

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the June 10, 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
June 10, 2022**

Call to Order

Commissioner Ryan Quarles, presiding, called the Kentucky Agricultural Finance Corporation Board (KAFC) regular business meeting to order at 10:06 a.m. (EDT).

Roll Call

The following members were present: Commissioner Ryan Quarles, Frank Penn, Billy Aldridge (designee for Secretary Holly M. Johnson), Dan Flanagan, Wayne Hunt, Larry Jagers, and Doug Lawson.

Absent Members: Dr. Kenny Burdine, Mac Stone, Linda Rumpke, David Rink, and Jonathan Noe.

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 May 13, 2022 board meeting.

Mr. Penn moved to approve the minutes, as presented; Mr. Lawson 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 June board meeting. Mr. Lacefield referenced two upcoming 2022 CAIP Administrator Training June 22nd will be conducted virtually. Mr. Lacefield introduced two new Project Managers that joined KOAP on May 16th Jesslyn Watson and Chelsea Smither. Mr. Lacefield lastly introduced two interns that joined KOAP Abigail Mattingly May 16th and Isaiah 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 June 3, 2022

Mr. McCloskey reviewed an updated version of the Kentucky Agricultural Development Fund County Account Balances (*on file*) as of June 3, 2022

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

K AFC Statement of Financial Position	
As of May 31, 2022	
Assets	
Cash K AFC Accounts	\$ 23,013,179
Loan Payments Due K AFC	
Category A	\$79,527,801
Category B	\$
Category C	\$
	\$ 79,527,801
Total Assets	\$ 102,540,980
Liabilities	
K AFC loans approved not closed	\$ 13,334,769
Principal Outstanding	\$ 79,527,801
	\$ 92,862,570
Total Liabilities	\$ 92,862,570
Unobligated Assets	\$ 9,678,410
Total Liabilities & Unobligated Assets	\$ 102,540,980

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

VOTE: Motion Passed; Unanimous.

Loan Review Committee Report

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

Mr. Penn moved to accept the recommendations of the of the Loan Review Committee report; Mr. Flanagan seconded the motion.

VOTE: Motion passed; Unanimous.

New Business

Commissioner Quarles called on Mr. Lacefield, Mr. McCloskey, Ms. Ryan, Ms. Mattingly, Mr. Pruitt, and Ms. Randolph to present the following applications:

Agricultural Infrastructure Loan Program (AILP)

AF22-0041 Langley, Drew

The applicant requested \$250,000 for the construction of grain handling equipment in Hardin County. First Financial Bank in Louisville, KY is the participating lender. This application was referred to the Loan Review Committee.

The Loan Review Committee recommends approval \$250,000, contingent upon the KAFC maintain priority lien position.

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

VOTE: Motion Passed; Unanimous.

Agricultural Processing Loan Program (APLP)

AF22-0053 Smoot, John

The applicant requested \$876,646 for the purchase of equipment and construction of a meat processing plant in Taylor County. United Citizens Bank & Trust Co in Campbellsville, KY is the participating lender. This application was referred to the Loan Review Committee.

The Loan Review Committee recommends approval of \$876,646 with a combined loan-to-value no greater than 85%.

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

VOTE: Motion Passed; Unanimous.

Beginning Farmer Loan Program (BFLP)

AF22-0042 Duke, Justin

The applicant requested \$250,000 for the purchase of four Tyson broiler barns and 27 acres Henderson County, KY. Independence Bank in Owensboro, KY is the participating lender.

Staff recommends approval, contingent upon the approval and obligation of a 90% FSA guarantee on Independence Bank 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; Unanimous.

AF22-0043 Burba, Scott

The applicant requested \$250,000 for the purchase of 110 acres in Hart County, KY. South Central Bank of Barren County in Glasgow, KY is the participating lender. This application was referred to the Loan Review Committee.

The Loan Review Committee recommends approval of \$250,000 with a combined loan-to-value no greater than 85%.

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

VOTE: Motion Passed; Unanimous.

AF22-0044 Eblen, Brandon

The applicant requested \$250,000 for the purchase of 64 acres with four Tyson broiler barns in Webster County, KY. Field & Main Bank in Henderson, KY is the participating lender.

Staff recommends approval, contingent upon 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%.

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

VOTE: Motion Passed; Mr. Lawson Abstained.

AF22-0045 Thang, Suan

The applicant requested \$250,000 for the purchase of 73 acres with eight Tyson broiler barns in Webster County, KY. Field & Main Bank in Henderson, KY is the participating lender.

