

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the January 12, 2024, 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
January 12, 2024**

Call to Order

Commissioner of Agriculture Jonathan Shell presiding, called the Kentucky Agricultural Finance Corporation Board (KAFC) regular business meeting to order at 10:07 a.m. (EST).

Roll Call

The following members were present: Commissioner of Agriculture Jonathan Shell, Billy Aldridge (designee for Secretary Holly M. Johnson), Jonathan Noe, Dr. Kenny Burdine, Wayne Hunt, Lori Noel, Mac Stone, Dan Flanagan, and Linda Rumpke.

Absent Members: Frank Penn, David Rink, and Larry Jagers.

Notification of Media

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

Welcome

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

Approval of Minutes

Commissioner Shell entertained a motion to approve the minutes of the December 8, 2023, board meeting.

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

VOTE: Motion Passed; Unanimous.

Executive Director's Report

Commissioner Shell called on Bill McCloskey KOAP Deputy Executive Director, to present the KOAP Executive Director's report to the board.

Mr. McCloskey gave an overview of his activities since the December board meeting. Mr. McCloskey gave an overview of the 2024 CAIP Administrator Trainings and Kentucky Agricultural Finance Corporation Investment list. Lastly, Mr. McCloskey referenced the Veterinary Shortage Working Group Report.

Deputy Executive Director's Report

Commissioner Shell 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 January 3, 2024

Mr. McCloskey reviewed an updated version of the Kentucky Agricultural Development Fund County Account Balances (*on file*) as of January 3, 2024

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

K AFC Statement of Financial Position	
As of December 31, 2023	
Assets	
Cash K AFC Accounts	\$ 29,907,016
Loan Payments Due K AFC	
Category A	\$99,439,759
Category B	\$406,358
Category C	\$
	\$ 99,846,117
Total Assets	\$ 126,753,133
Liabilities	
K AFC loans approved not closed	\$ 20,333,531
Principal Outstanding	\$ 99,846,117
Total Liabilities	\$ 120,179,648
Unobligated Assets	\$ 6,573,485
Total Liabilities & Unobligated Assets	\$ 126,753,133

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

VOTE: Motion Passed; Unanimous.

K AFC Loan Review Committee Report

Commissioner Shell 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 Compliance Committee Report

Commissioner Shell called on Mr. Noe to give the KAFC Compliance Committee report. Mr. Noe stated the Compliance Committee reviewed 8 loans. Lastly, Mr. Noe stated that 8 loans closed in the third quarter of 2023.

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

VOTE: Motion passed; Unanimous.

New Business

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

Agricultural Infrastructure Loan (AILP)

AF23-0178 Ballman, Christopher

Tera Roberts referenced the above application requesting \$165,000 for the construction of a grain bin and Shivers drying system in Breckinridge County. Farm Credit in Hardinsburg, KY is the participating lender. This application was referred to the Loan Review Committee.

The Loan Review Committee recommends approval with a 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.

AF24-0002 Thomas Tucker

Mr. McCloskey referenced the above application requesting \$250,000 for the construction of a 25,000 bushel Shivers drying bin, legs, and conveyors in Warren County. Field & Main Bank in Henderson, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF24-0005 Scott, Joshua

Mr. Roberts referenced the above application requesting \$100,000 for the construction of a 78,000 bushel grain bin in Webster County. Independence Bank in Owensboro, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

Agricultural Processing Loan Program (APLP)

AF24-0007 Halcomb, John

Mr. McCloskey referenced the above application requesting \$204,500 for the construction of a grain storage, cleaning, and sorting in Warren County. Franklin Bank & Trust in Franklin, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

Beginning Farmer Loan Program (BFLP)

AF23-0191 Coots, John

Ms. Randolph referenced the above application requesting \$250,000 for the purchase of 110 acres in Todd County. Farm Credit in Hopkinsville, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF23-0192 Coots, Winston

Ms. Randolph referenced the above application requesting \$250,000 for the purchase of 107 acres in Todd County. Farm Credit in Hopkinsville, KY is the participating lender.

