

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the May 13, 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
May 13, 2022**

Call to Order

Commissioner Ryan Quarles, presiding, called the Kentucky Agricultural Finance Corporation Board (KAFC) regular business meeting to order at 10:19 a.m. (EDT).

Roll Call

The following members were present: Keith Rogers (KDA Rep), Dr. Kenny Burdine, Jonathan Noe, Frank Penn, Billy Aldridge (designee for Secretary Holly M. Johnson), Dan Flanagan, Wayne Hunt, Larry Jagers, and David Rink.

Members absent: Doug Lawson, Mac Stone, and Linda Rumpke.

Notification of Media

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

Welcome

Commissioner Ryan Quarles welcomed everyone to the KAFC board meeting. Commissioner Quarles Updated the board on activities of the Kentucky Department of Agriculture (KDA).

Approval of Minutes

Commissioner Ryan Quarles entertained a motion to approve the minutes of the April 8, 2022 board meeting.

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

VOTE: Motion Passed; Unanimous.

Executive Director's Report

Commissioner Quarles 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 April board meeting. Mr. Lacefield referenced two upcoming 2022 CAIP Administrator Trainings on May 25th the Fayette County will be in person and June 22nd will be conducted virtually. Mr. Lacefield referenced two new Project Managers that will be joining KOAP on May 16th Jesslyn Watson and Chelsea Smither. Mr. Lacefield lastly referenced two interns that will be joining KOAP Abigail Mattingly May 16th and Isiah Pruitt May 23rd.

Deputy Executive Director's Report

Commissioner Quarles 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 May 4, 2022.

Mr. McCloskey reviewed an updated version of the Kentucky Agricultural Development Fund County Account Balances *(on file)* as of April 25, 2022.

Mr. McCloskey reviewed the K AFC Statement of Financial Position *(on file)* as of April 30, 2022.

K AFC Statement of Financial Position	
As of April 30, 2022	
Assets	
Cash K AFC Accounts	\$ 22,951,849
Loan Payments Due K AFC	
Category A	\$79,430,435
Category B	\$
Category C	\$
Total Assets	\$ 102,382,284
Liabilities	
K AFC loans approved not closed	\$ 12,841,754
Principal Outstanding	\$ 79,430,435
Total Liabilities	\$ 92,272,189
Unobligated Assets	\$ 10,110,095
Total Liabilities & Unobligated Assets	\$ 102,382,284

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

VOTE: Motion Passed; Unanimous.

Guidelines Committee Report

Commissioner Quarles called on Mr. Lacefield to give the Guidelines Committee report. Mr. Lacefield reviewed the Guidelines Committee recommendations for the Agricultural Infrastructure Loan Program, Agricultural Processing Loan Program, Beginning Farmer Loan Program, and Diversification through Entrepreneurship in Agribusiness Loan Program, and Large Food and Animal Veterinarian Loan Program.

Mr. Penn moved to accept the recommendations of the of the Guidelines Committee report; Mr. Rink seconded the motion.

VOTE: Motion passed; Unanimous.

Loan Review Committee Report

Commissioner Quarles called on Mr. Noe to give the Loan Review Committee report. Mr. Noe stated the loans would be discussed in order of the agenda.

Mr. Noe moved to accept the recommendations of the of the Loan Review Committee report; Mr. Hunt seconded the motion.

VOTE: Motion passed, Unanimous.

New Business

Commissioner Quarles called on Mr. Lacefield and Mr. McCloskey to present the following applications:

Agricultural Processing Loan Program (AIP)

AF22-0032 Jury, Richard "Jeremy"

The applicants requested \$60,000 to finance a tobacco barn as part of a land purchase in Nelson County. Farm Credit in Elizabethtown, KY is the participating lender. This application was referred to the Loan Review Committee.

The Loan Review Committee recommends to pending the application until the property with the tobacco barn is identified.

Mr. Noe moved to approve the Loan Review Committee recommendation, as presented; Mr. Aldridge seconded the motion.

