

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the September 8, 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
September 8, 2023**

Call to Order

Mr. Hughes, presiding, called the Kentucky Agricultural Finance Corporation Board (KAFC) regular business meeting to order at 10:03 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, Lori Noel, Jonathan Noe, and Frank Penn.

Absent Members: David Rink, Mac Stone, and Larry Jagers.

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 August 11, 2023, board meeting.

Dr. Burdine 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 August board meeting. Mr. Lacefield referenced University of Kentucky, Dr. Chad Lee's Grain & Forage Center August update. Mr. Lacefield referenced KAFC Board Member Lori Noel and welcomed her to the KAFC Board. Lastly, Mr. Lacefield referenced the upcoming November Joint Meeting in Hopkinsville, KY.

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 August 30, 2023

Mr. McCloskey reviewed an updated version of the Kentucky Agricultural Development Fund County Account Balances (*on file*) as of August 28, 2023

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

K AFC Statement of Financial Position	
As of August 31, 2023	
Assets	
Cash K AFC Accounts	\$ 21,773,698
Loan Payments Due K AFC	
Category A	\$93,839,283
Category B	\$197,780
Category C	\$
	\$ 94,037,063
Total Assets	\$ 115,810,761
Liabilities	
K AFC loans approved not closed	\$ 19,197,502
Principal Outstanding	\$ 94,037,063
Total Liabilities	\$ 113,234,565
Unobligated Assets	\$ 2,576,196
Total Liabilities & Unobligated Assets	\$ 115,810,761

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

VOTE: Motion passed; Unanimous.

KAFC Guidelines Committee Report

Mr. Hughes called on Mr. Lacefield to give the KAFC Guidelines Committee report. Mr. Lacefield stated the Guidelines Committee recommends the following changes:

1. Agricultural Processing Loan Program
 - a. Committee recommends 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
 - a. Committee recommends adding that gross farm income must be at least equal to the annual installments for any debts associated with the real estate purchase or improvement.

Guideline changes effective October 1, 2023

Mr. Penn moved to accept the Guidelines Committee recommendations report; Ms. Rumpke seconded the motion.

VOTE: Motion passed; Unanimous.

A2008-0400 Kentucky Agricultural Finance Corporation

Mr. Hughes called on Mr. Lacefield to present a memorandum (*on file*) for a request Kentucky Agricultural Finance Corporation (KAFC) Board requests the Kentucky Agricultural Development Board (KADB) to consider the transfer of \$5 million dollars to support the continuation of low-interest loans through the established revolving loan program. Increased outreach, more favorable terms and higher market interest rates has resulted in an increase for 2.75% KAFC loans.

Dr. Burdine moved to approve the memorandum on behalf of the Kentucky Agricultural Finance Corporation to the Kentucky Agricultural Development Board; 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)

AF23-0120 Reed, Nathan

The applicant requested \$94,305 for the construction of a new 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% and KAFC aggregate balance less than \$250,000 at the time of closing.

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

VOTE: Motion Passed; Ms. Noel Abstained.

AF23-0122 Denney, Dale

The applicant requested \$250,000 for the purchase of 15 acres with two Cobb-Vantress layer barns and improvements in Wayne County. Farm Credit in Somerset, 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. Flanagan seconded the motion.

VOTE: Motion Passed; Unanimous.

AF23-0123 Stone, Ryan

The applicant requested \$42,000 for the construction two Cobb-Vantress breeder barns in Clinton County. Farm Credit in Somerset, KY is the participating lender.

Staff recommends approval, contingent upon aggregate KAFC balance being no greater than \$250,000 at the time of closing, with combined loan-to-value of no greater than 85%.

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

VOTE: Motion Passed; Unanimous.

AF23-0128 Curtsinger, Jordan

The applicant requested \$109,000 for the construction of a new 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%.

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

VOTE: Motion Passed; Ms. Noel Abstained.

AF23-0135 Wiggins, Kerry

The applicant requested \$50,000 for the construction of two grain bins 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%.

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

VOTE: Motion Passed; Ms. Noel Abstained.

Beginning Farmer Loan Program (BFLP)

AF23-0124 Essex, Caleb

The applicant requested \$200,000 for purchase of 50% interest of 600 acres in Taylor County. Farm Credit in Campbellsville, 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. Penn seconded the motion.

VOTE: Motion Passed; Unanimous.

AF23-0125 Smith, Griffin

The applicant requested \$28,475 for the purchase of two acres in Taylor County. Farm Credit in Campbellsville, KY is the participating lender. This application was referred to the Loan Review Committee.

The Loan Review Committee recommends approval subject to amended 2022 tax returns or documentation of income via 1099 form and documentation of credit card debt settled.

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

VOTE: Motion Passed; Unanimous.