Staff recommends approval, with a 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.

AF24-0001 Nuckols, Hurst

Mr. McCloskey referenced the above application requesting \$250,000 for the purchase of 145 acres in Woodford County. Farmers National Bank in Danville, KY is the participating lender. This application was referred to the Loan Review Committee.

The Loan Review Committee recommends denying the application as presented.

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

VOTE: Motion Passed; Unanimous.

AF24-0003 Esh, Amos

Ms. Randolph referenced the above application requesting \$104,000 for the purchase of 55 head dairy herd, work horses/mules, and equipment in Chrisitan County. Farm Credit in Hopkinsville, KY is the participating lender.

Staff recommends approval, with a 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.

AF24-0006 Lloyd, Dwayne

Mr. McCloskey referenced the above application requesting \$250,000 for the purchase of 66 acres with 8 Tyson broiler houses in Hopkins County. Farm Credit in Henderson, 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%.

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

VOTE: Motion Passed; Unanimous.

AF24-0008 Yoder, Phillip

Ms. Randolph referenced the above application requesting \$250,000 for the purchase of 68 acres with 4 broiler houses with improvements in Wayne County. 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 no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

AF24-0009 Marcum, Cordell

Mr. Roberts referenced the above application requesting \$54,000 for the purchase of 21 acres in Garrard County. Central Kentucky ACA in Richmond, KY is the participating lender.

Staff recommends approval, contingent upon the approval and obligation of a 90% FSA guarantee, 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; Mr. Noe Abstained.

AF24-0010 Spalding, Nikolas

Ms. Randolph referenced the above application requesting \$74,375 for the purchase of 66 acres in Taylor County. Farm Credit in Campbellsville, 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%.

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

VOTE: Motion Passed; Unanimous.

AF24-0011 Atwell, Ryan

Mr. Roberts referenced the above application requesting \$53,000 for the purchase of 29 acres in Hart County. South Central Bank of Barren County in Glasgow, KY is the participating lender.

Staff recommends approval, with a 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.

AF24-0012 Ayer, Kirstin

Mr. McCloskey referenced the above application requesting \$250,000 for the purchase of 60 acres in McLean County. Independence Bank in Livermore, KY is the participating lender.

Staff recommends approval, with a 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.

AF24-0013 Thomas, Cory

Ms. Randolph referenced the above application requesting \$250,000 for the purchase of 99 acres in Union County. Farm Credit in Henderson, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

Old Business:

Commissioner Shell called on Ms. Randolph and Mr. Roberts to present the following modifications, extensions, and withdrawn applications.

Modifications

AF22-0011 Brogle, Scott

Ms. Randolph presented a memorandum (*on file*) regarding the above referenced loan. The loan officer is requesting a modification on behalf of Mr. Scott Brogle. The loan officer indicated that there were issues with FSA and a guarantee was not able to be obtained. At the time that the application was approved, the loan-to-value was at 94%. The 50 acres were reappraised in 2023 to determine the most current fair market value and the new appraisal came back greater than the original. This has resulted in an improved K AFC loan-to-value of 76%. The loan officer is seeking approval for removal of the FSA guarantee on loan Af22-0011. This application was referred to the Loan Review Committee.

The Loan Review Committee recommended approval as presented.

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

VOTE: Motion Passed; Mr. Noe Abstained.

Extension

AF23-0106 York, Caleb

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 completing the improvements. This request is for a three (3) month extension to allow time for the improvements to the broiler barns to be completed. The new expiration date would be April 14, 2024.

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

VOTE: Motion Passed; Unanimous.

AF23-0122 Denney, Dale

Ms. Randolph presented a memorandum (*on file*) regarding the above referenced loan. The loan officer indicated that there have been some additional improvements that have been necessary to make to the 2 layer barns which has caused the project to not be completed. This request is for a three (3) month extension to allow time for the improvements to be completed and for the loan to be closed. The new expiration date would be April 12, 2024.