VOTE: Motion Passed; Unanimous.

Beginning Farmer Loan Program (BFLP)

AF22-0033 Timbers, Joshua

The applicant requested \$42,500 for the construction of a barndominium in Hart 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. Aldridge moved to approve the staff recommendation, as presented; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Unanimous.

AF22-0034 Stahl, Ethan

The applicant requested \$122,500 for the purchase of 48 acres in Pendleton County, KY. Farm Credit in Lexington, KY is the participating lender.

Staff recommends approval, contingent upon the approval and obligation of 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; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Unanimous.

AF22-0035 Jones, William

The applicant requested \$250,000 for the construction of two Tosh Farms hog barns in Hickman County, KY. First Community Bank of the Heartland in Clinton, KY is the participating lender. This application was referred to the Loan Review Committee.

The Loan Review Committee recommends approval of obligation of a 90% FSA guarantee on First Community Bank of the Heartland and KAFC funds, with combined loan-to-value no greater than 100%.

Mr. Noe moved to approve the Loan Review Committee recommendation, as presented; Mr. Penn seconded the motion.

VOTE: Motion Passed; Unanimous.

AF22-0036 Leinbach, Mark

The applicant requested \$250,000 for the construction of two Tyson breeder barns in Todd County, KY. Farm Credit in Hopkinsville, KY is the participating lender.

Staff recommended approval, contingent upon the approval and obligation of 95% 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; Mr. Rink seconded the motion.

VOTE: Motion Passed; Unanimous.

AF22-0037 Mink, Ike

The applicant requested \$212,500 for the purchase of 80 acres in Hardin County, KY. Farm Credit in Elizabethtown, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF22-0038 Sandusky, Joseph

The applicant requested \$128,250 for the purchase of 53 acres in Marion County, KY. Central Kentucky ACA in Lebanon, 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. Hunt moved to approve the staff recommendation, as presented; Mr. Aldridge seconded the motion.

VOTE: Motion Passed; Mr. Noe Abstained.

AF22-0039 Sulfridge, Travis

The applicant requested \$127,000 for the purchase of 84 acres and construction of farm improvements in Whitley County, KY. Farm Credit 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. Penn seconded the motion.

VOTE: Motion Passed; Unanimous.

Diversification through Entrepreneurship in Agribusiness Loan Program (DEAL)

AF22-0040 Nalley, Taylor

The applicant requested \$100,000 for the construction of a grain mixing facility in Nelson County, KY. Town and Country and Trust Co. in Bardstown, KY is the participating lender. This application was referred to the Loan Review Committee.

The Loan Review Committee recommends approval with loan to be secured with grain mixing facility and existing equipment. loan-to-value no greater than 85%.

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

VOTE: Motion Passed; Unanimous.

Old Business:

Commissioner Quarles called on Mr. McCloskey and Mr. Lacefield to present the following modifications and extensions.

Modification

AF14-0055 Miller, Henry

Mr. McCloskey presented a memorandum regarding the above referenced loan. On behalf of Mr. Henry, the loan officer indicated that Henry's in-laws, Abe and Esther Miller, are currently co-makers on the loan and request to be removed as co-makers on the loan. FCMA has approved the removal of Abe and Esther as makers this request was referred to the Loan Review Committee.

The Loan Review Committee recommends to release the co-makers of loan, on the condition the lender works with Mr. Henry to maintain in good standing.

Mr. Noe moved to approve the Loan Review Committee recommendation, as presented; Mr Penn seconded the motion.

VOTE: Motion Passed; Unanimous.

AF21-0039 Wells, Tyler

Mr. Lacefield presented a memorandum regarding the above referenced loan. On behalf of Mr. Wells, the loan officer indicated that upon approval, the original combined loan-to-value was 71%. This request is to increase KAFC participation by \$500,000 bringing total KAFC funding to \$755,000. Combined loan-to-value following this modification would be 83%. This request was referred to the Loan Review Committee.