Staff recommended approval, contingent upon the approval and obligation of 95% FSA guarantee on Field & Main Bank and KAFC funds, with combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Mr. Lawson Abstained.

AF22-0046 Metcalf, Manual

The applicant requested \$200,000 for the purchase of 79 acres in Nelson County, KY. Magnolia Bank in Elizabethtown, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF22-0047 Baird, Christopher

The applicant requested \$250,000 for the purchase of 10 acres with four Perdue broiler barns and construction of barn improvements in McLean County, KY. Farm Credit in Owensboro, 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. Aldridge moved to approve the staff recommendation, as presented; Mr. Penn seconded the motion.

VOTE: Motion Passed; Unanimous.

AF22-0048 Jarboe, David

The applicant requested \$250,000 for the purchase of 175 acres in Henry 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. Jagers moved to approve the staff recommendation, as presented; Mr. Flanagan seconded the motion.

VOTE: Motion Passed; Unanimous.

AF22-0049 Riney, Thomas

The applicant requested \$65,000 for the construction of 45,000 bushel grain bin in Washington County, KY. Farm Credit in Campbellsville, KY is the participating lender. This application was referred to the Loan Review Committee.

The Loan Review Committee recommends approval of \$65,000 with a combined loan-to-value no greater than 85%.

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

VOTE: Motion Passed; Unanimous.

AF22-0050 Morris, Ryan

The applicant requested \$250,000 for the purchase of 179 acres with four Tyson broiler barns and construction of barn improvements 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. Flanagan moved to approve the staff recommendation, as presented; Mr. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous.

AF22-0051 Zaring, Andrew

The applicant requested \$250,000 for the purchase of 119 acres in Henry County, KY. United Citizens Bank and Trust Company in Campbellsville, KY is the participating lender. This application was referred to the Loan Review Committee.

The Loan Review Committee recommends approval of \$250,000 with a combined loan-to-value no greater than 85%, contingent upon staff review and approval of Mr. Zaring's credit history report prior to disbursement.

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

VOTE: Motion Passed; Unanimous.

AF22-0052 Guinn, Dennis

The applicant requested \$110,000 for the purchase of 48 acres in Boyle 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. Jagers moved to approve the staff recommendation, as presented; Mr. Aldridge seconded the motion.

VOTE: Motion Passed; Unanimous.

Old Business:

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

Modification

AF18-0087 Critchelow, Luke

Mr. McCloskey presented a memorandum regarding the above referenced loan. On behalf of Mr. Critchelow's proposed purchase of additional real estate. Combined loan to value was 40% at the time of disbursement; this modification would bring combined loan to value to 36%. Referred to Loan Review Committee.

The Loan Review Committee recommends approval with a combined loan-to-value no greater than 85%.

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

VOTE: Motion Passed; Unanimous.

AF20-0036 Hayden, Daniel

Mr. Lacefield presented a memorandum regarding the above referenced loan. Matt Keller, loan officer with Farm Credit Mid America in Owensboro, has requested an approval modification on behalf Mr. Hayden. This request is to subordinate KAFC lien position to accommodate for financing of Mr. Hayden's recent purchase of additional real estate. Combined loan to value was 62% at the time of disbursement; this modification would bring combined loan to value to 60%. Referred to Loan Review Committee.

The Loan Review Committee recommends approval with a combined loan-to-value no greater than 85%.

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

VOTE: Motion Passed; Unanimous.

AF20-0013 Dooley, Joel

Mr. Lacefield presented a memorandum regarding the above referenced loan. Todd Lockett, loan officer with South Central Bank in Glasgow, has requested an approval modification on behalf of Mr. Dooley. This request is for a one-time 90 day extension on Mr. Dooley's KAFC loan repayment. Combined loan to value was 100% at the time of disbursement; current combined loan to value is 96%. The new repayment deadline would be July 30, 2022. Referred to Loan review Committee.

The Loan Review Committee recommends one time 90 day extension.

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

VOTE: Motion Passed; Unanimous.

Adams, Ken

Mr. Lacefield presented a memorandum from Ken Adams, loan officer with Magnolia Bank in Elizabethtown. The loan officer indicated that current interest rate environment has resulted in an increased demand for efficiency from lenders. Mr. Adams stated that a faster KAFC application approval process would allow lenders to streamline loan closings. The request was presented to the Loan Review Committee. The Loan Review Committee recommended not to deviate from current KAFC application review and approval process.

Expired/Withdrawn Applications

AF20-0091 Free, Seth

AF21-0060 Newman, Shery

No action necessary on withdrawn applications.