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

VOTE: Motion Passed; Unanimous.

Withdrawn Application

AF21-0015 Dickerman, James
AF23-0071 Sydnor, Donald
AF23-0087 Rodrigues, Joseph

No action necessary on withdrawn applications.

Closing Remarks

Commissioner Shell informed the board the next K AFC meeting will be at the Franklin County Extension Office on Friday, February 9, 2024, at 10:00 a.m. (EST).

Adjournment

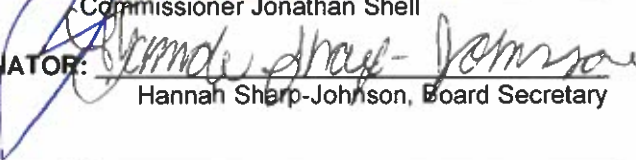
There being no further business, Commissioner Shell entertained a motion to adjourn the meeting at 11:06 a.m. (EST).

Mr. Stone moved to adjourn the January K AFC board meeting; Mr. Noe seconded the motion.

VOTE: Motion Passed; Unanimous.

APPROVED DATE: 2-9-2024

PRESIDING OFFICER: 
Commissioner Jonathan Shell

BOARDS COORDINATOR: 
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:	January 12, 2024
Meeting Location:	Franklin County Extension Office
Meeting Chair:	Linda Rumpke
Attendees:	<p>Committee Members: Kenny Burdine, Wayne Hunt, Lori Noel, Jonathan Noe, Linda Rumpke, Warren Beeler</p> <p>Staff: 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:	9:15 AM EDT
Meeting Adjourned:	9:42 AM EDT

Agenda Items

New Business

1. Review of AF23-0178: Christopher Ballman
 - a. On behalf of Christopher Ballman, loan officer Jaclyn Walden of Farm Credit Mid-America requested KAFC Beginning Farmer Loan Program funding in the amount of \$118,000. Loan Review Committee met to discuss the eligibility of the applicant and project following receiving additional information from the loan officer.
 - b. The Loan Review Committee recommends to approve the request.
2. Review of AF24-0001: Hurst Nuckols
 - a. On behalf of Hurst Nuckols, loan officer Bob Feenick of Farmers National Bank requested KAFC Beginning Farmer Loan Program funding in the amount of \$250,000. The Loan Review Committee met to discuss eligibility of the project under BFLP guidelines.
 - b. The Loan Review Committee recommends to deny the request due to the project not fitting the BFLP Gross Farm Income requirement guideline.

APPENDIX B: Compliance Committee Meeting Minutes



Meeting Date:	January 12, 2023
Meeting Location:	Franklin County Extension Office
Meeting Chair:	Jonathan Noe
Attendees:	Committee Members: Jonathan Noe, Billy Aldridge, Linda Rumpke, Wayne Hunt, Lori Noel, Kenny Burdine, Warren Beeler Staff: Bill McCloskey, Tera Roberts, Olivia Randolph, Brian Murphy
Minutes Issued By:	Olivia Randolph, Loan Programs Manager
Meeting Call to Order:	9:42 AM EDT
Meeting Adjourned:	9:43 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. 20 Loans Closed July-September 2023 b. 44 Loans Closed October-December 2023 2. Report of eight loans randomly selected and reviewed by the Committee Chair <ol style="list-style-type: none"> a. AF23-0082 Jason Howard b. AF23-0029 Kyle Kirks c. AF23-0068 Jason Farmwald d. AF23-0069 Todd McFarland e. AF23-0060 Spencer Brown f. AF23-0100 Larry Irvin g. AF23-0030 Andrew Goff h. AF23-0077 Billy May 3. Committee Chair Jonathan Noe informed the Committee that all reviewed files were correct as described on the documentation checklist provided by staff.