

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the August 11, 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), 107 Corporate Drive, Frankfort, Kentucky 40601.



**Kentucky Agricultural Finance Corporation Board
Summary Minutes of the Business Meeting
Franklin County Extension Office
101 Lakeview Ct Frankfort, KY
August 11, 2023**

Call to Order

Mr. Hughes, presiding, called the Kentucky Agricultural Finance Corporation Board (KAFC) regular business meeting to order at 10:15 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, Doug Lawson, Jonathan Noe, Mac Stone, and Larry Jagers.

Absent Members: 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 July 14, 2023, board meeting.

Dr. Burdine 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 July board meeting. Mr. Lacefield reference KAFC Board Member Frank Penn featured in TDN Thoroughbred Daily News. Lastly, Mr. Lacefield referenced the Kentucky Association of Meat Processors Newsletter.

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 July 31, 2023

Mr. McCloskey reviewed an updated version of the Kentucky Agricultural Development Fund County Account Balances (*on file*) as of July 31, 2023

Mr. McCloskey reviewed the K AFC Statement of Financial Position (*on file*) as of July 31, 2023

K AFC Statement of Financial Position	
As of July 31, 2023	
Assets	
Cash K AFC Accounts	\$ 22,643,999
Loan Payments Due K AFC	
Category A	\$92,918,505
Category B	\$
Category C	\$
	\$ 92,994,140
Total Assets	\$ 115,638,139
Liabilities	
K AFC loans approved not closed	\$ 19,564,989
Principal Outstanding	\$ 92,994,140
Total Liabilities	\$ 112,559,129
Unobligated Assets	\$ 3,079,010
Total Liabilities & Unobligated Assets	\$ 115,638,139

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

VOTE: Motion passed; Unanimous.

KAFC Compliance Committee Report

Mr. Hughes called on Mr. Noe to give the KAFC Compliance Committee report. Mr. Noe stated the loans reviewed were in good standing.

Mr. Noe moved to accept the recommendations the Compliance Committee report; Ms. Rumpke 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)

AF23-0107 Miller, Travis

The applicant requested \$250,000 for the purchase of four Tyson mega barns in Graves County. The Murray Bank in Murray, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF23-0118 Riley, Amy

The applicant requested \$250,000 for the construction of two Tosh swine barns in Marshall County. Farmers Bank and Trust in Princeton, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

Beginning Farmer Loan Program (BFLP)

AF23-0080 Carrico, Payton

The applicant requested \$228,000 for purchase of 25.9 acres in Washington County. Central Kentucky ACA in Lebanon, 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 of no greater than 100%.

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

VOTE: Motion Passed; Mr. Noe Abstained.

AF23-0108 Shields, James

The applicant requested \$250,000 for the purchase of 213 acres with improvements in Hardin County. Wilson & Muir Bank & Trust Co. in Bardstown, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF23-0109 Clark, Caleb

The applicant requested \$106,875 for the purchase of 45 acres in Marion County. Central Kentucky ACA in Lebanon, 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 of no greater than 100%.

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

VOTE: Motion Passed; Mr. Noe Abstained.

AF23-0111 Delaney, Dustin

The applicant requested \$126,750 for the purchase of 32 acres in Shelby County, KY. Independence Bank in Shelbyville, KY is the participating lender. This application was referred to the Loan Review Committee.

The Loan Review Committee recommends to not fund the application because the applicant was not substantially participating in the proposed operation per the guidelines.

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

VOTE: Motion Passed; Unanimous.

AF23-0112 Sparrow, Silas

The applicant requested \$224,00 for the purchase of 107 acres in Anderson County, KY. Farm Credit in Shelbyville, 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. Noe seconded the motion.

VOTE: Motion Passed; Unanimous.

AF23-0114 Garrett, William "Ted"

The applicant requested \$145,050 for the purchase of 108 acres in Marion County, KY. Central Kentucky ACA in Lebanon, KY is the participating lender. This application was referred to the Loan Review Committee.

The Loan Review Committee recommends approval contingent upon a 15 year term with 25 year amortization and making a principal and interest annual payment to KAFC in the first year.

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

VOTE: Motion Passed; Mr. Noe Abstained.

