

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the July 14, 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
July 14, 2023**

Call to Order

Mr. Hughes, presiding, called the Kentucky Agricultural Finance Corporation Board (KAFC) regular business meeting to order at 10:09 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, Dan Flanagan, Linda Rumpke, Wayne Hunt, and Larry Jagers.

Absent Members: Doug Lawson, David Rink, Mac Stone, Frank Penn, and Jonathan Noe.

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 June 9, 2023, board meeting.

Mr. Flanagan 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 June board meeting. Lastly, Mr. Lacefield referenced 2023 CAIP Trainings are complete.

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 June 30, 2023

Mr. McCloskey reviewed an updated version of the Kentucky Agricultural Development Fund County Account Balances (*on file*) as of June 30, 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 June 30, 2023	
Assets	
Cash K AFC Accounts	\$ 22,817,987
Loan Payments Due K AFC	
Category A	\$92,489,037
Category B	\$
Category C	\$
	\$ 92,489,037
Total Assets	\$ 115,307,024
Liabilities	
K AFC loans approved not closed	\$ 18,002,492
Principal Outstanding	\$ 92,489,037
	\$ 110,491,529
Total Liabilities	\$ 110,491,529
Unobligated Assets	\$ 4,815,495
Total Liabilities & Unobligated Assets	\$ 115,307,024

Mr. Aldridge 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 Ms. Rumpke to give the K AFC Loan Review Committee report. Ms. 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. Jagers 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)

AF23-0092 Bray, Nathaniel

The applicant requested \$28,000 for the construction of a new farm shop and new hoop barn in Mercer County. Central Kentucky ACA in Danville, 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.

AF23-0101 Glick, Levi

The applicant requested \$250,000 for improvements of a dairy facility in Trigg County. Independence Bank in Providence, KY is the participating lender.

Staff recommends approval of 50% of the eligible project costs, with combined loan-to-value of no greater than 85%.

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

VOTE: Motion Passed; Unanimous.

AF23-0102 Glick, Abner

The applicant requested \$250,000 for improvements of a dairy facility in Trigg County. Independence Bank in Providence, KY is the participating lender.

Staff recommends approval of 50% of the eligible project costs, with combined loan-to-value of no greater than 85%.

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

VOTE: Motion Passed; Unanimous.

Beginning Farmer Loan Program (BFLP)

AF23-0089 Irvan, Darian

The applicant requested \$111,875 for purchase of 50 acres in Marshall County. First Community Bank of the Heartland in Fancy Farm, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF23-0090 Prah, Matthew

The applicant requested \$250,000 for the purchase of 106 acres in LaRue County. 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%.

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

VOTE: Motion Passed; Unanimous.

AF23-0091 Smith, Sawyer

The applicant requested \$250,000 for the construction of four Tyson layer houses in Christian County, KY. Farm Credit Mid-America in Hopkinsville, 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. Flanagan seconded the motion.

VOTE: Motion Passed; Unanimous.

AF23-0093 Cox, Ben "Taylor"

The applicant requested \$102,000 for the purchase of 60 acres in Taylor County, KY. Farm Credit Mid-America in Campbellsville, 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; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Mr. Noe Abstained.

AF23-0094 Merryman, Clay

The applicant requested \$250,000 for the purchase of 51 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%.

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

VOTE: Motion Passed; Unanimous.

AF23-0095 Little, Coda

The applicant requested \$200,000 for the purchase of 40 acres in Allen County, KY. First Financial Bank in Louisville, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF23-0096 Little, James "Chris"

The applicant requested \$62,500 for the purchase of 34 acres in Allen County, KY. First Financial Bank in Louisville, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF23-0097 Nevitt, Charles

The applicant requested \$49,175 for the purchase of 9 acres in Meade County, KY. The Cecilian Bank in Elizabethtown, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF23-0098 Haubner, John and Jennifer

The applicant requested \$184,000 for the purchase of 98 acres with improvements in Owen County, KY. Heritage Bank in Crescent Springs, KY is the participating lender. This application was referred to the Loan Review Committee.

The Loan Review Committee recommends approval of 50% of the eligible project costs, with combined loan-to-value no greater than 85%.

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

VOTE: Motion Passed; Unanimous.

AF23-0099 Ngo, Dung

The applicant requested \$250,000 for the purchase of 35 acres with six Tyson mega barns with improvements in Hickman, KY. River Valley Ag Credit in Clinton, KY is the participating lender.

