

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the October 13, 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
October 13, 2023**

Call to Order

Mr. Hughes, presiding, called the Kentucky Agricultural Finance Corporation Board (KAFC) regular business meeting to order at 10:13 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, Mac Stone, Larry Jaggars, and Frank Penn.

Absent Member: David Rink

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 September 8, 2023, board meeting.

Ms. Rumpke moved to approve the minutes, as presented; Mr. Flanagan 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 September board meeting. Mr. Lacefield referenced on September 20th Commissioner Quarles honored Kentucky's farmers and proclaimed September 17, 2023 as Farm Safety and Health Week in Kentucky at a Farmer's Appreciation and Awards Day on the Capitol Lawn. Mr. Lacefield recognized Bill McCloskey as the newly elected Vice President of National Council of

State Agricultural Finance Programs. 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 September 20, 2023

Mr. McCloskey reviewed an updated version of the Kentucky Agricultural Development Fund County Account Balances (*on file*) as of September 20, 2023

Mr. McCloskey reviewed the KAFC Statement of Financial Position (*on file*) as of September 30, 2023

KAFC Statement of Financial Position	
As of September 30, 2023	
Assets	
Cash KAFC Accounts	\$ 27,053,737
Loan Payments Due KAFC	
Category A	\$93,379,854
Category B	\$528,503
Category C	\$
	\$ 93,908,357
Total Assets	\$ 120,962,094
Liabilities	
KAFC loans approved not closed	\$ 20,567,507
Principal Outstanding	\$ 93,908,357
	\$ 114,475,864
Total Liabilities	\$ 114,475,864
Unobligated Assets	\$ 6,486,230
Total Liabilities & Unobligated Assets	\$ 120,962,094

Ms. Rumpke moved to accept the KAFC financial report, as presented; Ms. Noel seconded the motion.

VOTE: Motion Passed; Unanimous.

KAFC Loan Review Committee Report

Mr. Hughes called on Ms. Rumpke to give the KAFC 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 Compliance Committee Report

Mr. Hughes called on Mr. Noe to give the KAFC Compliance Committee report. Mr. Noe stated the Compliance Committee reviewed 12 loans. Mr. Noe stated that 47 loans closed April-June 2023 and 20 loans closed July-September 2023. Lastly, Mr. Noe stated that the next KAFC Compliance quarterly meeting will be in January 2024.

Mr. Noe moved to accept the committee 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)

AF23-0138 Burnett, Mark

Olivia Randolph referenced the above application requesting \$100,500 for the construction of 3 grain bins and improvements to the existing grain facility in Pulaski County, KY. Farm Credit in Somerset, 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; Unanimous.

AF23-0142 Patterson, Patrick

Mr. McCloskey referenced the above application requesting \$53,600 for the construction of a pack barn and improvements in Pulaski County, KY. Farm Credit in Somerset, 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. Noe seconded the motion.

VOTE: Motion Passed; Unanimous.

AF23-0144 Johnston, Nicholas

Mr. Lacefield referenced the above application requesting \$250,000 for the purchase of 60 acres with 3 Perdue broiler houses with improvements in Ohio County, KY. Farm Credit in Owensboro, 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; Mr. Jagers seconded the motion.

VOTE: Motion Passed; Unanimous.

AF23-0149 Edwards, Blake

Ms. Randolph referenced the above application requesting \$250,000 for the construction of a 300,000 bushel grain storage, dryer, and leg/blower system in Green County, KY. Farm Credit in Campbellsville, KY is the participating lender.

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

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

VOTE: Motion Passed; Mr. Flanagan Abstained.

AF23-0157 Smith, Gary

Mr. McCloskey referenced the above application requesting \$250,000 for the construction of 2 Perdue pullet barns in Breckinridge County, KY. Magnolia Bank in Elizabethtown, 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. Jagers seconded the motion.

VOTE: Motion Passed; Unanimous.

