

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the April 8, 2022 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
Franklin County Extension Office
101 Lakeview Ct Frankfort, KY
April 8, 2022**

Call to Order

Mr. Rogers, presiding, called the Kentucky Agricultural Finance Corporation Board (KAFC) regular business meeting to order at 10:02 a.m. (EDT).

Roll Call

The following members were present: Keith Rogers (KDA Rep), Dr. Kenny Burdine, Jonathan Noe, Frank Penn, Bethany Couch (designee for Secretary Holly M. Johnson), Dan Flanagan, Linda Rumpke, and Doug Lawson.

Members absent: Mac Stone, Wayne Hunt, Larry Jagers and David Rink.

Notification of Media

Mr. Rogers received verification from Hannah Johnson, Board and Special Events Manager; that the media had been notified of the KAFC board meeting.

Welcome

Mr. Rogers welcomed everyone to the KAFC board meeting. Updated the board on activities of the Kentucky Department of Agriculture (KDA).

Approval of Minutes

Mr. Rogers entertained a motion to approve the minutes of the March 18, 2022 board meeting.

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

VOTE: Motion Passed; Unanimous.

Executive Director's Report

Mr. Rogers called on Brian Lacefield, KOAP Executive Director, to present the KOAP Executive Director's report to the board.

Mr. Lacefield gave an overview of his activities since the previous board meeting. Mr. Lacefield referenced discussion on increasing loan and net worth limits for Kentucky Agricultural Finance Corporation.

Mr. Lacefield referenced upcoming 2022 CAIP Administrator Trainings that will be taking place April 19th in Laurel County and 21st in Morgan County.

Deputy Executive Director's Report

Mr. Rogers called on Mr. Bill McCloskey, KOAP Deputy Executive Director, to report to the board.

Mr. McCloskey reviewed the Kentucky Agricultural Development State Pool Status (*on file*) as of March 23, 2022

Mr. McCloskey reviewed an updated version of the Kentucky Agricultural Development Fund County Account Balances (*on file*) as of March 23, 2022

Mr. McCloskey reviewed the K AFC Statement of Financial Position (*on file*) as of March 31, 2022

K AFC Statement of Financial Position	
As of March 31, 2022	
Assets	
Cash K AFC Accounts	\$ 20,968,231
Loan Payments Due K AFC	
Category A	\$80,910,639
Category B	\$
Category C	\$
	\$ 80,910,639
Total Assets	\$ 101,878,870
Liabilities	
K AFC loans approved not closed	\$ 11,183,029
Principal Outstanding	\$ 80,910,639
	\$ 92,093,668
Total Liabilities	\$ 92,093,668
Unobligated Assets	\$ 9,785,202
Total Liabilities & Unobligated Assets	\$ 101,878,870

Mr. Penn moved to accept the K AFC financial report, as presented; Mr. Flanagan seconded the motion.

VOTE: Motion Passed; Unanimous.

Compliance Committee Report

Mr. Rogers called on Mr. Noe to give the Compliance Committee report. Mr. Noe stated the Committee reviewed all files from December 2021 to March 2022 were correct as described on the documentation checklist provided by staf.

Ms. Rumpke moved to accept the recommendations of the of the Compliance Review Committee report; Mr. Lawson seconded the motion.

VOTE: Motion passed; Unanimous.

Loan Review Committee Report

Mr. Rogers called on Ms. Rumpke to give the Loan Review Committee report. Ms. Rumpke stated that two loans, AF22-0020 and AF22-0021, would be discussed in order of the agenda.

New Business

Mr. Rogers called on Brian Lacefield, Mr. McCloskey, and Lane Ryan to present the following applications:

Agricultural Processing Loan Program (AILP)

AF22-0018 Miller, Aaron

The applicants requested \$37,500 for the construction of a pole barn and fencing in Hardin County. Central Kentucky ACA in Lebanon, KY is the participating lender.

Staff recommended approval with combined loan-to-value no greater than 85%.

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

VOTE: Motion Passed; Mr. Noe Abstained.