AF23-0126 Kendall, Kyle

The applicant requested \$118,000 for the purchase of two Tush swine barns in Graves County. River Valley AgCredit in Mayfield, KY is the participating lender. This application was referred to the Loan Review Committee.

The Loan Review Committee recommends to pend the application and requests 2019-2022 tax returns and the tax returns of the seller.

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

VOTE: Motion Passed; Unanimous.

AF23-0127 Beachy, Merle

The applicant requested \$85,000 for the purchase of 50 acres in Metcalfe County, KY. Farm Credit in Campbellsville, KY is the participating lender.

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

Ms. Noel moved to approve the staff recommendation; Mr. Noe seconded the motion.

VOTE: Motion Passed; Unanimous.

AF23-0129 Kung, Sui

The applicant requested \$250,000 for the purchase of 23 acres with six Tyson broiler barns in Webster County, KY. Field & Main Bank in Henderson, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF23-0130 Cung, Thowng

The applicant requested \$250,000 for the purchase of 22 acres with eight Tyson broiler barns in Webster County, KY. Field & Main Bank in Henderson, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF23-0132 Flatt, William

The applicant requested \$200,000 for the purchase of 42 acres in Graves County, KY. River Valley AgCredit in Mayfield, 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; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Unanimous.

AF23-0133 Jefferson, Benjamin

The applicant requested \$54,625 for the purchase of 50 acres in Nicholas County, KY. Central Kentucky ACA in Paris, 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; Ms. Rumpke seconded the motion.

VOTE: Motion Passed; Mr. Noe Abstained.

AF23-0134 Reynolds, Ethan

The applicant requested \$182,500 for the purchase of 76 acres in Hart County, KY. South Central Bank of Barren County in Glasgow, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF23-0136 Williams, Jacob

The applicant requested \$250,000 for the purchase of 124 acres in Grayson County, KY. Magnolia Bank in Elizabethtown, KY is the participating lender.

Staff recommends approval, contingent upon the aggregate K AFC balance being no greater than \$250,000 at the time of closing, with combined loan-to-value no greater than 85%.

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

VOTE: Motion Passed; Unanimous.

AF23-0137 Thang, Lap

The applicant requested \$250,000 for the purchase of 50 acres with six Tyson broiler barns in Hopkins County, KY. Field & Main Bank in Henderson, KY is the participating lender.

Staff recommends approval, contingent upon the approval and obligation of a 95% FSA guarantee on Field and Main Bank and K AFC funds, with 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.

Large/Food Animal Veterinary Loan Program

AF23-0121 Orem, Madelyn

The applicant requested \$125,000 for the purchase of 33% of tangible and intangible assets of Todd County Animal Clinic in Todd County, KY. 1st Southern National Bank 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; Ms. Rumpke seconded the motion.

VOTE: Motion Passed; Unanimous.

Old Business:

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

Modifications

AF23-0095 Little, Coda

Mr. Roberts presented a memorandum (*on file*) regarding the above-mentioned loan. The K AFC Board approved Mr. Little's request for \$200,000 for the purchase of 40 acres in Allen County contingent on the approval and obligation of a 90% FSA guarantee on First Financial Bank and K AFC funds with a combined loan-to-value of no greater than 100% at the July 14, 2023, meeting.

The loan officer indicated that there has been an opportunity for Mr. Little to purchase additional acreage with a residence. The new purchase would be 51 acres with a residence. The total purchase cost would be

\$550,000. The applicant will be putting down \$75,000 on the project, leaving \$475,000 remaining to be financed. First Financial Bank would now finance \$275,000 and KAFC remaining at \$200,000 with a 90% FSA guarantee on First Financial Bank and KAFC funds. The applicants' loan-to-value would decrease from 94% to 86%.

The Loan Review Committee recommended approval as presented.

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

VOTE: Motion Passed; Unanimous.

AF23-00115 Bragg, Jared

Ms. Randolph presented a memorandum (*on file*) regarding the above-mentioned loan. The KAFC Board approved Mr. Bragg's request for \$73,250 for the purchase of 46 acres in Metcalfe County contingent on the approval and obligation of a 90% FSA guarantee on Cecilian Bank and KAFC funds with a combined loan-to-value of no greater than 100% at the August 11, 2023, meeting.

At the time of approval, the appraisal on the 46 acres listed as collateral was pending and combined loan-to-value was 92%. Since the August board meeting, the loan officer has received the appraisal and submitted it to KAFC staff. The 2023 appraisal reflected an opinion of a value of \$227,500 for the 46 acres. The updated loan-to-value is 75%. Due to this change, Mr. Dickson is requesting that the FSA guarantee requirement be waived due to the now conforming loan-to-value.

