

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the March 10, 2023, 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
March 10, 2023**

Call to Order

Mr. Hughes, presiding, called the Kentucky Agricultural Finance Corporation Board (KAFC) regular business meeting to order at 10:13 a.m. (EST).

Roll Call

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

Absent Members: David Rink, Frank Penn, and Dan Flanagan.

Notification of Media

Mr. Hughes received verification from Hannah Sharp-Johnson, Board and Special Event Projects 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 February 10, 2023, board meeting.

Ms. Rumpke 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 February board meeting. Mr. Lacefield referenced upcoming 2023 CAIP Administrator Trainings and Conservation District Area Meetings for the year. Mr. Lacefield lastly introduced KOAP's new Loan Programs Manager Tera Roberts.

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 February 22, 2023

Mr. McCloskey reviewed an updated version of the Kentucky Agricultural Development Fund County Account Balances (*on file*) as of February 22, 2023

Mr. McCloskey reviewed the K AFC Statement of Financial Position (*on file*) as of February 22, 2023

K AFC Statement of Financial Position	
As of February 28, 2023	
Assets	
Cash K AFC Accounts	\$ 25,745,345
Loan Payments Due K AFC	
Category A	\$83,576,270
Category B	\$
Category C	\$
	\$ 83,576,270
Total Assets	\$ 109,321,615
Liabilities	
K AFC loans approved not closed	\$ 18,211,331
Principal Outstanding	\$ 83,576,270
Total Liabilities	\$ 101,787,601
Unobligated Assets	\$ 7,534,014
Total Liabilities & Unobligated Assets	\$ 109,321,615

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

VOTE: Motion Passed; Unanimous.

K AFC Loan Review Committee Report

Mr. Hughes called on Mr. Lawson to give the K AFC Loan Review Committee report. Mr. Lawson 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; Ms Rumpke seconded the motion.

VOTE: Motion passed; Unanimous.

New Business

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

Agricultural Infrastructure Loan (AILP)

AF23-0021 Critchelow, Luke

The applicant requested \$141,695 for the construction of one Tyson Mega House in Breckinridge County. Farm Credit in Hardinsburg, KY is the participating lender.

Staff recommends approval, with combined loan-to-value of no greater than 85% and aggregate KAFC balance no greater than \$250,000.

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

VOTE: Motion Passed; Unanimous.

AF23-0022 Critchelow, Andrew

The applicant requested \$130,312 for the construction of two Tyson Mega House in Breckinridge County. Farm Credit in Hardinsburg, KY is the participating lender.

Staff recommends approval, with combined loan-to-value of no greater than 85% and aggregate KAFC balance no greater than \$250,000.

Ms. Rumpke moved to approve the staff recommendation, as presented; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Unanimous.

AF23-0023 Smith, Eric

The applicant requested \$250,000 for the purchase of 10 acres with four broiler houses in Ohio County. Farm Credit in Owensboro, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF23-0024 Higgins, Jason

The applicant requested \$250,000 for the renovations of a building to establish a meat market in Livingston County. River Valley AgCredit in Murray, KY is the participating lender. This application was referred to the Loan Review Committee.

The Loan Review Committee recommends the applicants are better suited for the KAFC Diversification through Entrepreneurship in Agribusiness Loan Program contingent upon completing the DEALP requirements.

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

VOTE: Motion Passed; Unanimous.

AF23-0027 Luttrell, Darren

The applicant requested \$250,000 for construction of grain bin improvements in Ohio County. Farm Credit in Owensboro, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF23-0029 Kirks, Kyle

The applicant requested \$57,500 for the purchase of and installation of grain bin in Graves County. FNB Bank, Inc. in Mayfield, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF23-0034 Gaskins, John

The applicant requested \$250,000 for the construction of grain handling and storage facility in Adair County. Farm Credit in Campbellsville, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

Agricultural Processing Loan Program (APLP)

AF23-0028 United Livestock Commodities, Inc.

The applicant requested \$1,000,000 for the purchase of stock and equipment assets of United Livestock Commodities in Graves County. FNB Bank, Inc. in Mayfield, KY is the participating lender. This application was referred to the Loan Review Committee.

The Loan Review Committee recommend approval of \$1,000,000 and the application as presented.

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

VOTE: Motion Passed; Unanimous.

AF23-0031 Hazelwood, Josh

The applicant requested \$500,000 for purchase of Mcray Feed and associated assets in Mercer County. Central KY Ag Credit in Danville, KY is the participating lender. This application was referred to the Loan Review Committee.

The Loan Review Committee recommend approval as submitted.

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

VOTE: Motion Passed; Mr. Noe Abstained.