AF22-0019 Hatmaker, Charles

The applicants requested \$70,000 for the construction of a barn with produce and retail spaces in Bourbon County. Central Kentucky ACA in Paris, KY is the participating lender.

Staff recommended approval with combined loan-to-value no greater than 65%.

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

VOTE: Motion Passed; Mr. Noe Abstained.

Agricultural Processing Loan Program (APLP)

AF22-0020 Hays, Peg

The applicants requested \$425,000 for purchase of distillation equipment in Christian County. Planters Bank in Hopkinsville, KY is the participating lender.

Ms. Rumpke stated after a detailed discussion with the Borrowers, the Loan Review Committee recommended that the loan amount to be increased to \$300,000 based upon not only the impact the expansion will have on Kentucky based agriculture businesses, but also the significant agri-tourism it will attract to the state. The committee further acknowledged the inflationary environment and rising materials costs as justification for the increased loan amount.

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

VOTE: Motion Passed; Unanimous.

Beginning Farmer Loan Program (BFLP)

AF22-0017 Davis, Benjamin

The applicant requested \$169,300 for the purchase of 242 acres with residence and improvements in Barren County, KY. Farm Credit in Glasgow, KY is the participating lender.

Staff recommended approval with combined loan-to-value no greater than 85%.

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

VOTE: Motion Passed; Unanimous.

AF22-0021 Bennett, Ryan

The applicant requested \$150,000 for the purchase of 35 acres in Nelson County, KY. Farm Credit in Elizabethtown, KY is the participating lender.

Referred to Loan Review Committee.

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

VOTE: Motion Passed; Unanimous.

AF22-0022 Brewer, Jordan

The applicant requested \$90,000 for the purchase of 180 acres in Larue County, KY. Farm Credit Mid-America in Elizabethtown, KY is the participating lender.

Staff recommended approval with combined loan-to-value no greater than 65%.

Mr. Lawson moved to approve the committee recommendation, as presented; Mr. Flanagan seconded the motion.

VOTE: Motion Passed; Unanimous.

AF22-0023 Schwartz, Zachary

The applicant requested \$50,000 for the purchase of 50 acres in Fleming County, KY. Central Kentucky ACA in Paris, KY is the participating lender.

Staff recommended approval with combined loan-to-value no greater than 85%.

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

VOTE: Motion Passed; Mr. Noe Abstained.

AF22-0024 Stinnett, Jeremiah

The applicant requested \$107,500 for the purchase of 107 acres in Nicholas County, KY. Central Kentucky ACA in Paris, KY is the participating lender.

Staff recommends approval, 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. Rumpke moved to approve the staff recommendation, as presented; Mr. Lawson seconded the motion.

VOTE: Motion Passed; Mr. Penn Abstained.

AF22-0025 Morris, Aaron

The applicant requested \$250,000 for the purchase of 15 acres with eight Perdue broiler houses in Muhlenberg County, KY. Farm Credit in Russellville, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF22-0026 Anderson, Dylan

The applicant requested \$250,000 for the purchase of 118 acres with two rental properties in Logan County, KY. Farm Credit in Russellville, KY is the participating lender.

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

Dr. Burdine moved to approve the staff recommendation, as presented; Ms. Rumpke seconded the motion.

VOTE: Motion Passed; Unanimous.

AF22-0027 Hearld, Shane

The applicant requested \$76,925 for the purchase of 22 acres in Laurel County, KY. Farm Credit Mid-America in Somerset, KY is the participating lender.

Staff recommends approval, with combined loan-to-value no greater than 85%.

Mr. Noe moved to approve the staff recommendation, as presented; Mr. Flanagan seconded the motion.

VOTE: Motion Passed; Unanimous.

AF22-0028 Eaton, Loren

The applicant requested \$250,000 for the purchase of 40 acres with two broiler houses and improvements in Wayne County, KY. Farm Credit Mid-America in Somerset, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF22-0029 Dorris, Justin

The applicant requested \$250,000 for the construction of two layer houses in Logan County, KY. Wilson & Muir Bank & Trust Co. in Bardstown, KY is the participating lender.

