

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the August 12, 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
August 12, 2022**

Call to Order

Mr. Hughes, presiding, called the Kentucky Agricultural Finance Corporation Board (KAFC) regular business meeting to order at 10:00 a.m. (EDT).

Roll Call

The following members were present: Tim Hughes (designee for Commissioner Quarles), Frank Penn, Billy Aldridge (designee for Secretary Holly M. Johnson), Dan Flanagan, Larry Jagers, Linda Rumpke, Jonathan Noe, Dr. Kenny Burdine, and Doug Lawson.

Absent Members: Mac Stone, David Rink and Wayne Hunt.

Notification of Media

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

Welcome

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

Approval of Minutes

Mr. Hughes entertained a motion to approve the minutes of the July 15, 2022 board meeting.

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

VOTE: Motion Passed; Unanimous.

Executive Director's Report

Mr. Hughes 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 July board meeting. Mr. Lacefield referenced the 2022 CAIP Administrator trainings, which concluded for the summer. Mr. Lacefield referenced a letter from the Kentucky State Auditor reporting that in their annual review that there was nothing unusual in their

findings. Mr. Lacefield referenced the Compliance Committee update on disbursed loans from January-March 2022, the Committee identified one missing, document.

Deputy Executive Director's Report

Mr. Hughes 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 August 1, 2022

Mr. McCloskey reviewed an updated version of the Kentucky Agricultural Development Fund County Account Balances (*on file*) as of August 1, 2022

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

K AFC Statement of Financial Position	
As of July 31, 2022	
Assets	
Cash K AFC Accounts	\$ 22,435,661
Loan Payments Due K AFC	
Category A	\$80,472,601
Category B	\$
Category C	\$
	\$ 80,472,601
Total Assets	\$ 102,908,262
Liabilities	
K AFC loans approved not closed	\$ 15,038,798
Principal Outstanding	\$ 80,472,601
	\$ 95,511,399
Total Liabilities	\$ 95,511,399
Unobligated Assets	\$ 7,396,863
Total Liabilities & Unobligated Assets	\$ 102,908,262

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

VOTE: Motion Passed; Unanimous.

Loan Review Committee Report

Mr. Hughes called on Ms. Rumpke to give the Loan Review Committee report. Ms. Rumpke stated the loans would be discussed in order of the agenda.

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

VOTE: Motion passed; Unanimous.

New Business

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

Agricultural Infrastructure Loan Program (AILP)

AF22-0065 Hayden, Charles

The applicant requested \$50,000 for the construction of a hoop barn and renovation of an existing barn in Nelson County. Town & Country Bank and Trust Company in Bardstown, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

Beginning Farmer Loan Program (BFLP)

AF22-0060 Grimes, Dustin

The applicant requested \$130,000 for the purchase of 25 acres in Hardin County, KY. Magnolia Bank in Elizabethtown, KY is the participating lender.

Staff recommends approval, contingent upon the approval and obligation of a 95% FSA guarantee on Magnolia Bank 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.

AF22-0061 Burnett, Stephen

The applicant requested \$250,000 for the purchase of 206 acres with four Tyson broiler barns in Monroe County, KY. Farm Credit in Glasgow, KY is the participating lender. This application was referred to the Loan Review Committee.

The Loan Review Committee recommend pending the application to allow time for staff to get clarification regarding committee concerns.

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

VOTE: Motion Passed; Unanimous.

AF22-0062 Cung, Sui

The applicant requested \$250,000 for the purchase of 39 acres with five Tyson broiler barns in McLean County, KY. Farm Credit in Henderson, KY is the participating lender.

Staff recommends approval, contingent upon the approval and obligation of a 95% FSA guarantee on FCMA and KAFC funds and proof of applicants KY residency 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.

AF22-0063 Rhynes, Dustin

The applicant requested \$250,000 for the purchase of 24 acres with four Pilgrims Pride broiler barns in Graves County, KY. River Valley AgCredit in Clinton, KY is the participating lender. This application was referred to the Loan Review Committee.

The Loan Review Committee recommend approval of \$250,000, contingent upon the approval and obligation of a 95% FSA Guarantee on RVACA and KAFC funds and the addition of a third party mentor with a combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

AF22-0064 Jones, Andrew

The applicant requested \$250,000 for the purchase of 15 acres with five Tyson broiler in Graves County, KY. River Valley AgCredit in Owensboro, KY is the participating lender.

Staff recommends approval, contingent upon the approval and obligation of 95% FSA guarantee on \$650,000 of RVACA funds and all KAFC funds, with combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

AF22-0066 Bawi Hrin, Van

The applicant requested \$250,000 for the purchase of 12 acres with four Tyson broiler barns and construction improvements in Webster County, KY. Field & Main Bank in Henderson, KY is the participating lender. This application was referred to the Loan Review Committee.