The Loan Review Committee recommended approval as presented.

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

VOTE: Motion Passed; Unanimous.

Extension

AF23-0078 Unruh, Cody

Mr. Roberts presented a memorandum (*on file*) regarding the above referenced loan. The KAFC Board approved Mr. Unruh's request for \$250,000 for the purchase of 127 acres with 6 Pilgrims mega broiler barns in Graves County at the June 9, 2023, meeting.

The loan officer indicated that there have been delays in closing the loan due to issues finalizing FSA approval on a 90% guarantee. This request is for a three (3) month extension to allow time for FSA approval and obligation of a guarantee and the loan to be closed. The new expiration date would be December 9, 2023.

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

VOTE: Motion Passed; Unanimous.

AF23-0079 Turley, Matthew

Ms. Randolph presented a memorandum (*on file*) regarding the above referenced loan. The KAFC Board approved Mr. Turley's request for \$250,000 for the purchase of 105 acres with four Perdue broiler houses and improvements in Butler County at the June 9, 2023, meeting. The loan office indicated that there have been delays in closing the loan because the borrower is still waiting to receive his contract back from the integrator.

This request is for a three month extension to allow time for the executed contract to be received. The new expiration date would be January 9, 2024.

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

VOTE: Motion Passed; Unanimous.

AF23-0083 Hurter, John

Ms. Randolph presented a memorandum (*on file*) regarding the above referenced loan. The KAFC Board approved Mr. Hurter's request for \$175,000 for the purchase of 173 acres in Bourbon County at the June 9, 2023, meeting. The loan 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 December 9, 2023.

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

VOTE: Motion Passed; Mr. Noe Abstained.

Withdrawn Application

AF23-0022 Critchelow, Andrew

AF23-0084 Camberos, Gaberial

No action necessary on withdrawn applications.

Closing Remarks

Mr. Hughes informed the board the next KAFC meeting will be at the Franklin County Extension Office on Friday, October 13, 2023, at 10:00 a.m. EDT.

Adjournment

There being no further business, Mr. Hughes entertained a motion to adjourn the meeting at 11:44 a.m. (EDT).

Mr. Penn moved to adjourn the September KAFC board meeting; Mr. Noe seconded the motion.

VOTE: Motion Passed; Unanimous.

APPROVED DATE: October 13, 2023

PRESIDING OFFICER: Tim Hughes *Proxy for Dr. Ryan F. 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.

APPENDIX A: Loan Review Committee Meeting Minutes



Meeting Date:	September 8, 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, Lori Noel, Jonathan Noe</p> <p>Staff: Brian Lacefield, Bill McCloskey, Olivia Randolph, Tera Roberts, Brian Murphy</p> <p>Guests: Jonathan West</p>
Minutes Issued By:	Olivia Randolph, Loan Programs Manager
Meeting Call to Order:	9:05 AM EDT
Meeting Adjourned:	9:48 AM EDT

<p>Agenda Items</p> <p>New Business</p> <ol style="list-style-type: none"> 1. Review of AF23-0095: Coda Little <ol style="list-style-type: none"> a. On behalf of Coda Little, loan officer Aaron Miller of First Financial Bank requested KAFC Beginning Farmer Loan Program funding in the amount of \$200,000. Loan Review Committee met to discuss additional acreage being purchased and First Financial Bank’s loan amount increasing. b. The Loan Review Committee recommends to approve the request. 2. Review of AF23-0115: Jared Bragg <ol style="list-style-type: none"> a. On behalf of Jared Bragg, loan officer Wes Dickson of The Cecilian Bank requested KAFC Beginning Farmer Loan Program funding in the amount of \$74,250. Loan Review Committee met to discuss a loan to value change and the removal of the FSA guarantee requirement. b. The Loan Review Committee recommends to approve the request. 3. Review of AF23-0125: Griffin Smith <ol style="list-style-type: none"> a. On behalf of Griffin Smith, loan officer Jonathan West of Farm Credit Mid-America requested KAFC Beginning Farmer Loan Program funding in the amount of \$28,475. Loan Review Committee met to discuss the low credit score of the co-applicant. b. The Loan Review Committee recommends approval subject to amended 2022 tax returns or documentation of income via 1099 form and documentation of credit card debt settled. 4. Review of AF23-0126: Kyle Kendall <ol style="list-style-type: none"> a. On behalf of Kyle Kendall, loan officer Seth Carter of River Valley Ag Credit requested KAFC Beginning Farmer Loan Program funding in the amount of
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APPENDIX A: Loan Review Committee Meeting Minutes



\$118,000. Loan Review Committee met to discuss the submission of an incomplete application.

- b. The Loan Review Committee recommends to pend the application subject to receiving the 2019-2022 tax returns of the borrower and the seller.