

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

Call to Order

Commissioner Ryan Quarles, presiding, called the Kentucky Agricultural Finance Corporation Board (KAFRC) regular business meeting to order at 10:09 a.m. (EST).

Roll Call

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

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

Notification of Media

Commissioner Ryan Quarles received verification from Jesslyn Watson, Project Manager; that the media had been notified of the KAFRC board meeting.

Welcome

Commissioner Ryan Quarles welcomed everyone to the KAFRC 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 November 18, 2022, board meeting.

Mr. Penn moved to approve the minutes, as presented; Mr. Flanagan 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 November board meeting. Mr. Lacefield lastly referenced memo A2008-0440 request for transfer of \$5 million dollars from the Kentucky Agricultural Development Board to the Kentucky Agricultural Finance Corporation.

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 November 28, 2022

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

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

K AFC Statement of Financial Position	
As of November 30, 2022	
Assets	
Cash K AFC Accounts	\$ 21,607,171
Loan Payments Due K AFC	
Category A	\$81,791,374
Category B	\$
Category C	\$
	\$ 81,791,374
Total Assets	\$ 103,398,545
Liabilities	
K AFC loans approved not closed	\$ 17,113,091
Principal Outstanding	\$ 81,791,374
	\$ 98,904,465
Total Liabilities	\$ 98,904,465
Unobligated Assets	\$ 4,494,080
Total Liabilities & Unobligated Assets	\$ 103,398,545

Mr. Lawson moved to accept the K AFC financial report, as presented; Mr. Flanagan 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. Lawson 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, and Ms. Randolph to present the following applications:

Agricultural Infrastructure Loan (AILP)

AF22-0099 Stalcup, Sawyer

The applicant requested \$42,000 for the construction of two Tyson broiler barns in Clinton 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 \$760,731 of FCMA funds and all KAFC funds, with combined loan-to-value no greater than 100% and total KADF funds.

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

VOTE: Motion Passed; Unanimous.

AF22-0100 Unruh, Cody

The applicant requested \$250,000 for the purchase of 54 acres with eight Pilgrim's Pride broiler barns, residence, improvements, and equipment in Calloway County. River Valley AgCredit in Clinton, KY is the participating lender.

Staff recommends approval, contingent upon the approval with KAFC combined loan-to-value no greater than 85% and documentation of Kentucky residency, as evidenced by valid driver's licenses.

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

VOTE: Motion Passed; Unanimous.

AF22-0101 Schafer, Thayne

The applicant requested \$250,000 for purchase of 58 acres with six Pilgrims Pride broiler barns, residence, equipment, and improvements in Calloway County. River Valley AgCredit in Clinton, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

Beginning Farmer Loan Program (BFLP)

AF22-0102 Timbers, Joshua

The applicant requested \$250,000 for the purchase of 138 acres in Hart County, KY. Farm Credit in Elizabethtown, 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 KAFC combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

AF22-0103 Robinson, Michael

The applicant requested \$62,329 for the purchase of 46 acres in Grayson 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 KAFK funds, with KAFK combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

AF22-0104 Shemwell, Nathan

The applicant requested \$250,000 for the purchase of 40 acres with eight Tyson broiler barns, residence, and improvements and construction of improvements in Muhlenberg County, KY. Farm Credit in Russellville, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF22-0105 Weisshaupt, Mollie

The applicant requested \$70,000 for the purchase of 28 acres in Hardin County, KY. Farm Credit in Elizabethtown, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF22-0106 Phillips, Eric

The applicant requested \$90,000 for the purchase of 62 acres in Green County, KY. Farm Credit in Elizabethtown, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF22-0107 Hall, Amanda

The applicant requested \$250,000 for the purchase of 151 acres with residence and improvements in Scott County, KY. Central Kentucky ACA of Lexington, KY is the participating lender.

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

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

VOTE: Motion Passed; Mr. Noe Abstained.