AF23-0162 Hardin, Brad

Mr. Lacefield referenced the above application requesting \$62,500 for the construction of a 60,000 bushel grain bin in Marion County, KY. Central Kentucky ACA in Lebanon, 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; Ms. Noel seconded the motion.

VOTE: Motion Passed; Mr. Noe Abstained.

AF23-0163 Palmer, Tim

Ms. Randolph referenced the above application requesting \$42,750 for the construction of 2 grain bins, a dryer, and legs in Calloway County, KY. The Murray Bank in Murray, 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; Ms. Noel seconded the motion.

VOTE: Motion Passed; Unanimous.

Agricultural Processing Loan Program (APLP)

AF23-0139 Tarrants Jr, Bobby

Mr. Roberts referenced the above application requesting \$250,000 for the construction of a wine production and tasting facility in Daviess County, KY. German American Bank in Owensboro, KY is the participating lender.

This application was referred to the Loan Review Committee.

The Loan Review Committee recommends not approving the applicant due to not meeting the Agricultural Processing Loan Program guidelines.

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

VOTE: Motion Passed; Unanimous.

Beginning Farmer Loan Program (BFLP)

AF23-0140 Blakenship, Grayson

Ms. Randolph referenced the above application requesting \$250,000 for the purchase of 178 acres in Adair County, KY. Bank of Columbia in Columbia, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF23-0141 Overby, Nathaniel

Mr. Roberts referenced the above application requesting \$125,000 for the purchase of 50 acres in Grayson 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 of no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

AF23-0143 Pedraja, Teresita

Ms. Randolph referenced the above application requesting \$250,000 for the purchase of 110 acres with 16 broiler houses and improvements in Cumberland County, KY. Farm Credit 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 of no greater than 100% and proof of residency through a Kentucky driver's license at the time of closing.

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

VOTE: Motion Passed; Unanimous.

AF23-0145 Bennett, William

Mr. Roberts referenced the above application requesting \$119,000 for the purchase of 52 acres in Laurel County, KY. Farm Credit in Somerset, 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; Mr. Penn seconded the motion.

VOTE: Motion Passed; Unanimous.

AF23-0146 Hall, Nathaniel

Mr. Lacefield referenced the above application requesting \$150,000 for the purchase of 153 acres in Meade County, KY. Farm Credit in Hardinsburg, KY is the participating lender. This application was referred to the Loan Review Committee.

The Loan Review Committee recommends pending the application until staff receives a more defined business plan and an updated appraisal.

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

VOTE: Motion Passed; Unanimous.

AF23-0147 Carwile, Robert

Mr. Roberts referenced the above application requesting \$175,000 for the purchase of 34 acres in Breckinridge County, KY. Farm Credit in Hardinsburg, KY is the participating lender. This application was referred to the Loan Review Committee.

The Loan Review Committee recommends to approve subject to approval and obligation of an FSA guarantee and reduction of the home value from eligible funds.

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

VOTE: Motion Passed; Unanimous.

AF23-0148 Fisher, Leon

Mr. Lacefield referenced the above application requesting \$160,000 for the construction of two greenhouses, a produce stand, farm shop, and barn in Todd County, KY. Farm Credit in Hopkinsville, 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 contingent on receiving applicants credit score, as presented; Ms. Noel seconded the motion.

VOTE: Motion Passed; Unanimous.

AF23-0151 Jarred, Logsdon

Ms. Randolph referenced the above application requesting \$100,000 for the purchase of 219 acres in McLean County, KY. Independence Bank in Russellville, 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; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Unanimous.

AF23-0152 Wingate, Matthew

Mr. Roberts referenced the above application requesting \$250,000 for the purchase of 119 acres in Franklin County, KY. Traditional Bank in Frankfort, KY is the participating lender.

Staff recommends approval, contingent upon the combined loan-to-value no greater than 85% after sale of additional real estate.

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

VOTE: Motion Passed; Unanimous.

