

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the September 9, 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  
September 9, 2022**

**Call to Order**

Mr. Hughes, presiding, called the Kentucky Agricultural Finance Corporation Board (KAFC) regular business meeting to order at 10:21 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, Wayne Hunt, and Doug Lawson.

Absent Members: Mac Stone, and David Rink.

**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 August 12, 2022 board meeting.

Dr. Burdine moved to approve the minutes, as presented; Ms. Rumpke 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 August board meeting. Mr. Lacefield referenced the second University of Kentucky Natural Resources Agriculture and Resource Agent Meeting that took place in September at the Franklin County Extension Office. Mr. Lacefield reported on the overall success at this year's Kentucky State Fair.

**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 25, 2022

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

Mr. McCloskey reviewed the KAFc Statement of Financial Position (*on file*) as of August 31, 2022

<b>KAFc Statement of Financial Position</b>	
<b>As of August 31, 2022</b>	
<b>Assets</b>	
Cash KAFc Accounts	\$ 22,755,772
Loan Payments Due KAFc	
Category A	\$80,269,627
Category B	\$
Category C	\$
	\$ 80,269,627
<b>Total Assets</b>	<b>\$ 103,025,399</b>
<b>Liabilities</b>	
KAFc loans approved not closed	\$ 16,487,298
Principal Outstanding	\$ 80,269,627
	\$ 96,756,925
<b>Total Liabilities</b>	<b>\$ 96,756,925</b>
<b>Unobligated Assets</b>	<b>\$ 6,268,474</b>
<b>Total Liabilities &amp; Unobligated Assets</b>	<b>\$ 103,025,399</b>

Dr. Burdine moved to accept the KAFc financial report, as presented; Mr. Jagers 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.

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

VOTE: Motion passed; Unanimous.

**Presentations  
Carbon Markets 101**

Mr. Hughes called on Mr. Lacefield to introduce presenter Dr. Jordan Shockley, Associate Extension Professor with the University of Kentucky, made a presentation entitled Carbon Markets 101 to address previous questions related to revenue and legal issues surrounding governmental and market based carbon management decisions for farmers and landowners.

**Poultry Industry Update**

Mr. Hughes called on Mr. Lacefield to introduce presenter Mr. Jamie Guffey, Executive Director for the Kentucky Poultry Federation, provided an update on Kentucky's poultry industry to help address Board member questions related to the financial impact of this segment of Kentucky agricultural sector and the KAFC loan portfolio.

**New Business**

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

**Agricultural Infrastructure Loan (AILP)**

**AF22-0073 Heatherly, Franklin**

The applicant requested \$250,000 for the construction of two Cobb-Vantress pullet barns in Wayne County. Farm Credit in Somerset, KY is the participating lender.

Staff recommends approval, contingent upon the approval and obligation of a 90% FSA guarantee on \$975,000 FCMA funds 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.

**Beginning Farmer Loan Program (BFLP)**

**AF22-0074 Cruise, Cage**

The applicant requested \$174,600 for the purchase of 57 acres in Scott 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. Penn moved to approve the staff recommendation, as presented; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Mr. Noe Abstained.

**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 approval of \$250,000 contingent upon the approval and obligation of a 90% FSA guarantee with a combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

**AF22-0071            Hunt, Benjamin**

The applicant requested \$81,250 for the purchase of 15 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.

**AF22-0072            Tirey, Joshua**

The applicant requested \$250,000 for the purchase of 200 acres in Garrard County, KY. Farmers National Bank in Lancaster, 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. Penn seconded the motion.

VOTE: Motion Passed; Unanimous.

**AF22-0075            Howell, Tyler**

The applicant requested \$182,425 for the purchase of 155 acres with improvements in Hart County, KY. Magnolia Bank in Elizabethtown, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

**AF22-0076            MacHarg, Sarah**

The applicant requested \$130,000 for the purchase of 29 acres with improvements in Scott County, KY. Central Kentucky ACA in Lexington, KY is the participating lender.

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

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

VOTE: Motion Passed; Mr. Noe Abstained.

**AF22-0077            Finley, Kameron**

The applicant requested \$152,775 for the purchase of 73 acres with improvements 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%.

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

VOTE: Motion Passed; Mr. Noe Abstained.

**AF22-0078 Chhai, Pado**

The applicant requested \$250,000 for the purchase of 20 acres with three Perdue layer barns in Warren 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. Flanagan moved to approve the staff recommendation, as presented; Mr. Lawson seconded the motion.

VOTE: Motion Passed; Unanimous.

**AF22-0079 Gaffney, Jonathan**

The applicant requested \$75,150 for the purchase of 53 acres in Garrard County, KY. Central Kentucky ACA in Danville, KY is the participating lender.

