

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the May 12 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
May 12, 2023**

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: Mr. Hughes (designee for Commissioner Quarles), Billy Aldridge (designee for Secretary Holly M. Johnson), Dr. Kenny Burdine, Jonathan Noe, Wayne Hunt, Mac Stone, Dan Flanagan, and Larry Jagers.

Absent Members: Doug Lawson, Linda Rumpke, David Rink, and Frank Penn.

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 April 21, 2023, board meeting.

Mr. Jagers moved to approve the minutes, as presented; Mr. Noe 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 April board meeting. Lastly, Mr. Lacefield referenced upcoming 2023 CAIP Administrator Trainings for the year.

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 May 1, 2023

Mr. McCloskey reviewed an updated version of the Kentucky Agricultural Development Fund County Account Balances (*on file*) as of May 1, 2023

Mr. McCloskey reviewed the K AFC Statement of Financial Position (*on file*) as of April 30, 2023

K AFC Statement of Financial Position	
As of April 30, 2023	
Assets	
Cash K AFC Accounts	\$ 25,131,619
Loan Payments Due K AFC	
Category A	\$89,691,751
Category B	\$
Category C	\$
	\$ 89,691,751
Total Assets	\$ 114,823,370
Liabilities	
K AFC loans approved not closed	\$ 17,164,130
Principal Outstanding	\$ 89,691,751
	\$ 106,855,881
Total Liabilities	\$ 106,855,881
Unobligated Assets	\$ 7,967,489
Total Liabilities & Unobligated Assets	\$ 114,823,370

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

VOTE: Motion Passed; Unanimous.

New Business

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

Agricultural Infrastructure Loan (AILP)

AF23-0047 Harvey, Hawkins

The applicant requested \$250,000 for the construction of two Cobb Vantress layer barns in Metcalfe County. Farm Credit in Glasgow, KY is the participating lender.

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

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

VOTE: Motion Passed, Unanimous.

AF23-0064 Moyers, Brian

The applicant requested \$81,500 for the construction and improvements to an equine facility in Simpson County. First Southern National Bank in Stanford, KY is the participating lender.

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

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

VOTE: Motion Passed, Unanimous.

AF23-0065 Bale, Zach

The applicant requested \$25,750 for the construction of a grain bin in Green County. Farm Credit in Campbellsville, KY is the participating lender.

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

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

VOTE: Motion Passed, Unanimous.

AF23-0066 Stoltzfus, John

The applicant requested \$250,000 for the construction of an Amish dairy facility in Caldwell County. Independence Bank in Providence, KY is the participating lender.

Staff recommends approval, contingent upon documentation of Kentucky proof of residency and combined loan-to-value of no greater than 85%.

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

VOTE: Motion Passed; Unanimous.

AF23-0067 Lundy, Dalton

The applicant requested \$65,000 for the construction of a cattle barn in Nelson County. Wilson & Muir Bank & Trust Co in Bardstown, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

Agricultural Processing Loan Program (APLP)

AF23-0057 Scruggs, Adam

The applicant requested \$150,000 for the purchase of Adairville Feed Mill in Logan County. Independence Bank in Russellville, 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. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous.

Beginning Farmer Loan Program (BFLP)

AF23-0056 Detwiler, Dylan

The applicant requested \$107,100 for purchase of 28 acres in Shelby County. Farm Credit in Shelbyville, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF23-0058 Blackburn, Shawn

The applicant requested \$250,000 for the purchase of 116 acres in Fleming County. 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 KAFRC funds and documentation of Kentucky proof of residency, 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.

AF23-0059 Cubert, Jarrod

The applicant requested \$200,000 for the purchase of 123 acres in 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 CKACA and KAFRC funds, combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Mr. Noe Abstained.

AF23-0060 Brown, Spencer

The applicant requested \$110,000 for the purchase of 49 acres in Anderson County, KY. Central Kentucky ACA in Frankfort, KY is the participating lender.

Staff recommends approval, contingent upon the approval and obligation of a 95% FSA guarantee on CKACA and KAFC funds, combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Mr. Noe Abstained.

AF23-0061 Greenwell, Michael

The applicant requested \$50,000 for the purchase of 20 acres in Breckinridge County, KY. Farm Credit in Hardinsburg, 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. Noe moved to approve the staff recommendation, as presented; Mr. Jagers seconded the motion.

VOTE: Motion Passed; Unanimous.

AF23-0068 Farmwald, Jason

The applicant requested \$148,750 for the purchase of 55 acres in Clinton County, KY. Bank of Columbia in Columbia, 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; Mr. Flanagan seconded the motion.