AF22-0108 Lasure, Andrew

The applicant requested \$250,000 for the purchase of 115 acres with residence and improvements in Lincoln County, KY. First Southern National Bank in Stanford, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF22-0109 Mullins, Kevin

The applicant requested \$65,000 for the purchase of 60 acres in Shelby County, KY. Farm Credit in Louisville, KY is the participating lender. This application was referred to the Loan Review Committee.

The Loan Review Committee recommend approval of \$65,000 with KAFC combined to-loan-value no greater than 85% Doug Langlely will be a cosigner on loan documents.

Mr. Lawson moved to approve the loan review committee recommendation, as presented; Mr. Penn seconded the motion

VOTE: Motion Passed; Unanimous.

Diversification through Entrepreneurship in Agribusiness Loan Program (DEALP)

AF22-0110 Hinton, Matt

The applicant requested \$250,000 for the purchase of a fertilizer mixing and hauling equipment in Montgomery County, KY. Gateway Area Development District. In Morehead, KY is the participating lender. This application was referred to loan review committee.

The loan review committee recommends approval of \$250,000 with KAFC 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.

Old Business:

Commissioner Quarles called on Lane Ryan to present the following extensions and modifications.

Extension

AF21-0043 Moore, Dustin

Ms. Ryan presented a memorandum (*on file*) regarding the above referenced loan. The loan officer indicated that an increase in project costs required the applicant to seek additional funding from FSA, resulting in a delay in completion of the project. This request is for a three month extension to allow time for the loan to be closed. The new expiration date would be March 11, 2023.

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

VOTE: Motion Passed; Mr. Noe Abstained.

AF22-0072 Tirey, Joshua

Ms. Ryan presented a memorandum (*on file*) regarding the above referenced loan. The officer indicated that FSA is requiring updated appraisal services, resulting in a delay in completion of the project. This request is for a three month extension to allow time for appraisal service to be completed and the loan to be closed. The new expiration date would be March 9, 2023.

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

VOTE: Motion Passed; Unanimous.

Withdrawn Application

- AF21-0042 Fawnbush, Sydney**
- AF21-0044 Pyles, Heather**
- AF22-0033 Timbers, Joshua**
- AF22-0075 Howell, Tyler**

No action necessary on withdrawn applications.

Closing Remarks

Commissioner Quarles informed the board the next KAFC meeting will be at the Franklin County Extension Office on Friday, January 13, 2023, at 10:00 a.m. EST.

Adjournment

There being no further business, Commissioner Quarles entertained a motion to adjourn the meeting at 11:26 a.m. (EST).

Mr. Aldridge moved to adjourn the December KAFC board meeting; Mr. Jagers seconded the motion.

VOTE: Motion Passed; Unanimous.

APPROVED DATE: _____ 

PRESIDING OFFICER: 1-13-2023
Commissioner Ryan Quarles

BOARDS COORDINATOR: 
Hannah Johnson, Board Secretary

APPENDIX A: Loan Review Committee Meeting Minutes



Meeting Date:	December 9, 2022
Meeting Location:	Franklin County Extension Office
Meeting Chair:	Doug Lawson
Attendees:	Committee Members: Doug Lawson, Jonathan Noe, Billy Aldridge, Frank Penn, Kenny Burdine, Larry Jagers, Keith Rogers Staff: Brian Lacefield, Bill McCloskey, Laney Ryan, Olivia Randolph, Brian Murphy Guests: Matt Hinton
Minutes Issued By:	Laney Ryan, Loan Programs Manager
Meeting Call to Order:	9:35 AM EST
Meeting Adjourned:	9:53 AM EST

Agenda Items:
<p>New Business</p> <ol style="list-style-type: none"> 1. Review of AF22-0109 – Mullins, Kevin <ol style="list-style-type: none"> a. On behalf of Kevin Mullins, loan officer Craig Woosley 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 of no greater than 85%. 2. Review of AF22-0110 – Hinton, Matt <ol style="list-style-type: none"> a. On behalf of Hinton Mills, Joshua Farrow of the Gateway Area Development District requested KAFC Diversification through Entrepreneurship in Agribusiness 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 of no greater than 85%.