AF23-0115 Bragg, Jared

The applicant requested \$74,250 for the purchase of 46 acres in Metcalfe County, KY. Cecilian Bank in Hiseville, 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%.

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

VOTE: Motion Passed; Unanimous.

AF23-0116 Geraldts, Gary

The applicant requested \$250,000 for the purchase of 134 acres in Monroe County, KY. Bank of Columbia in Columbia, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF23-0117 Robertson, Blake

The applicant requested \$250,000 for the purchase of 377 acres in Todd County, KY. The First Financial Bank in Louisville, 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.

AF23-0119 Buck, Travis

The applicant requested \$61,500 for the purchase of 38 acres in Monroe County, KY. Farm Credit in Glasgow, 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; Mr. Jagers seconded the motion.

VOTE: Motion Passed; Unanimous.

Diversification through Entrepreneurship in Agribusiness Loan Program (DEALP)

AF23-0113 Stogner, Eric

The applicant requested \$150,000 for the purchase of remaining 50% of share of Mid America Grain Solutions 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 recommends approval as the application was presented.

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

VOTE: Motion Passed; Unanimous.

Old Business:

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

Extension

AF19-0009 Jones, Gerald

Ms. Randolph presented a memorandum (*on file*) regarding the above referenced loan. The loan officer indicated that Mr. Jones had completed the project and was ready to close; however, recent storms caused damages to the building and Mr. Jones will be needing another extension to repair the damages.

This request is for a six (6) month extension to allow time for repairs to be completed. The new expiration date would be February 24, 2024.

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

VOTE: Motion Passed; Mr. Noe Abstained.

AF23-0015 Dickerman, James

Ms. Randolph presented a memorandum (*on file*) regarding the above referenced loan. The loan officer indicated there has been some delays with obtaining the required FSA guarantee.

This request is for a three (3) month extension to allow time for FSA guarantee process to be completed. The new expiration date would be November 10, 2023.

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

VOTE: Motion Passed; Mr. Lawson Abstained.

AF23-0061 Greenwell, Michael

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 delays in getting FSA guarantee process finalized.

This request is for a three (3) month extension to allow time for the FSA guarantee to be completed. The new expiration date would be November 12, 2023.

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

VOTE: Motion Passed; Unanimous.

Withdrawn Application

AF23-0105 Rafferty, Matthew

No action necessary on withdrawn applications.

Expired Applications

AF20-0087 Samutin, Valerie

AF21-0063 Hestrom, Samantha

No action necessary on expired applications.

Closing Remarks

Mr. Hughes stated the KAFC Guidelines Committee will meet at 12:30 p.m. following the KAFC business meeting. Mr. Hughes informed the board the next KAFC meeting will be at the Franklin County Extension Office on Friday, September 8, 2023, at 10:00 a.m. EDT.

Adjournment

There being no further business, Mr. Hughes entertained a motion to adjourn the meeting at 11:18 a.m. (EDT).

Mr. Stone moved to adjourn the August KAFC board meeting; Mr. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous.

APPROVED DATE: September 8, 2023

PRESIDING OFFICER: Dr. Ryan Quarles, Commissioner
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.
 - 2. A copy of the Compliance Committee meeting minutes is attached as Appendix B.
 - 3. A copy of the Guidelines Committee meeting minutes is attached as Appendix C.

APPENDIX A: Loan Review Committee Meeting Minutes



Meeting Date:	August 11, 2023
Meeting Location:	Franklin County Extension Office
Meeting Chair:	Linda Rumpke
Attendees:	<p>Committee Members: Larry Jagers, Linda Rumpke, Kenny Burdine, Wayne Hunt, Tim Hughes, Doug Lawson, Jonathan Noe</p> <p>Staff: Brian Lacefield, Bill McCloskey, Olivia Randolph, Tera Roberts, Brian Murphy</p> <p>Guests: Mary Courtney, Wayne Mattingly, Eric Stogner</p>
Minutes Issued By:	Olivia Randolph, Loan Programs Manager
Meeting Call to Order:	9:10 AM EDT
Meeting Adjourned:	10:09 AM EDT

