

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the June 9, 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
June 9, 2023**

Call to Order

Mr. Rogers, presiding, called the Kentucky Agricultural Finance Corporation Board (KAFC) regular business meeting to order at 10:18 a.m. (EDT).

Roll Call

The following members were present: Mr. Rogers (designee for Commissioner Quarles), Ryan Barrow (designee for Secretary Holly M. Johnson), Dr. Kenny Burdine, Jonathan Noe, Linda Rumpke, Frank Penn and Larry Jagers.

Absent Members: Doug Lawson, David Rink, Wayne Hunt, Mac Stone, and Dan Flanagan.

Notification of Media

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

Approval of Minutes

Mr. Rogers entertained a motion to approve the minutes of the May 12, 2023, board meeting.

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

VOTE: Motion Passed; Unanimous.

Executive Director's Report

Mr. Rogers 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 May board meeting. Lastly, Mr. Lacefield referenced the 2023 Master Settlement Agreement Funds.

Deputy Executive Director's Report

Mr. Rogers 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 May 31, 2023

K AFC Statement of Financial Position	
As of May 31, 2023	
Assets	
Cash K AFC Accounts	\$ 23,052,332
Loan Payments Due K AFC	
Category A	\$91,997,761
Category B	\$
Category C	\$
	\$ 91,997,761
Total Assets	\$ 115,050,093
Liabilities	
K AFC loans approved not closed	\$ 16,208,842
Principal Outstanding	\$ 91,997,761
	\$ 108,206,603
Total Liabilities	\$ 108,206,603
Unobligated Assets	\$ 6,843,490
Total Liabilities & Unobligated Assets	\$ 115,050,093

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

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

VOTE: Motion passed; Unanimous.

New Business

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

Agricultural Infrastructure Loan (AILP)

AF23-0071 Sydnor, Donald

The applicant requested \$250,000 for the construction of three Tyson Mega houses in Hardin County. Wilson & Muir Bank & Trust Co in Bardstown, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF23-0074 Leslie, Eldon

The applicant requested \$250,000 for the construction of Vital poultry barn in Metcalfe County. Wilson & Muir Bank & Trust Co in Bardstown, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF23-0078 Unruh, Cody

The applicant requested \$250,000 for the purchase of 127 acres with six Pilgrims Mega barns in Graves County. River Valley Ag Credit in Clinton, KY is the participating lender. This application was referred to the Loan Review Committee.

The Loan Review Committee recommends approval contingent upon the approval and obligations of a 90% FSA guarantee on KAFc funds and proof of KY residency.

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

VOTE: Motion Passed; Unanimous.

AF23-0085 Hoover, John

The applicant requested \$125,000 for the construction of a farm shop in Ohio County. Independence Bank in Livermore, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

Agricultural Processing Loan Program (APLP)

AF23-0081 McElroy, Brian

The applicant requested \$100,000 for the purchase and installation of a corn processing system in Russell County. Farm Credit Mid-America in Somerset, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF23-0088 Christner, Paul

The applicant requested \$187,500 for the construction of a meat processing facility in Bath County. Owingsville Banking in Owingsville, KY is the participating lender.

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

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

VOTE: Motion Passed; Mr. Barrow Abstained.

Beginning Farmer Loan Program (BFLP)

AF23-0070 Burton, Darren

The applicant requested \$148,750 for purchase of 61 acres in Pulaski County. Farm Credit in Somerset, 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.

AF23-0072 Burger, Dawid "DJ"

The applicant requested \$250,000 for the purchase of 21 acres and an equine facility in Shelby County. Farm Credit in Shelbyville, KY is the participating lender. This application was referred to the Loan Review Committee.

The Loan Review Committee recommends approval subject to the operating entity be listed as a guarantor.

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

VOTE: Motion Passed; Unanimous.

AF23-0073 Conway, Weston

The applicant requested \$52,000 for the purchase of 22 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, combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

AF23-0075 Terry, Braden

The applicant requested \$175,000 for the purchase of 57 acres in Mercer County, KY. Central Kentucky ACA in Frankfort, 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. Penn seconded the motion.

VOTE: Motion Passed; Mr. Noe Abstained.