Closing Remarks

Commissioner Quarles informed the board the next KAFC meeting will be Joint at Franklin County Extension Office on Friday, July 15, 2022 at 9:00 a.m. EDT.

Adjournment

There being no further business, Commissioner Quarles entertained a motion to adjourn the meeting at 11:33 a.m. (EDT).

Mr. Aldridge moved to adjourn the June KAFC board meeting; Mr. Lawson seconded the motion.

VOTE: Motion Passed; Unanimous.

APPROVED DATE: 8-3-2022

PRESIDING OFFICER: 
Commissioner Ryan Quarles

BOARDS COORDINATOR: 
Hannah Johnson, Board Secretary

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1. A copy of the Loan Review Committee meeting minutes is attached as Appendix A.

APPENDIX A: Loan Review Committee Meeting Minutes



Meeting Date:	June 10, 2022
Meeting Location:	Franklin County Extension Office
Meeting Chair:	Jonathan Noe
Attendees:	<p>Committee Members: Jonathan Noe, Frank Penn, Wayne Hunt, Larry Jagers, Doug Lawson, Billy Aldridge</p> <p>Staff: Brian Lacefield, Bill McCloskey, Brian Murphy, Tim Hughes, Laney Ryan, Olivia Randolph, Abigail Mattingly, Isaiah Pruitt, Hayley Wheeler</p> <p>Guests: John Smoot, Abby Smoot, Jonathan West, Andrew Coomes</p>
Minutes Issued By:	Laney Ryan, Loan Programs Manager
Meeting Call to Order:	9:05 AM EDT
Meeting Adjourned:	9:50 AM EDT

Agenda Items:	
New Business	
<ol style="list-style-type: none"> 1. Review of AF22-0041 — Langley, Drew <ol style="list-style-type: none"> a. On behalf of Drew Langley, loan officer Aaron Miller of First Financial Bank requested KAFC Agricultural Infrastructure Loan Program funding in the amount of \$250,000. b. The Loan Review Committee recommend approval of \$250,000, contingent upon the KAFC maintaining priority lien position. 2. Review of AF22-0053 — Smoot, John <ol style="list-style-type: none"> a. On behalf of John Smoot, loan officer Roberta Cox of Citizens Bank requested KAFC Agricultural Processing Loan Program funding in the amount of \$876,646. b. The Loan Review Committee recommend approval of \$876,646 with a combined loan-to-value no greater than 85%. 3. Review of AF22-0043 — Burba, Scott <ol style="list-style-type: none"> a. On behalf of Scott Burba, loan officer Todd Lockett of South Central Bank 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 85%. 4. Review of AF22-0050 — Riney, Thomas <ol style="list-style-type: none"> a. On behalf of Thomas Riney, loan officer Jonathan West of Farm Credit Mid-America requested KAFC Beginning Farmer Loan Program funding in the amount of \$65,000. b. The Loan Review Committee recommend approval of \$65,000 with a combined loan-to-value no greater than 85%. 5. Review of AF22-0052 — Zaring, Andrew <ol style="list-style-type: none"> a. On behalf of Andrew Zaring, loan officer Andrew Coomes of United Citizens Bank & Trust Co. requested KAFC Beginning Farmer Loan Program funding in the amount of 	

APPENDIX A: Loan Review Committee Meeting Minutes



Agenda Items:

\$250,000.

- b. The Loan Review Committee recommend approval of \$250,000 with a combined loan-to-value no greater than 85%, contingent upon staff review and approval of Mr. Zaring's credit history report prior to disbursement.

Old Business

1. Review of AF18-0087 — Critchelow, Luke
 - a. On behalf of Luke Critchelow, loan officer Matt Keller of Farm Credit Mid-America requested KAFC lien subordination.
 - b. The Loan Review Committee recommend approval with a combined loan-to-value no greater than 85%.
2. Review of AF20-0036 — Hayden, Daniel
 - a. On behalf of Daniel Hayden, loan officer Matt Keller of Farm Credit Mid-America requested KAFC lien subordination.
 - b. The Loan Review Committee recommend approval with a combined loan-to-value no greater than 85%.
3. Review of AF20-0013 — Dooley, Joel
 - a. On behalf of Joel Dooley, loan officer Todd Lockett of South Central Bank requested a one-time six month repayment extension.
 - b. The Loan Review Committee recommend approval of a one-time six month repayment extension.

Other Business

1. Lender Loan Programs Discussion
 - a. Loan officer Ken Adams of Magnolia Bank requested the KAFC Loan Review Committee's consideration in regards to loan programs efficiency suggestions.
 - b. The Loan Review Committee recommended not to deviate from current KAFC loan review and approval practices.