Beginning Farmer Loan Program (BFLP)

AF23-0020 Martin, Jeffrey

The applicant requested \$112,500 for purchase of 91 acres in Daviess County. Independence Bank in Owensboro, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF23-0026 Kuegel, William

The applicant requested \$100,000 for the purchase of 78 acres in McLean County. Independence Bank in Owensboro, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF23-0030 Goff, Andrew

The applicant requested \$250,000 for the purchase of 54 acres with four poultry houses, a litter shed with improvements in Green County, KY. First & Farmers National Bank in Columbia, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF23-0032 Settles, Matthew

The applicant requested \$250,000 for the purchase of 100 acres in Daviess County, KY. Independence Bank in Owensboro, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF23-0033 Dailey, Jonathan

The applicant requested \$250,000 for the purchase of 75 acres Franklin County, KY. Central Kentucky ACA in Frankfort, 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; Mr. Noe Abstained.

AF23-0035 Maddox, Kyle

The applicant requested \$172,500 for the purchase of 57 acres Anderson County, KY. Central Kentucky ACA in Frankfort, KY is the participating lender.

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

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

VOTE: Motion Passed; Mr. Noe Abstained.

AF23-0036 Hill, Tanner

The applicant requested \$100,000 for the purchase of 86 acres Montgomery County, KY. Central Kentucky ACA in Paris, KY is the participating lender.

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

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

VOTE: Motion Passed; Mr. Noe Abstained.

AF23-0037 Vallandingham, Tommy

The applicant requested \$67,830 for the purchase of 45 acres Harrison 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 Central Kentucky ACA and KAFC funds, with combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Mr. Noe Abstained.

AF23-0038 Rodriguez, Javier

The applicant requested \$250,000 for the purchase of 133 acres with eight broiler barns Clinton County, KY. Farm Credit in Somerset, KY is the participating lender.

Staff recommends approval, 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. Noe moved to approve the staff recommendation, as presented; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Unanimous.

AF23-0039 Clift, William

The applicant requested \$142,252 for the purchase of 110 acres Caldwell County, KY. Farm Credit in Owensboro, 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. Noe seconded the motion.

VOTE: Motion Passed; Unanimous.

AF23-0040 Hagan, Brad

The applicant requested \$157,000 for the purchase of $\frac{3}{4}$ of 54 acres Daviess County, KY. Farm Credit in Owensboro, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF23-0041 Puckett, Logan

The applicant requested \$165,232 for the construction of two Tyson pullet houses 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% and aggregate KAFC balance no greater than \$250,000.

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

VOTE: Motion Passed; Unanimous.

AF23-0042 Kuegel, Martin

The applicant requested \$150,000 for the purchase of 128 acres in Daviess County, KY. Independence Bank in Owensboro, KY is the participating lender. This application was referred to the Loan Review Committee.

The Loan Review Committee recommend approval as submitted.

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

VOTE: Motion Passed; Unanimous.

Old Business:

Mr. Hughes called on Ms. Randolph to present the following extensions and modifications.

Modifications

AF22-0071 Hunt, Benjamin

Ms. Randolph presented a memorandum (*on file*) regarding the above referenced loan. The K AFC Board approved Mr. Hunt's request for \$81,250 for the purchase of 15 acres in Hardin County with a combined loan-to-value of no greater than 85% at the September 9, 2022, meeting. The loan officer indicated that the combined loan-to-value at closing is 89% and requesting additional collateral is not feasible. If approved, this modification will grant exception for the 85% loan-to-value guidelines. Following the May 1, 2021, payment, the loan-to-value would be below the approved loan-to-value of 50%.

The Loan Review Committee recommended not to grant exception and keep loan to value no greater than 85%.

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

VOTE: Motion Passed; Unanimous.

AF20-0026 Crume, Charles

Ms. Randolph presented a memorandum (*on file*) regarding the above referenced loan. The K AFC Board approved Mr. Crume's request for \$84,514 for the purchase of 36 acres in Mercer County a combined loan-to-value of no greater than 85% at the April 10, 2020, meeting. The loan officer indicated that Mr. Crume wishes to build a residence on the property that was purchased and has requested K AFC subordination. The Project's combined loan-to value was 83% at the time of approval. After two years of repayments, if this subordination request is approved the new combined loan-to-value would be 79%. This request was pended at the February 10, 2023, meeting for more information needed for the applicant's financials.

The Loan Review Committee recommended approval as presented.

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

VOTE: Motion Passed; Mr. Noe Abstained.

Extension

AF22-0082 Comely, Mark

Ms. Randolph presented a memorandum (*on file*) regarding the above referenced loan. The loan officer indicated that the loan should close by the expiration date (March 14, 2023) but is requesting a 3 month extension in case of any title issues. This request is for a three month 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 June 14, 2023.

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

VOTE: Motion Passed; Unanimous.

AF22-0106 Phillips, Eric

Ms. Randolph presented a memorandum (*on file*) regarding the above referenced loan. The officer indicated that there have been delays in closing the loan due to the seller extending the purchase contract twice. This is for a three month extension to allow time for property surveying and title service to be completed and the loan to be closed. The new expiration date would be June 9, 2023.