AF23-0153 Collins, Mason

Mr. McCloskey referenced the above application requesting \$250,000 for the purchase of 10 acres with 3 Pilgrims broiler barns in Graves County, KY. Independence Bank in Mayfield, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF23-0154 Britt, Jessica

Mr. Roberts referenced the above application requesting \$115,000 for the purchase of 43 acres with residence in Barren 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%.

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

VOTE: Motion Passed; Unanimous.

AF23-0155 Britt, Thomas

Mr. Roberts referenced the above application requesting \$112,500 for the purchase of 55 acres in Barren 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. Jagers moved to approve the staff recommendation, as presented; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Unanimous.

AF23-0156 Wiseman, Marcus

Ms. Randolph referenced the above application requesting \$135,000 for the purchase of 84 acres in Clark County, KY. Central Kentucky ACA in Paris, 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. Penn seconded the motion.

VOTE: Motion Passed; Mr. Noe Abstained.

AF23-0158 Blair, Cody

Mr. McCloskey referenced the above application requesting \$86,250 for the purchase of 42 acres with improvements in Madison County, KY. Central Kentucky ACA in Richmond, 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; Mr. Noe Abstained.

AF23-0159 Lunsford, Chase

Ms. Randolph referenced the above application requesting \$171,756 for the purchase of 203 acres in Allen County, KY. Farm Credit in Bowling Green, KY is the participating lender.

Staff recommends approval, with combined loan-to-value 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; Mr. Jagers seconded the motion.

VOTE: Motion Passed; Unanimous.

AF23-0160 Hostetter, Andrew

Mr. Roberts referenced the above application requesting \$200,000 for the purchase of 111 acres in Laurel County, KY. Farm Credit in Somerset, 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. Flanagan seconded the motion.

VOTE: Motion Passed; Unanimous.

AF23-0161 Murray, John

Mr. McCloskey referenced the above application requesting \$75,000 for the purchase of 75 head of breeding livestock in McLean County, KY. Independence Bank in Livermore, 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 contingent upon receiving the applicants 2023 tax returns, as presented; Mr. Aldridge seconded the motion.

VOTE: Motion Passed; Unanimous.

Old Business:

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

Extension

AF23-0097 Nevitt, Charles

Mr. Roberts presented a memorandum (*on file*) regarding the above referenced loan. The KAFC Board approved Mr. Nevitt's request for \$49,175 for the purchase of 9 acres in Meade County at the July 14, 2023, meeting.

The loan officer indicated that both the borrower and the bank do not want to obtain the requested FSA guarantee. The loan officer is now working to reduce combined loan-to-value to 85% or below and needs additional time. This extension will also lead to a modification of the project, to be presented at a later date.

This request is for a three (3) month extension to allow time for the loan officer to modify the application. The new expiration date would be January 13, 2024. This request was referred to the Loan Review Committee.

The Loan Review Committee recommends to approve the time extension contingent upon the resubmission of the loan package to ensure loan-to-value is below 85%.

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

VOTE: Motion Passed; Unanimous.

AF23-0104 Dumbacher, Joe

Mr. Roberts presented a memorandum (*on file*) regarding the above referenced loan. The KAFC Board approved Mr. Dumbacher’s request for \$250,000 for the purchase of 118 acres in Hardin County at the July 14, 2023, meeting. The loan officer indicated that there have been delays in closing the loan due to issues receiving the requested 90% FSA guarantee on Wilson & Muir Bank & Trust Co and KAFC financing.

This request is for a three (3) month extension to allow time for FSA to approve and obligate the 90% guarantee. The new expiration date would be January 13, 2024.

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

VOTE: Motion Passed; Unanimous.

Closing Remarks

Mr. Hughes informed the board the next KAFC meeting will be at the Christian County Extension Office on Friday, November 17, 2023, at 9:00 a.m. EST.

Adjournment

There being no further business, Mr. Hughes entertained a motion to adjourn the October KAFC meeting at 12:09 p.m. (EDT).