Mr. Hunt moved to approve the Loan Review Committee recommendation, as presented; Mr. Rink seconded the motion.

VOTE: Motion Passed; Unanimous.

Extension

AF20-0087 Samutin, Valerie

Mr. McCloskey presented a memorandum regarding the above referenced loan. The loan officer made a request for a six month extension for a new loan officer to be identified and the loan to be closed. The expiration date would be November 13, 2022. Staff recommends approval and time extension request.

Mr. Jagers moved to approve the staff recommendation, as presented; Mr. Aldridge seconded the motion.

VOTE: Motion Passed; Unanimous.

Closing Remarks

Commissioner Quarles informed the board the next KAFC meeting will be at Franklin County Extension Office on Friday, June 10, 2022 at 10:00 a.m. EDT.

Adjournment

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

Mr. Penn moved to adjourn the May KAFC board meeting; Mr. Noe seconded the motion.

VOTE: Motion Passed; Unanimous.

Meeting adjourned at 11:35 a.m.

APPROVED DATE: 6-10-2022

PRESIDING OFFICER: 
Commissioner Ryan Quarles

BOARDS COORDINATOR: 
Hannah Johnson

Loan Review Committee Meeting Minutes



Meeting Date:	May 13, 2022
Meeting Location:	Franklin County Extension Office
Meeting Chair:	Jonathan Noe
Attendees:	Committee Members: Jonathan Noe, Frank Penn, Kenny Burdine, Wayne Hunt, Larry Jagers, David Rink, Staff: Brian Lacefield, Bill McCloskey, Brian Murphy, Hannah Johnson, Tim Hughes Guests: Tyler Wells, Kellie Padgett
Minutes Issued By:	Laney Ryan, Loan Programs Manager
Meeting Call to Order:	9:02 AM EDT
Meeting Adjourned:	10:08 AM EDT

Agenda Items:

New Business

1. Review of AF22-0032— Jury, Jeremy
 - a. On behalf of Jeremy Jury, loan officer Emily Duckworth of Farm Credit Mid-America requested KAFC Agricultural Infrastructure Loan Program funding in the amount of \$60,000.
 - b. The Loan Review Committee recommend pending approval until specific infrastructure is identified.
2. Review of AF22-0035 — Jones, William
 - a. On behalf of William and Ashley Jones, loan officer Daniel Kimbell of First Community Bank of the Heartland requested KAFC Beginning Farmer Loan Program funding in the amount of \$250,000.
 - b. The Loan Review Committee recommend approval of \$250,000 with a combined loan-to-value no greater than 100%, contingent upon the approval and obligation of a 90% FSA guarantee.
3. Review of AF22-0040 — Nalley, Taylor
 - a. On behalf of Taylor and Tyler Nalley, loan officer Emerson Ballard of Town & Country Bank and Trust Co. requested KAFC Diversification through Entrepreneurship in Agribusiness Loan Program funding in the amount of \$100,000.
 - b. The Loan Review Committee recommend approval of \$100,000 with a combined loan-to-value no greater than 85%.
4. Review of AF14-0055 — Miller, Henry
 - a. On behalf of Henry and Sharon Miller, account specialist Taylor Williams of Farm Credit Mid-America requested removal of Abe and Esther Miller as co-makers on AF14-0055.
 - b. The Loan Review Committee recommend removal of Abe and Esther Miller as co-

Loan Review Committee Meeting Minutes



Agenda Items:

makers on AF14-0055.

5. Review of AF21-0039 — Wells, Tyler
 - a. On behalf of Tyler Wells, loan officer JC Skaggs of The Peoples Bank of Kentucky requested additional KAFC Diversification through Entrepreneurship in Agribusiness Loan Program funding in the amount of \$500,000.
 - b. The Loan Review Committee recommend approval of an additional \$500,000 with a combined loan-to-value no greater than 85%.