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

VOTE: Motion Passed; Unanimous.

AF21-0063 Hegstrom, Samantha

Ms. Randolph presented a memorandum (*on file*) regarding the above referenced loan. The officer indicated that there have been delays in closing the loan due to property surveying and title issues. This request is for a three month extension to allow time for property surveying and title service to be completed and the loan to be closed. The new expiration date would be June 13, 2023.

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

VOTE: Motion Passed; Unanimous.

AF22-0108 Lasure, Andrew

Ms. Randolph presented a memorandum (*on file*) regarding the above referenced loan. The officer indicated that there have been delays in closing the loan due to FSA delays. This request is for a three month 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 June 9, 2023.

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

VOTE: Motion Passed; Mr. Noe Abstained.

Closing Remarks

Mr. Hughes informed the board the next KAFC meeting will be at the Franklin County Extension Office on Friday, April 21, 2023, at 9:00 a.m. EDT.

Adjournment

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

Mr. Stone moved to adjourn the March KAFC board meeting; Mr. Noe seconded the motion.

VOTE: Motion Passed; Unanimous.

APPROVED DATE: 5/5/2023

PRESIDING OFFICER: Timothy D. Hughes *Proxy for Dr. Ryan F. Quarles*
Commissioner Ryan Quarles

BOARDS COORDINATOR: Hannah Sharp-Johnson
Hannah Sharp-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



Meeting Date:	March 10, 2023
Meeting Location:	Franklin County Extension Office
Meeting Chair:	Doug Lawson
Attendees:	<p>Committee Members: Doug Lawson, Jonathan Noe, Billy Aldridge, Kenny Burdine, Linda Rumpke, Tim Hughes, Wayne Hunt, Larry Jagers</p> <p>Staff: Brian Lacefield, Bill McCloskey, Olivia Randolph, Tera Roberts</p> <p>Guests: Lori Noel, Tyler Willett, Brad Godbey, Jackie Summitt, Brittany Stevens, Jade Sadler, Lisa Yeager, Charles Crume, Laura Higgins,</p>
Minutes Issued By:	Olivia Randolph, Loan Programs Manager
Meeting Call to Order:	9:05 AM EDT
Meeting Adjourned:	9:59 AM EDT

Agenda Items

New Business

1. Review of AF23-0028: United Livestock Commodities, Inc.
 - a. On behalf of United Livestock Commodities, Inc., loan officer Lori Noel of FNB Bank requested KAFC Agricultural Processing Loan Program funding in the amount of \$1,000,000. Loan Review Committee met to discuss the loan amount.
 - b. The Loan Review Committee recommends approval of \$1,000,000 and the application as presented.
2. Review of AF23-0031: Josh and Allison Hazelwood
 - a. On behalf of Josh and Allison Hazelwood, loan officer Brad Hodges of Central KY Ag Credit requested KAFC Agricultural Processing Loan Program funding in the amount of \$500,000 to purchase Mcray Feed. Loan Review Committee met to discuss the loan amount.
 - b. The Loan Review Committee recommends approval \$500,000 and the application as presented.
3. Review of AF23-0042: Martin and Samantha Kuegel
 - a. On behalf of Martin and Samantha Kuegel, loan officer Wayne Mattingly of Independence Bank requested KAFC Beginning Farmer Loan Program funding in the amount of \$150,000. Loan Review Committee met to discuss the low credit score of the co-applicant.
 - b. The Loan Review Committee recommends approval as submitted.
4. Review of AF23-0024: Jason and Laura Higgins
 - a. On behalf of Jason and Laura Higgins, loan officer Tiffany Burks of River Valley Ag Credit requested KAFC Agricultural Infrastructure Loan Program funding in the amount of \$250,000. After further discussion with staff, the loan officer and

APPENDIX A: Loan Review Committee Meeting Minutes



applicant felt the project was better suited for the KAFC Diversification through Entrepreneurship in Agribusiness Loan Program. Loan Review Committee met to discuss the change in loan programs.

- b. The Loan Review Committee recommends the change in loan programs contingent upon completing the DEALP requirements.

Old Business

1. AF22-0071: Benjamin Hunt
 - a. On behalf of Benjamin Hunt, loan officer Jade Sadler of Farm Credit Mid-America requested an exception of the approved loan to value (85%) on Mr. Hunt's loan.
 - b. The Loan Review Committee recommended not to grant exception and keep loan to value no greater than 85%.
2. AF20-0026: Charles Crume
 - a. On behalf of Charles Crume, loan officer Lisa Yeager of Central KY Ag Credit requested a subordination of KAFC funds to CKACA. Charles Crume explained the documents showing how farm income is reported.
 - b. The Loan Review Committee recommends to approve as presented.