Mr. Stone moved to adjourn the October KAFC board meeting; Mr. Noe seconded the motion.

VOTE: Motion Passed; Unanimous.

APPROVED DATE: 11-17-2023

PRESIDING OFFICER: 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.
 - 2. A copy of the Compliance Committee meeting minutes is attached as Appendix B.

APPENDIX A: Loan Review Committee Meeting Minutes



Meeting Date:	October 13, 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: Jaclyn Walden</p>
Minutes Issued By:	Olivia Randolph, Loan Programs Manager
Meeting Call to Order:	9:03 AM EDT
Meeting Adjourned:	10:01 AM EDT

Agenda Items

New Business

1. Review of AF23-0139: Bobby Tarrants Jr.
 - a. On behalf of Bobby Tarrants Jr., loan officer John Lashbrook of German American Bank requested KAFC Agricultural Processing Loan Program funding in the amount of \$250,000. Loan Review Committee met to discuss eligibility of the project under APLP guidelines.
 - b. The Loan Review Committee recommends to deny the request based on limited Kentucky farmer impact and lack of production.
2. Review of AF23-0146: Nathan Hall
 - a. On behalf of Nathan Hall, loan officer Jaclyn Walden of Farm Credit Mid-America requested KAFC Beginning Farmer Loan Program funding in the amount of \$150,000. Loan Review Committee met to discuss eligibility of the project under BFLP guidelines.
 - b. The Loan Review Committee recommends to pend the request until a more detailed business plan is presented.
3. Review of AF23-0147: Robert Carwile
 - a. On behalf of Robert Carwile, loan officer Jaclyn Walden of Farm Credit Mid-America requested KAFC Beginning Farmer Loan Program funding in the amount of \$175,000. Loan Review Committee met to discuss eligibility of the project under BFLP guidelines.
 - b. The Loan Review Committee recommends to approve the request subject to approval and obligation of a FSA guarantee and the reduction of the home value from the eligible project costs.
4. Review of AF23-0097: Charles Nevitt

APPENDIX A: Loan Review Committee Meeting Minutes



- a. On behalf of Charles Nevitt, loan officer Jeremy Stull of The Cecilian Bank requested KAFC Beginning Farmer Loan Program funding in the amount of \$49,175. Loan Review Committee met to discuss the requested time extension.
- b. The Loan Review Committee recommends to approve the time extension contingent upon the submission of proof of CLTV below 85% as a modification.

APPENDIX B: Compliance Committee Meeting Minutes



Meeting Date:	October 13, 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 Jagers, Lori Noel, Kenny Burdine Staff: Brain Lacefield, Bill McCloskey, Tera Roberts, Olivia Randolph, Brian Murphy
Minutes Issued By:	Olivia Randolph, Loan Programs Manager
Meeting Call to Order:	10:01 AM EDT
Meeting Adjourned:	10:03 AM EDT

Agenda Items:

New Business

1. Review of previous quarter's and current quarter's loan disbursement
 - a. 47 Loans Closed April-June 2023
 - b. 20 Loans Closed July-September 2023
2. Report of twelve loans randomly selected and reviewed by the Committee Chair
 - a. AF23-0040 Brad Hagan
 - b. AF22-0050 Ryan Morris
 - c. AF22-0091 Ali Hulett
 - d. AF22-0088 Richard Dartt
 - e. AF22-0020 Casey Jones Distillery
 - f. AF22-0040 T&T Feed
 - g. AF22-0010 Jared Carpenter
 - h. AF22-0012 Jonathan Eblen
 - i. AF23-0020 Jeffrey Martin
 - j. AF23-0049 Andrew Dobner
 - k. AF23-0076 Scottie Hall
 - l. AF23-0063 Andrew Pike
3. Committee Chair Jonathan Noe informed the Committee that all reviewed files were correct as described on the documentation checklist provided by staff.