tractor in Pendleton County. Citizens Union Bank in Shelbyville, KY is the participating lender.

Staff recommended approving the request, with combined loan-to-value no greater than 65%.

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

VOTE: Motion Passed; Unanimous.

AF21-0056 Sanders, Gabriel

The applicant requested \$175,000 for the purchase of 54 acres for an agri-tourism venue in Grant County. Heartland Bank in Fort Mitchell, KY is the participating lender. This loan was referred to the Loan Review Committee.

The Loan Review Committee recommended denying the request due to project having limited agricultural impact and being outside of the scope of the KAFIC guidelines.

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

VOTE: Motion Passed; Unanimous.

Old Business:

Commissioner Quarles called on Haley Nelson to present the following extension.

Extension

AF21-0021 Buckler, Nathaniel

Ms. Nelson presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested a three (3) month time extension to allow documents to be finalized. The new expiration date would be October 19, 2021. This request was referred to the Loan Review Committee.

The Loan Review Committee recommended approving the request.

Mr. Noe moved to approve the committee recommendation, as presented; Mr. Rink seconded the motion.

VOTE: Motion Passed; Unanimous.

Closing Remarks

Commissioner Quarles informed the board the next KAFC meeting will be Friday, August 13, 2021 at 10:00 a.m. EDT.

Commissioner Quarles congratulated Larry Jagers for the work done as President of the Hardin County Fair Board and having a building named after him to honor his work.

Adjournment

There being no additional business or discussion, Commissioner Quarles entertained a motion to adjourn the KAFC Board meeting.

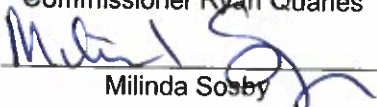
Mr. Noe moved to adjourn the July KAFC board meeting; Mr. Rink seconded the motion.

VOTE: Motion Passed; Unanimous.

Meeting adjourned at 11:00 a.m. CDT.

APPROVED DATE: 9-1-2021

PRESIDING OFFICER: 
Commissioner Ryan Quarles

BOARDS COORDINATOR: 
Milinda Sosby

Compliance Committee Meeting Minutes



Meeting Date:	July 12, 2021
Meeting Location:	Zoom Conference, Meeting ID: 946 7416 1254
Meeting Chair:	Jonathan Noe
Attendees:	Jonathan Noe, Billy Aldridge, Larry Jagers, David Rink, Tim Hughes (Proxy) Staff: Bill McCloskey, Ali Hulett, Lindsay Bates, Brian Murphy, Brian Lacefield
Minutes Issued By:	Lindsay Bates, Administrative Loan Manager
Meeting Call to Order:	1:30 PM EDT
Meeting Adjourned:	2:00 PM EDT

Agenda Items:

1. Review loan disbursements
 - a. 20 loans closed January-March 2021
 - b. 17 loans closed April-June 2021
2. Report of reviewed loans randomly selected by the Committee Chair
 - a. AF20-0019 Samuel Critchelow
 - b. AF20-0027 Thomas Logsdon
 - c. AF20-0071 Dustin Marcum
 - d. AF20-0085 Zachary Bennett
 - e. AF20-0023 Erik Brewick
 - f. AF19-0046 Todd Greer
 - g. AF21-0014 John Boarman
 - h. AF21-0012 Joseph Sorrell

Jonathan Noe informed the committee that files were as described on the Post-Disbursement checklist provided by staff.

3. Questions, comments, suggestions
 - a. Update that additional contact information request has been added to KAFC applications.
 - b. The next quarterly meeting will be in October 2021 at the Joint meeting.
4. Motion to Adjourn

Loan Review Committee

Meeting Minutes



Meeting Date:	July 16, 2021
Meeting Location:	Sloan Convention Center, Bowling Green, KY, Hybrid Zoom Conference, Meeting ID: 865 9685 0890
Meeting Chair:	Linda Rumpke
Attendees:	Jonathan Noe, Larry Jagers, Tim Hughes, Wayne Hunt, Doug Lawson, Linda Rumpke, Kenny Burdine, David Rink Staff: Ali Hulett, Bill McCloskey, Brian Murphy, Brian Lacefield, Lindsay Bates, Kara Keeton, Haley Nelson Guests: Steve Morris, Ben Wilburn, Brandon Gentry, Matthew Bucklew, Jesse Clark, Zac Banta
Minutes Issued By:	Ali Hulett, Loan Programs Manager
Meeting Call to Order:	8:01 AM CDT
Meeting Adjourned:	9:07 AM CDT

Agenda Items:

New Business

1. Review of AF21-0023—Haseotes, Demetrios
 - a. On behalf of Mr. Haseotes, the loan officer requested consideration of \$2,500,000 in additional funds.
 - b. Recommended denial.
 - c. Motion passed unanimously.
2. Review of AF21-0049—Howard, Jack
 - a. On behalf of Mr. Howard, the loan officer requested consideration of the \$160,000 beginning farmer loan request.
 - b. Recommended approval as presented, contingent upon receiving an updated balance sheet and a FSA guarantee in place with loan-to-value no greater than 100%.
 - c. Motion passed unanimously.
3. Review of AF21-0056—Sanders, Gabriel
 - a. On behalf of Mr. Sanders, the loan officer requested consideration of the \$175,000 DEAL loan request.
 - b. Recommended denial.
 - c. Motion passed unanimously.
4. Review of AF21-0058—Rowlett, Sharon
 - a. On behalf of Ms. Rowlett, the loan officer requested consideration to refinance the \$225,000 Ag Processing loan request.
 - b. Recommended denial.
 - c. Motion passed.
 - d. Larry Jagers abstained from the vote.