Staff recommends approval, contingent upon the approval and obligation of a 90% FSA guarantee on Wilson & Muir Bank & Trust Bank and KAFC funds, with combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

AF22-0030 Prael, Nathaniel

The applicant requested \$75,000 for the purchase of 23 acres in LaRue County, KY. Magnolia Bank in Elizabethtown, KY is the participating lender.

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

Mr. Noe moved to approve the staff recommendation, as presented; Mr. Flanagan seconded the motion.

VOTE: Motion Passed; Unanimous.

AF22-0031 Aung, Myint

The applicant requested \$250,000 for the purchase of 33 acres with four breeder houses in McLean County, KY. Field & Main Bank in Henderson, KY is the participating lender.

Staff recommends approval, contingent upon proof of the applicant's Kentucky residency status and the approval and obligation of a 95% FSA guarantee on Field & Main Bank and KAFC funds, with combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Mr. Lawson Abstained.

Old Business:

Mr. Rogers called on Ms. Ryan to present the following modifications, extensions and withdrawn applications.

Modification

AF21-0082 Logan, Bradley

Ms. Ryan presented a memorandum (*on file*) regarding the above referenced loan. On behalf of Mr. Logan, the loan office requested additional funding to make improvements to the farm retail store.

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

VOTE: Motion Passed; Mr. Noe Abstained.

Extension

AF22-0001 Bray, Nathaniel

Ms. Ryan presented a memorandum (*on file*) regarding the above referenced loan. The loan officer made a request for a three month time extension.

Staff recommend approval of the time extension request.

Ms. Couch moved to approve the committee recommendation, as presented; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Mr. Noe Abstained.

Expired/Withdrawn Applications

AF21-0096 Cook, Cutter

No action necessary on withdrawn applications.

Closing Remarks

Mr. Rogers informed the board the next KAFC meeting will be at Franklin County Extension Office on Friday, May 13, 2022 at 10:00 a.m. EST.

Adjournment

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

Mr. Noe moved to adjourn the March KAFC board meeting; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Unanimous.

Meeting adjourned at 11:16 a.m.

APPROVED DATE: 5-13-2022

PRESIDING OFFICER: *Ryan Quarles*
Commissioner Ryan Quarles

BOARDS COORDINATOR: *Hannah Johnson*
Hannah Johnson

Loan Review Committee Meeting Minutes



Meeting Date:	April 8, 2022
Meeting Location:	Franklin County Extension Office
Meeting Chair:	Linda Rumpke
Attendees:	<p>Committee Members: Linda Rumpke, Jonathan Noe, Doug Lawson, Frank Penn, Kenny Burdine, Bethany Couch (proxy for Holly Johnson)</p> <p>Staff: Brian Lacefield, Bill McCloskey, Laney Ryan, Olivia Randolph, Brian Murphy, Nick Van Over</p> <p>Guests: Peg Hays</p>
Minutes Issued By:	Laney Ryan, Loan Programs Manager
Meeting Call to Order:	9:09 AM EDT
Meeting Adjourned:	9:38 AM EDT

Agenda Items:
<p>New Business</p> <ol style="list-style-type: none"> 1. Review of AF22-0020 — Hays, Peg (Stillworks LLC, Casey Jones Distillery) <ol style="list-style-type: none"> a. On behalf of Casey Jones Distillery, loan officer Janet Calhoun of Planters Bank requested KAFC Diversification through Entrepreneurship in Agribusiness Loan Program funding in the amount of \$425,000. b. The Loan Review Committee recommend approval of \$300,000 with a combined loan-to-value no greater than 85%. 2. Review of AF22-0021 — Bennett, Ryan <ol style="list-style-type: none"> a. On behalf of Ryan Bennett and Morgan Lindsey, loan officer Jade Sadler of Farm Credit Mid-America requested KAFC Beginning Farmer Loan Program funding in the amount of \$150,000. b. The Loan Review Committee recommend approval of \$150,000 with a combined loan-to-value no greater than 85%.