AF23-0076 Hall, Scottie

The applicant requested \$112,500 for the purchase of 41 acres in Allen County, KY. 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 KAFC funds, with combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

AF23-0077 May, Billy

The applicant requested \$125,000 for the purchase of 141 acres in Garrard County, KY. Farmers National Bank in Danville, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF23-0079 Turley, Matthew

The applicant requested \$250,000 for the purchase of 105 acres with four Perdue broiler houses with improvements in Butler County, KY. Farm Credit in Bowling Green, 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. Barrow seconded the motion.

VOTE: Motion Passed, Unanimous

AF23-0082 Howard, Jason

The applicant requested \$223,500 for the purchase of 15 acres in Shelby County, KY Independence Bank in Shelbyville, 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. Noe seconded the motion.

VOTE: Motion Passed; Unanimous

AF23-0083 Hurter, John

The applicant requested \$175,000 for the purchase of 173 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; Ms. Rumpke seconded the motion.

VOTE: Motion Passed; Mr. Noe Abstained

AF23-0084 Camberos, Gabriel

The applicant requested \$190,000 for the purchase of 55 acres in Madison County, KY. Central Kentucky ACA in Richmond, 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%.

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

VOTE: Motion Passed; Mr. Noe Abstained

AF23-0086 Behm, Sarah

The applicant requested \$63,500 for the purchase of 10 acres in Anderson County, KY. Independence Bank in Shelbyville, 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. Noe seconded the motion.

VOTE: Motion Passed; Unanimous

AF23-0087 Rodriguez, Joseph

The applicant requested \$250,000 for the purchase of 47 acres with dwelling and shop and construction of two poultry facilities in Graves County, KY. River Valley Ag Credit in Clinton, KY is the participating lender. This application was referred to the Loan Review Committee.

The Loan Review Committee recommends approval subject to either a FSA guarantee or a personal guarantee from Mr. Rodriguez's father for the life of the loan and Mr. Rodriguez's wife be listed as a co-signor.

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

VOTE: Motion Passed; Unanimous.

Old Business:

Mr. Rogers called on Ms. Randolph to present the following time extensions.

Modifications

AF18-0027 Newswanger, Sheldon

Ms. Randolph presented a memorandum (*on file*) regarding the above referenced loan. The K AFC Board approved Mr. Newswanger's request for \$250,000 for the construction of two (2) Tyson layer barns in Christian County contingent on the approval and obligation of a 90% FSA guarantee on Citizens Bank and K AFC funds with a combined loan-to-value of no greater than 100% at the March 16, 2018, meeting.

The loan officer indicated that Mr. Newswanger is requesting that his parent's farm, the additional 98 acres, be released from collateral. The project's combined loan-to-value at the time of approval was 69%. After several years of repayment, if this request is approved the new combined loan-to-value would be 25%. Mr. Newswanger is also planning to construct an additional two (2) Tyson layer barns on the property. The Citizens Bank will be making two new loans for the construction and those notes would be behind K AFC in lien position. This request was referred to the Loan Review Committee.

The Loan Review Committee recommended to approve the release of the 98 acres as collateral.

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

VOTE: Motion Passed; Unanimous.

AF22-0019 Hatmaker, Charles

Ms. Randolph presented a memorandum (*on file*) regarding the above referenced loan. The K AFC Board approved Mr. Hatmaker's request for \$70,000 for the construction of a barn with produce and retail space in Bourbon County at the April 8, 2022, meeting. The project's combined loan-to-value was 49% at the time of approval.

The loan officer indicated that Mr. Hatmaker has incurred overrun costs throughout the construction process due to rising costs of materials and is requesting additional funds from Central Kentucky Ag Credit and K AFC to finish the project. The additional funds would be an increase of \$17,500 to Central Kentucky Ag Credit and K AFC, to total \$35,000. The project's new combined loan-to-value would be 53%. This request was referred to the Loan Review Committee.

The Loan Review Committee recommended not to approve the request of additional KAFC funds and that any additional CKACA funds be subordinate to KAFC.

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

VOTE: Motion Passed; Mr. Noe Abstained.