VOTE: Motion Passed; Unanimous

AF23-0069 McFarland, Todd

The applicant requested \$250,000 for the purchase of 334 acres in Wayne County, KY. Monticello Banking Company in Monticello, 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. Flanagan seconded the motion.

VOTE: Motion Passed; Unanimous.

Diversification through Entrepreneurship in Agribusiness Loan Program (DEALP)

AF23-0062 Rayhill, Todd

The applicant requested \$110,000 for the purchase of 13 acres and construction of a commercial building in Casey County, KY. Southeast KY Economic Development Corporation in Somerset, 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; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Unanimous.

Large Animal Veterinary Loan Program (VET)

AF23-0063 Pike, Andrew

The applicant requested \$250,000 for the purchase of a veterinary clinic in Hart County, KY. Magnolia Bank in Elizabethtown, KY is the participating lender.

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

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 Ms. Randolph to present the following time extensions

Extensions

AF23-00116 Bontrager, Steve

Ms. Randolph presented a memorandum (*on file*) regarding the above-mentioned loan. The K AFC Board approved Mr. Bontrager's request for \$202,500 for the purchase of 23 acres with two Tyson Broiler barns in Wayne County at the February 10, 2023, meeting. The loan officer indicated there have been delays in closing the loan due to the property surveying and 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 August 10, 2023.

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

VOTE: Motion Passed; Unanimous.

AF20-0058 Miller, Rustin

Ms. Randolph presented a memorandum (*on file*) regarding the above-mentioned loan. The K AFC Board approved Mr. Miller's request for \$250,000 for the purchase of 21 acres and construction of four Pilgrim's Pride broiler barns in Graves County at the July 10, 2020, meeting. At the February 10, 2023, board meeting the loan officer indicated there had been delays in closing due to filing and paperwork issues regarding the FSA guarantee; the board approved a three-month extension, pushing the expiration date May 11, 2023.

Currently, the loan officer indicated that there are still delays with FSA office regarding obtaining the FSA guarantee. This request is for a fourth three-month extension for title services and the FSA guarantee to be completed. The expiration date would be August 11, 2023. After discussion the board recommended to give Mr. Miller a six-month time extension for title services and the FSA guarantee to be completed. The new expiration date would be November 11, 2023.

Dr. Burdine moved to approve board recommendation, as presented,
Mr. Flanagan seconded the motion.

VOTE: Motion Passed; Unanimous.

AF23-0015 Dickerman, James

Ms. Randolph presented a memorandum (*on file*) regarding the above-mentioned loan. The K AFC Board approved Mr. Dickerman's request for \$250,000 for the purchase of 66 acres with eight Tyson broiler barns in Hopkins County at the February 10, 2023, meeting. The loan officer indicated the applicant is extending his purchase contract. This request is for a three-month extension to allow time for the property surveying and title services to be completed and the loan to be closed. The new expiration date would be August 10, 2023.

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

VOTE: Motion Passed, Unanimous.

AF22-0093 Benton, Clayton

Ms. Randolph presented a memorandum (*on file*) regarding the above-mentioned loan. The K AFC Board approved Mr. Benton's request for \$200,000 for the purchase of 149 acres and shares into the family LLC in Madison County at the November 18, 2022, meeting. The board previously approved one other extension request on behalf of Mr. Benton. At the February 10, 2023 board meeting the loan officer indicated that the project had encountered delays due to titling issues, the board approved a three-month extension, pushing the expiration date on May 18, 2023.

Currently, the loan officer has indicated there have been more delays regarding clearing the title for the farm the applicant is purchasing. This request is for a six-month extension for the issues to be resolved and the purchase completed. The new expiration date would be November 18, 2023.

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

VOTE: Motion Passed, Mr. Noe Abstained

Closing Remarks

Mr. Hughes informed the board the next K AFC meeting will be at the Franklin County Extension Office on Friday, June 9, 2023, at 10:00 a.m. EDT.

Adjournment

There being no further business, Mr. Hughes entertained a motion to adjourn the meeting at 12:05 p.m. (EDT).

Mr. Noe moved to adjourn the May K AFC board meeting, Mr. Aldridge seconded the motion.

VOTE: Motion Passed; Unanimous

APPROVED DATE: June 9, 2023

PRESIDING OFFICER: Timothy D. Hughes - Proxy for Commissioner, Dr. Ryan Quarles
Commissioner Ryan Quarles

BOARDS COORDINATOR: Hannah Sharp-Johnson
Hannah Sharp-Johnson, Board Secretary