Compliance Committee Meeting Minutes



Meeting Date:	April 8, 2022
Meeting Location:	Franklin County Extension Office
Meeting Chair:	Jonathan Noe
Attendees:	<p>Committee Members: Linda Rumpke, Jonathan Noe, Doug Lawson, Frank Penn, Kenny Burdine, Bethany Couch (proxy for Holly Johnson)</p> <p>Staff: Brian Lacefield, Bill McCloskey, Laney Ryan, Olivia Randolph, Brian Murphy, Nick Van Over</p> <p>Guests: Peg Hays</p>
Minutes Issued By:	Laney Ryan, Loan Programs Manager
Meeting Call to Order:	9:41 AM EDT
Meeting Adjourned:	9:48 AM EDT

<p>Agenda Items:</p> <p>New Business</p> <ol style="list-style-type: none"> 1. Review of previous quarter's and current quarter's loan disbursement <ol style="list-style-type: none"> a. 17 loans disbursed October – December 2021 b. 21 loans disbursed January – March 2022 2. Report of eight loans randomly selected and reviewed by the Committee Chair <ol style="list-style-type: none"> a. AF21-0080 Chad and Alicia Chisholm b. AF21-0079 Matthew and Katie Chesher c. AF21-0085 Joshua Blackburn d. AF21-0055 Christie Thompson e. AF21-0052 Rachael Drumm f. AF21-0066 Cung Kham g. AF21-0090 Jared Helm h. AF21-0074 John Chilton 3. Committee Chair Johnathan Noe informed the Committee that all reviewed files were correct as described on the documentation checklist provided by staff
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Guidelines Committee

Meeting Minutes



Meeting Date:	April 8, 2022
Meeting Location:	Franklin County Extension Office
Meeting Chair:	Doug Lawson
Attendees:	Committee Members: Linda Rumpke, Jonathan Noe, Doug Lawson, Frank Penn, Kenny Burdine, Bethany Couch (proxy for Holly Johnson) Staff: Brian Lacefield, Bill McCloskey, Laney Ryan, Olivia Randolph, Brian Murphy, Hannah Johnson
Minutes Issued By:	Laney Ryan, Loan Programs Manager
Meeting Call to Order:	12:34 PM EDT
Meeting Adjourned:	1:48 PM EDT

Agenda Items:	
<ol style="list-style-type: none"> 1. Agricultural Infrastructure Loan Program <ol style="list-style-type: none"> a. Committee recommended alteration of eligibility requirement #1 to increase KAFC participation limit from \$150,000 to \$250,000 b. Committee recommended removal of eligibility requirement #3 which identifies the \$3,500,000 net worth cap c. Committee recommended removal of eligibility requirement #4 which identifies outstanding agriculture debt of borrowers with a net worth less than \$750,000 as eligible for consideration as match for KAFC loan requests when determining KAFC funding 2. Agricultural Processing Loan Program <ol style="list-style-type: none"> a. Committee recommended no changes and committed to continuing to evaluate APLP applications as they are requested 3. Beginning Farmer Loan Program <ol style="list-style-type: none"> a. Committee recommended removal of eligibility requirement #3 which identifies the \$750,000 net worth cap b. Committee recommended removal of eligibility requirement #1b which states "has participated in the business operation of a farm for at least three years" c. Committee recommended the creation of term #11b discussing "good-standing" within the mentorship program" d. Committee recommended the creation of term #11c identifying a mentee in "bad-standing" as ineligible for further KAFC funding until "good-standing" within the mentorship program is restored 4. Diversification through Entrepreneurship in Agribusiness Loan Program <ol style="list-style-type: none"> a. Committee recommended removal of eligibility requirement #3 which identifies the \$3,500,000 net worth cap b. Committee recommended removal of eligibility requirement #4 which identifies the \$175,000 off-farm income cap 5. Large & Food Animal Veterinarian Loan Program <ol style="list-style-type: none"> a. Committee recommended the alteration of eligibility requirement #2 to include student loan debt for consideration as match for KAFC loan requests when determining KAFC funding 	