Extension

AF23-0029 Kirks, Kyle

Ms. Randolph presented a memorandum (*on file*) regarding the above referenced loan. The loan officer indicated that there have been delays in closing the loan due to Mr. Kirks being involved in an accident and delays with the grain bin companies. This request is for a six (6) month extension to allow time for the project to be completed. The new expiration date would be December 10, 2023.

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

VOTE: Motion Passed; Unanimous.

AF23-0030 Goff, Andrew

Ms. Randolph presented a memorandum (*on file*) regarding the above referenced loan. The loan officer indicated there have been delays in closing the loan due to the timing of receiving FSA approval and needing to complete property surveying and title services.

This request is for a three (3) 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 September 10, 2023. The board recommended a six (6) month extension.

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

VOTE: Motion Passed; Unanimous.

Withdrawn Application

AF23-0062 Rayhill, Todd

No action necessary on withdrawn applications.

Closing Remarks

Mr. Rogers informed the board the next KAFC meeting will be at the Franklin County Extension Office on Friday, July 14, 2023, at 10:00 a.m. EDT.

Adjournment

There being no further business, Mr. Hughes entertained a motion to adjourn the meeting at 11:37 p.m. (EDT).

Dr. Burdine moved to adjourn the May KAFC board meeting, Mr. Noe seconded the motion.

VOTE: Motion Passed; Unanimous.

APPROVED DATE: July 14, 2023

PRESIDING OFFICER: Liz D. Hughes Pray for Dr. Ryan Quarles
Commissioner Ryan Quarles

BOARDS COORDINATOR: Hannah Sharp-Johnson
Hannah Sharp-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:	June 9, 2023
Meeting Location:	Franklin County Extension Office
Meeting Chair:	Linda Rumpke
Attendees:	<p>Committee Members: Jonathan Noe, Kenny Burdine, Linda Rumpke, Keith Rogers, Larry Jagers,</p> <p>Staff: Brian Lacefield, Bill McCloskey, Olivia Randolph, Tera Roberts</p> <p>Guests: Greg Heideman, DJ Burger, Shalynn Wedd</p>
Minutes Issued By:	Olivia Randolph, Loan Programs Manager
Meeting Call to Order:	9:15 AM EDT
Meeting Adjourned:	10:11 AM EDT

Agenda Items

New Business

1. Review of AF23-0072: DJ and Nicola Burger
 - a. On behalf of DJ and Nicola Burger, loan officer Greg Heideman of Farm Credit Mid-America requested KAFC Beginning Farmer Loan Program funding in the amount of \$250,000. Loan Review Committee met to discuss eligibility based on applicants not being US citizens.
 - b. The Loan Review Committee recommends approval of \$250,000 subject to the listed operating entity signing on as a guarantor.
2. Review of AF23-0078: Cody Unruh
 - a. On behalf of Cody Unruh, loan officer Ira Wray of River Valley Ag Credit requested KAFC Agriculture Infrastructure Loan Program funding in the amount of \$250,000. Loan Review Committee met to discuss whether a FSA guarantee should be required.
 - b. The Loan Review Committee recommends approval contingent upon the approval and obligation of a 95% FSA guarantee on KAFC funds.
3. Review of AF23-0087: Joseph Rodriguez
 - a. On behalf of Joseph Rodriguez, loan officer Ira Wray of River Valley Ag Credit requested KAFC Beginning Farmer Loan Program funding in the amount of \$250,000. Loan Review Committee met to discuss whether a FSA guarantee should be required.
 - b. The Loan Review Committee recommends approval contingent upon the approval and obligation of a 90% FSA guarantee or a personal guarantee from the applicant's father for the life of the loan and his wife listed as a co-signor.

APPENDIX A: Loan Review Committee Meeting Minutes



Old Business

1. AF18-0027: Sheldon Newswanger
 - a. On behalf of Sheldon Newswanger, loan officer Wallace Ward of The Citizens Bank requested the release of additional collateral.
 - b. The Loan Review Committee recommended to approve the modification contingent upon loan-to-value no greater than 85%.

2. AF22-0019: Charles Hatmaker
 - a. On behalf of Charles Hatmaker, loan officer Caleb Sadler of Central KY Ag Credit requested additional KAFC funds in the amount of \$17,500.
 - b. The Loan Review Committee recommends to not approve the request and that any additional funding provided by Central KY Ag Credit be subordinate to KAFC.