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

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

VOTE: Motion Passed; Mr. Noe Abstained.

**Old Business:**

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

**Modification**

**AF16-0060 Cooper, Jeremy**

Mr. McCloskey presented a memorandum (*on file*) regarding the above referenced loan. The loan officer made a request to change integrators from Perdue to Tyson. Tyson is offering a three year contract and additional financial incentives compared to a flock contract with Perdue. The combined loan-to-value was 74.85% at the time of approval and is now 54.12% after several years of payments. This request was referred to the Loan Review Committee.

The Loan Review Committee recommended approval of the request to change integrators from Perdue to Tyson.

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

VOTE: Motion Passed; Unanimous.

**Extension**

**AF19-0102                      Bradley, Kimberly**

Ms. Ryan presented a memorandum (*on file*) regarding the above referenced loan. The loan officer made a request for a third six month time extension for construction to be completed and the loan to be closed. The new expiration date would be March 20, 2023

Staff recommend approval of the time extension request.

Mr. Penn moved to approve staff recommendation, as presented; Mr. Noe seconded the motion.  
VOTE: Motion Passed; Unanimous.

**AF22-0044                      Eblen, Brandon**

Ms. Ryan presented a memorandum (*on file*) regarding the above referenced loan. The loan officer made a request for a three month time extension to allow time for property surveying and title services to be completed and the loan to be closed. The new expiration date would be December 10, 2022.

Staff recommend approval of the time extension request.

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

VOTE: Motion Passed; Mr. Lawson Abstained.

**Withdrawn Application**

**AF21-0017                      Riley, Clint**

**No action necessary on withdrawn applications.**

**Closing Remarks**

Mr. Hughes informed the board the next KAFC meeting will be at the Franklin County Extension Office on Friday, October 14, 2022 at 10:00 a.m. EDT.

**Adjournment**

There being no further business, Mr. Hughes entertained a motion to adjourn the meeting at 12:13 p.m. (EDT).

Mr. Noe moved to adjourn the September KAFC board meeting; Mr. Aldridge seconded the motion.

VOTE: Motion Passed; Unanimous.

APPROVED DATE:                     10-14-2022                     

PRESIDING OFFICER:                     *Ryan Quarles*                        
Commissioner Ryan Quarles

BOARDS COORDINATOR:                     *Hannah Johnson*                        
Hannah Johnson, Board Secretary

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

# APPENDIX A: Loan Review Committee Meeting Minutes



<b>Meeting Date:</b>	September 9, 2022
<b>Meeting Location:</b>	Franklin County Extension Office
<b>Meeting Chair:</b>	Linda Rumpke
<b>Attendees:</b>	<p>Committee Members: Doug Lawson, Jonathan Noe, Billy Aldridge, Frank Penn, Kenny Burdine, Linda Rumpke, Larry Jagers, Tim Hughes, Wayne Hunt</p> <p>Staff: Brian Lacefield, Bill McCloskey, Laney Ryan, Olivia Randolph, Jesslyn Watson</p> <p>Guests: Sarah Butler, H. Barlow, Sarah Adams, Ramey Mackinson, Jordon Shockley</p>
<b>Minutes Issued By:</b>	Laney Ryan, Loan Programs Manager
<b>Meeting Call to Order:</b>	9:10 AM EDT
<b>Meeting Adjourned:</b>	10:11 AM EDT

<b>Agenda Items:</b>
<p><b>New Business</b></p> <ol style="list-style-type: none"> <li>1. Review of A2022-0167 — Poso Creek Family Dairy             <ol style="list-style-type: none"> <li>a. On behalf of the Kentucky Agricultural Development Board, the KADB White Committee requested KAFC review and discussion of the project.</li> <li>b. Discussion held, no action required.</li> </ol> </li> <li>2. Review of AF22-0061 — Burnett, Stephen             <ol style="list-style-type: none"> <li>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.</li> <li>b. The Loan Review Committee recommend approval of \$250,000 contingent upon the approval and obligation of a 90% FSA guarantee on FCMA and KAFC funds, with a combined loan to value of no greater than 100%.</li> </ol> </li> </ol> <p><b>Old Business</b></p> <ol style="list-style-type: none"> <li>3. Review of AF16-0060 — Cooper, Jeremy             <ol style="list-style-type: none"> <li>a. On behalf of Jeremy Cooper, account specialist Brittany James of Farm Credit Mid America requested an approval modification allowing Mr. Cooper to change integrators from Perdue to Tyson.</li> <li>b. The Loan Review Committee recommend approval of the modification request with a combined loan to value of no greater than 85%.</li> </ol> </li> </ol>