

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the November 17, 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
Christian County Extension Office
2850 Pembroke Rd, Hopkinsville, KY
November 17, 2023**

Call to Order

Commissioner Ryan Quarles, presiding, called the Kentucky Agricultural Finance Corporation Board (KAFC) regular business meeting to order at 9:15 a.m. (CST).

Roll Call

The following members were present: Commissioner Ryan Quarles, Billy Aldridge (designee for Secretary Holly M. Johnson), Jonathan Noe, Dr. Kenny Burdine, Wayne Hunt, David Rink, Lori Noel, and Larry Jagers.

Absent Members: Mac Stone, Linda Rumpke, Dan Flanagan, and Frank Penn.

Notification of Media

Commissioner Ryan Quarles received verification from Hannah Sharp-Johnson, Board and Special Events Manager; that the media had been notified of the KAFC board meeting.

Welcome

Commissioner Ryan Quarles welcomed everyone to the KAFC board meeting. Commissioner Quarles updated the board on activities of the Kentucky Department of Agriculture (KDA).

Approval of Minutes

Commissioner Ryan Quarles entertained a motion to approve the minutes of the October 13, 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

Commissioner Quarles 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 October board meeting. Mr. Lacefield gave an overview of the Joint Meeting Tours. Lastly, Mr. Lacefield referenced the Kentucky Office of Agricultural Policy 2023 Annual Report.

Memo Action Items

A2008-0400 Kentucky Agricultural Finance Corporation

Commissioner Quarles called on Mr. Hunt to present a memorandum (*on file*). The 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.

Mr. Hunt moved to approve the memorandum on behalf of the Kentucky Agricultural Finance Corporation to the Kentucky Agricultural Development Board; Mr. Rink seconded the motion.

VOTE: Motion Passed; Unanimous.

New Business

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

Agricultural Infrastructure Loan (AILP)

AF23-0165 Cunningham, Alex

Mr. McCloskey referenced the above application requesting \$200,000 for the construction of a 64'x64'x16' farm shop with an attached 54'x32' living quarters and for the construction of a grain bin in Graves County. River Valley AgCredit in Clinton, 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; Ms. Noel seconded the motion.

VOTE: Motion Passed; Unanimous.

AF23-0167 Garcia, Alfonso

Tera Roberts referenced the above application requesting \$250,000 to refinance an existing poultry barns and for the construction of two Pilgrim's Pride egg barns in Graves County. River Valley AgCredit in Clinton, KY is the participating lender. This application was referred to the Loan Review Committee.

The Loan Review Committee recommended approval contingent upon confirmation of Pilgrim's incentive payment and assignment of payment to lender toward costs of new barns.

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

VOTE: Motion Passed; Unanimous.

AF23-0168 Neale, Michael

Olivia Randolph referenced the above application requesting \$250,000 for the construction of two Pilgrim's Pride breeder barns in Graves County. FNB Bank in Murray, KY is the participating lender.

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

VOTE: Motion Passed; Unanimous.

AF23-0164 Benham, Adam

Mr. McCloskey referenced the above application requesting \$13,000 for the purchase of 23 head of bred heifers in Meade County. Cecilian Bank in Hiseville, 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; Ms. Noel seconded the motion

VOTE: Motion Passed; Unanimous.

AF23-0166 Miller, Susan

Mr. Roberts referenced the above application requesting \$113,180 for the purchase of 7 acres with improvements in Shelby County. Independence Bank in Shelbyville, 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; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Unanimous.

AF23-0170 Terry, Clayton

Ms. Randolph referenced the above application requesting \$162,500 for the purchase of 14 acres and 3 Perdue broiler barns in Daviess County. Farm Credit in Owensboro, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF23-0172 Bell, Cecily

Mr. McCloskey referenced the above application requesting \$23,400 for the construction of a 30'x30'x12' barn in Oldham County. Stock Yards Bank in Louisville, KY is the participating lender. This application was referred to the Loan Review Committee.

The Loan Review Committee recommends denying the applicant due to not meeting the Beginning Farmer Loan Program Guidelines.

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

VOTE: Motion Passed; Unanimous.

The Loan Review Committee recommended approval as presented.

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

VOTE: Motion Passed; Unanimous.

Withdrawn Application

AF23-0021 Critchelow, Luke

No action necessary on withdrawn applications.

Closing Remarks

Commissioner Quarles informed the board the next KAFC meeting will be at the Franklin County Extension Office on Friday, December 8, 2023, at 10:00 a.m. (EST).

Adjournment

There being no further business, Commissioner Quarles entertained a motion to adjourn the meeting at 10:23 a.m. (CST).

Ms. Noel moved to adjourn the November KAFC board meeting; Mr. Rink seconded the motion.

VOTE: Motion Passed; Unanimous.

APPROVED DATE: 12/11/23
Ryan Quarles

PRESIDING OFFICER: Commissioner Ryan Quarles

BOARDS COORDINATOR: Hannah Sharp-Johnson
Hannah Sharp-Johnson, Board Secretary

-
1. A copy of the Loan Review Committee meeting minutes is attached as Appendix A.

APPENDIX A: Loan Review Committee Meeting Minutes



Meeting Date:	November 17, 2023
Meeting Location:	Franklin County Extension Office
Meeting Chair:	Jonathan Noe
Attendees:	Committee Members: Kenny Burdine, Wayne Hunt, Tim Hughes, Lori Noel, Jonathan Noe, David Rink Staff: Brian Lacefield, Bill McCloskey, Olivia Randolph, Tera Roberts, Brian Murphy
Minutes Issued By:	Olivia Randolph, Loan Programs Manager
Meeting Call to Order:	8:01 AM CST
Meeting Adjourned:	8:58 AM CST

Agenda Items

New Business

1. 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 and review the updated business plan presented.
 - b. The Loan Review Committee recommends to deny the request due to concerns regarding the business plan to rent out the purchased property as well as concerns about the amount of agriculture production that would be taking place.
2. Review of AF23-0167: Alfonso Garcia
 - a. On behalf of Alfonso Garcia, 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 eligibility of the project under AILP guidelines.
 - b. The Loan Review Committee recommends to approve the request contingent upon documentation of the \$470,000 Pilgrims Pride Incentive payment, with an assignment of proceeds to River Valley Ag Credit.
3. Review of AF23-0172: Cecily Bell
 - a. On behalf of Cecily Bell, loan officer Jon Baughman of Stock Yards Bank requested KAFC Beginning Farmer Loan Program funding in the amount of \$23,400. Loan Review Committee met to discuss eligibility of the project under BFLP guidelines.
 - b. The Loan Review Committee recommends to deny the request based on concerns regarding the applicant's production projections.

Old Business

1. AF23-0172: Cody Unruh

APPENDIX A: Loan Review Committee Meeting Minutes



- a. On behalf of Cody Unruh, loan officer Ira Wray of River Valley Ag Credit requested a change in terms to his current approved loan. Loan Review Committee met to discuss the removal of the FSA guarantee requirement.
- b. The Loan Review Committee recommends to approve the request as presented.