Staff recommends approval, contingent upon documentation of proof of Kentucky residency, 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.

AF23-0103 Logsdon, Saulyer

The applicant requested \$182,323 for the purchase of 100 acres in McLean County, KY. Farm Credit Mid-America in Owensboro, 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. Aldridge seconded the motion.

VOTE: Motion Passed; Unanimous.

AF23-0104 Dumbacher, Joe

The applicant requested \$250,000 for the purchase of 118 acres in Hardin County, KY. 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 and Muir Bank, and Trust Co, and KAFC funds, with combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

AF23-0105 Rafferty, Michael

The applicant requested \$206,125 for the purchase of 15 acres with two Perdue broiler houses and improvements in Ohio County, KY. First United Bank and Trust in Madisonville, 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 obligation of a 90% FSA guarantee or personal guarantor.

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

VOTE: Motion Passed; Unanimous.

AF23-0106 York, Caleb

The applicant requested \$197,500 for the purchase of 25 acres with four broiler barns and improvements in Clinton County, KY. Farm Credit Mid- America in Somerset, 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%.

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)

AF23-0100 Irvin, Larry

The applicant requested \$130,000 for the purchase of a Class 940 silage chopper in Adair County, KY. Farm Credit-Mid America in Campbellsville, 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.

Old Business:

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

Extension

AF22-0018 Miller, Aaron

Ms. Randolph presented a memorandum (*on file*) regarding the above referenced loan. The loan officer indicated that there have been delays in construction and a few design changes.

This request is for a six-month extension to allow time for construction to be completed and for the loan to be closed. The new expiration date would be January 8, 2024.

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

VOTE: Motion Passed; Unanimous.

AF23-0045 Unruh, Cody

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 waiting on FSA approval of the 90% guarantee.

This request is for a three (3) month extension to allow time for FSA approval and obligation of the guarantee and the loan to be closed. The new expiration date would be January 21, 2024. The board recommended a six (6) month extension.

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

VOTE: Motion Passed; Unanimous.

AF23-0055 M&H Enterprises

Ms. Randolph presented a memorandum (*on file*) regarding the above referenced loan. The loan officer indicated that there have been delays in closing due to obtaining the equipment.

This request is for a six-month extension to allow time for project to be completed and for the loan to be closed. The new expiration date would be January 21, 2024.

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

VOTE: Motion Passed; Unanimous.

Closing Remarks

Mr. Hughes informed the board the next KAFC meeting will be at the Franklin County Extension Office on Friday, August 11, 2023, at 10:00 a.m. EDT.

Adjournment

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

Mr. Aldridge moved to adjourn the July KAFC board meeting; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Unanimous.

APPROVED DATE: August 11, 2023

PRESIDING OFFICER: J. D. Hughes Proxy for Ryan F. 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:	July 14, 2023
Meeting Location:	Franklin County Extension Office
Meeting Chair:	Linda Rumpke
Attendees:	Committee Members: Larry Jaggars, Linda Rumpke, Kenny Burdine, Wayne Hunt, Tim Hughes Staff: Brian Lacefield, Bill McCloskey, Olivia Randolph, Tera Roberts
Minutes Issued By:	Olivia Randolph, Loan Programs Manager
Meeting Call to Order:	9:34 AM EDT
Meeting Adjourned:	10:00 AM EDT

Agenda Items
<p>New Business</p> <ol style="list-style-type: none"> 1. Review of AF23-0098: John and Jennifer Haubner and Aaron Haubner <ol style="list-style-type: none"> a. On behalf of John and Jennifer Haubner and Aaron Haubner, loan officer Angela Buckley of Heritage Bank requested KAFC Beginning Farmer Loan Program funding in the amount of \$184,000. Loan Review Committee met to discuss eligible funds available. b. The Loan Review Committee recommends approval of 50% of eligible costs. 2. Review of AF23-0105: Michael and Cody Rafferty <ol style="list-style-type: none"> a. On behalf of Michael and Cody Rafferty, loan officer Shannon Coats of First United Bank and Trust requested KAFC Beginning Farmer Loan Program funding in the amount of \$206,125. Loan Review Committee met to discuss whether a FSA guarantee or personal guarantor should be required. b. The Loan Review Committee recommends approval contingent upon the approval and obligation of a 90% FSA guarantee or personal guarantor on United Bank and Trust and KAFC funds.