The Loan Review Committee recommend approval of \$250,000 contingent upon the approval and obligation of a 90% FSA guarantee, proof of Kentucky residency at the time of disbursement, and the addition of Mr. Hrin's wife, Phun Tial, as a guarantor with a combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Mr. Lawson Abstained.

AF22-0067 Hillard, Dalton

The applicant requested \$250,000 for the purchase of 29 acres with four Perdue broiler barns and construction of 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%.

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

VOTE: Motion Passed; Unanimous.

AF22-0068 McCall, David

The applicant requested \$250,000 for the purchase of 300 acres with improvements in Shelby County, KY. First Financial Bank in Louisville, KY is the participating lender.

Staff recommends approval, contingent upon the approval and obligation of a 90% FSA guarantee on \$636,000 of First Financial Bank and all KAFC funds, with combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

AF22-0069 Hubler, Harry

The applicant requested \$250,000 for the purchase of 103 acres in Bourbon County, KY. Central Kentucky ACA in Paris, KY is the participating lender.

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

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

VOTE: Motion Passed; Mr. Noe Abstained.

AF22-0070 French, Zachary

The applicant requested \$126,000 for the purchase of 84 acres in Barren County, KY. South Central Bank of Barren County in Glasgow, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

Old Business:

Mr. Hughes called on Lane Ryan and Bill McCloskey to present the following extensions.

Extension

AF20-0037 Pennington, Chad

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

Staff recommend approval of the time extension request.

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

VOTE: Motion Passed; Unanimous.

AF20-0058 Miller, Rustin

Mr. McCloskey presented a memorandum (*on file*) regarding the above referenced loan. The loan officer made a request for a six month time extension.

Staff recommend approval of the time extension request.

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

VOTE: Motion Passed; Unanimous.

Closing Remarks

Mr. Hughes informed the board the next KAFC meeting will be at the Franklin County Extension Office on Friday, September 9, 2022 at 10:00 a.m. EDT.

Adjournment

There being no further business, Mr. Hughes entertained a motion to adjourn the meeting at 11:23 a.m. (EDT).

Mr. Flanagan moved to adjourn the August KAFC board meeting; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Unanimous.

APPROVED DATE: September 9, 2022

PRESIDING OFFICER: Tim Hughes Proxy for Commissioner Dr. Ryan Quarles
Commissioner/Ryan Quarles

BOARDS COORDINATOR: Hannah Johnson
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:	August 12, 2022
Meeting Location:	Franklin County Extension Office
Meeting Chair:	Linda Rumpke
Attendees:	Committee Members: Doug Lawson, Jonathan Noe, Billy Aldridge, Frank Penn, Kenny Burdine, Linda Rumpke, Larry Jagers Staff: Tim Hughes, Brian Lacefield, Bill McCloskey, Laney Ryan, Olivia Randolph, Brian Murphy, Isaiah Pruitt, Chelsea Smither, Jesslyn Watson
Minutes Issued By:	Laney Ryan, Loan Programs Manager
Meeting Call to Order:	9:07 AM EDT
Meeting Adjourned:	9:50 AM EDT

Agenda Items:

New Business

1. Review of AF22-0061 — Burnett, Stephen
 - a. On behalf of Stephen Burnett, loan officer Sarah Adams of Farm Credit Mid America requested KAFC Beginning Farmer Loan Program funding in the amount of \$250,000.
 - b. The Loan Review Committee recommend pending the application to allow time for staff to get clarification regarding committee concerns.
2. Review of AF22-0063 — Rhynes, Dustin
 - a. On behalf of Dustin Rhynes, loan officer Ira Wray of River Valley Ag Credit Association requested KAFC Beginning Farmer Loan Program funding in the amount of \$250,000.
 - b. The Loan Review Committee recommend approval of \$250,000, contingent upon the approval and obligation of a 95% FSA Guarantee on RVACA and KAFC funds and the addition of a third party mentor with a combined loan-to-value no greater than 100%.
3. Review of AF22-0066 — Hrin, Van Bawi
 - a. On behalf of Van Bawi Hrin, loan officer Daniel Smith of Field and Main Bank requested KAFC Beginning Farmer Loan Program funding in the amount of \$250,000.
 - b. The Loan Review Committee recommend approval of \$250,000 contingent upon the approval and obligation of a 90% FSA guarantee, proof of Kentucky residency at the time of disbursement, and the addition of Mr. Hrin’s wife, Phun Tial, as a guarantor with a combined loan-to-value no greater than 100%.