<p>Agenda Items</p> <p>New Business</p> <ol style="list-style-type: none"> 1. Review of AF23-0111: Dustin Delaney <ol style="list-style-type: none"> a. On behalf of Dustin Delaney, loan officer Mary Courtney of Independence Bank requested KAFC Beginning Farmer Loan Program funding in the amount of \$126,750. Loan Review Committee met to discuss if the project was eligible under KAFC guidelines. b. The Loan Review Committee recommends to not fund AF23-0111 because the applicant was not substantially participating in the proposed operation per the guidelines. 2. Review of AF23-0113: Eric Stogner <ol style="list-style-type: none"> a. On behalf of Eric Stogner, loan officer Wayne Mattingly of Independence Bank requested KAFC Diversification through Entrepreneurship in Agribusiness Loan Program funding in the amount of \$150,000. Loan Review Committee met to discuss cash flow issues. b. The Loan Review Committee recommends approval contingent upon the changes proposed by the loan officer (change loan terms to 15 year term). 3. Review of AF23-0114: William "Ted" Garrett <ol style="list-style-type: none"> a. On behalf of William Garrett, loan officer Justin Craig of Central KY Ag Credit requested KAFC Beginning Farmer Loan Program funding in the amount of \$74,250. Loan Review Committee met to discuss proposed repayment options. b. The Loan Review Committee recommends approval contingent upon a 15 year term with 25 year amortization and the borrower paying principal and interest on annual payment due to regarding KAFC loan.
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APPENDIX B: Compliance Committee Meeting Minutes



Meeting Date:	August 11, 2023
Meeting Location:	Franklin County Extension Office
Meeting Chair:	Jonathan Noe
Attendees:	Committee Members: Jonathan Noe, Billy Aldridge, Tim Hughes, Linda Rumpke, Wayne Hunt, Larry Jaggers, Doug Lawson Staff: Brain Lacefield, Bill McCloskey, Tera Roberts, Olivia Randolph, Brian Murphy
Minutes Issued By:	Olivia Randolph, Loan Programs Manager
Meeting Call to Order:	10:10 AM EDT
Meeting Adjourned:	10:12 AM EDT

Agenda Items:
<p>New Business</p> <ol style="list-style-type: none"> 1. Review of previous quarter's and current quarter's loan disbursement <ol style="list-style-type: none"> a. 25 Loans Closed January-March 2023 b. 47 Loans Closed April-June 2023 2. Report of eight loans randomly selected and reviewed by the Committee Chair <ol style="list-style-type: none"> a. AF22-0084 T&T Feed b. AF22-0095 Lucas Stevens c. AF22-0107 Amanda Hall d. AF21-0043 Dustin Moore e. AF22-0105 Mollie Weisshaupt f. AF23-0010 Stefan Fink g. AF23-0003 Patrick Neil Owens h. AF22-0067 Dalton Hillard 3. Committee Chair Jonathan Noe informed the Committee that all reviewed files were correct as described on the documentation checklist provided by staff.

APPENDIX C: Guidelines Committee Meeting Minutes



Meeting Date:	August 11, 2023
Meeting Location:	Franklin County Extension Office
Meeting Chair:	Tim Hughes
Attendees:	<p>Committee Members: Linda Rumpke, Jonathan Noe, Doug Lawson, Kenny Burdine, Wayne Hunt, Larry Jagers, Tim Hughes</p> <p>Staff: Brian Lacefield, Bill McCloskey, Olivia Randolph, Tera Roberts, Brian Murphy, Hannah Johnson, Sarah Bryant, Jesslyn Watson, Nick Van Over</p>
Minutes Issued By:	Olivia Randolph, Loan Programs Manager
Meeting Call to Order:	12:02 PM EDT
Meeting Adjourned:	12:58 PM EDT

Agenda Items:
<ol style="list-style-type: none"> 1. Agricultural Processing Loan Program <ol style="list-style-type: none"> a. Committee recommended adding loan limit of \$250,000. Any requests greater than \$250,000 will be referred to the Kentucky Agriculture Development Board. 2. Beginning Farmer Loan Program <ol style="list-style-type: none"> a. Committee recommended adding that gross farm income must be at least equal the annual installments for any debts associated with the real estate purchase or improvement.