

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the February 9, 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
February 9, 2024**

Call to Order

Commissioner of Agriculture Jonathan Shell presiding, called the Kentucky Agricultural Finance Corporation Board (KAFC) regular business meeting to order at 10:10 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, Wayne Hunt, Lori Noel, Mac Stone, and David Rink.

Absent Members: Frank Penn, Dan Flanagan, Linda Rumpke, Dr. Kenny Burdine, 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 January 12, 2024, board meeting.

Mr. Stone moved to approve the minutes, as presented; Mr. Noe seconded the motion.

VOTE: Motion Passed; Unanimous.

Executive Director's Report

Commissioner Shell called on Brandon Reed KOAP Executive Director, to present the KOAP Executive Director's report to the board.

Mr. Reed gave an overview of his activities since the January board meeting. Mr. Reed gave an overview of the Kentucky Agricultural Finance Corporation investment list. Lastly, Mr. Reed introduced new KOAP staff members.

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 February 2, 2024

Mr. McCloskey reviewed an updated version of the Kentucky Agricultural Development Fund County Account Balances (*on file*) as of February 2, 2024

Mr. McCloskey reviewed the K AFC Statement of Financial Position (*on file*) as of January 31, 2024

K AFC Statement of Financial Position	
As of January 31, 2024	
Assets	
Cash K AFC Accounts	\$ 26,601,255
Loan Payments Due K AFC	
Category A	\$100,227,990
Category B	\$406,358
Category C	\$
	\$ 100,634,348
Total Assets	\$ 127,235,603
Liabilities	
K AFC loans approved not closed	\$ 20,446,476
Principal Outstanding	\$ 100,634,348
	\$ 121,080,824
Total Liabilities	\$ 121,080,824
Unobligated Assets	\$ 6,154,779
Total Liabilities & Unobligated Assets	\$ 127,235,603

Mr. Hunt moved to accept the K AFC financial report, as presented; Ms. Noel seconded the motion.

VOTE: Motion Passed; Unanimous.

K AFC Loan Review Committee Report

Commissioner Shell called on Mr. Noe to give the K AFC Loan Review Committee report. Mr. Noe stated the loans would be discussed in order of the agenda.

Mr. Noe moved to accept the committee report, as presented; Ms. Noel 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)

AF24-0019 Leveronne, Travis “Clay”

Tera Roberts referenced the above application requesting \$70,000 for the construction of two 20,000 bushel grain bins in Grayson County. Magnolia Bank in Elizabethtown, 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; Mr. Noe seconded the motion.

VOTE: Motion Passed; Unanimous.

AF24-0031 Guinn, Dennis

Olivia Randolph referenced the above application requesting \$48,622 for the construction of two grain bins and for the purchase of an auger in Boyle County. Magnolia Bank in Elizabethtown, 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; Mr. Rink seconded the motion.

VOTE: Motion Passed; Unanimous.

AF24-0032 Sydnor, Donald

Mr. McCloskey referenced the above application requesting \$250,000 for the construction of a Vital Farms poultry house in Hardin County. Magnolia Bank in Elizabethtown, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF24-0035 Gross, Bryant

Mr. Roberts referenced the above application requesting \$133,880 for the installation of 112.3 KW photovoltaic solar system and new generator in McLean County. Magnolia Bank in Elizabethtown, KY is the participating lender.

Staff recommends approval, contingent upon documentation of REAP grant disbursement, with a combined loan-to-value no greater than 85%.

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

VOTE: Motion Passed; Unanimous.

AF24-0036 Bickett, Julie

Ms. Randolph referenced the above application requesting \$206,000 for the construction of grain bins in Daviess County. Farm Credit in Owensboro, 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. Stone seconded the motion.

VOTE: Motion Passed; Unanimous.

Beginning Farmer Loan Program (BFLP)

AF24-0004 Jenkin, Nathan

Mr. McCloskey referenced the above application requesting \$250,000 for the purchase of equipment and breeding livestock in Union County. United Community Bank of West KY in Morganfield, KY is the participating lender.

Staff recommends approval, with a combined loan-to-value no greater than 60%.

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

VOTE: Motion Passed; Unanimous.

AF24-0014 Obenchain, Justin

Ms. Randolph referenced the above application requesting \$136,496.72 for the purchase of corn processing equipment and storage in Hancock County. Independence Bank in Owensboro, 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.

AF24-0015 Graves, Derrick

Mr. Roberts referenced the above application requesting \$250,000 for the purchase of 13 acres with 6 Tyson broiler houses with improvements in Fulton County. River Valley AgCredit in Clinton, KY is the participating lender.

Staff recommends approval, contingent upon documentation of proof of Kentucky residency and the approval and obligation of a 90% FSA guarantee on River Valley AgCredit and KAFC funds, with a combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

AF24-0016 Hayden, Benjamin

Mr. McCloskey referenced the above application requesting \$32,900 for the purchase of 11 acres in Nelson County. Town & Country Bank and Trust Company in Bardstown, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF24-0017 Williams, Ross

Ms. Randolph referenced the above application requesting \$250,000 for the purchase of 40 acres with improvements in Carlisle County. Citizens Deposit Bank in Bardwell, 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; Mr. Aldridge seconded the motion.

VOTE: Motion Passed; Unanimous.

AF24-0020 Sanders, Josh

Mr. McCloskey referenced the above application requesting \$250,000 for the purchase of 142 acres in LaRue County. Farm Credit in Elizabethtown, 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. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous.

AF24-0021 Norton, Craig

Mr. Roberts referenced the above application requesting \$135,000 for the purchase of 40 acres in Breckinridge County. Farm Credit in Hardinsburg, 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%.

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

VOTE: Motion Passed; Unanimous.

AF24-0022 Nalley, Dustin "Tyler"

Ms. Randolph referenced the above application requesting \$150,000 for the purchase of 145 acres in Nelson County. Town & Country Bank and Trust Company in Bardstown, KY is the participating lender.

Staff recommends approval, contingent upon the sale of the retail store, the payoff of KAFC loan AF22-0084 and KAFC aggregate balance no greater than \$250,000, with combined loan-to-value no greater than 85%.

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

VOTE: Motion Passed; Unanimous.

AF24-0023 Townsend, Makenzie

Mr. McCloskey referenced the above application requesting \$250,000 for the purchase of 85 acres in Henry County. Magnolia Bank in Elizabethtown, KY is the participating lender. This application was referred to the Loan Review Committee.

The Loan Review Committee recommends approval as revised and presented in the committee meeting.

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

VOTE: Motion Passed; Unanimous.

AF24-0024 Lang, Tial

Mr. Roberts referenced the above application requesting \$250,000 for the purchase of 15 acres in Webster County. 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 a combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

AF24-0025 Pepper, Branden

Mr. McCloskey referenced the above application requesting \$100,000 for the purchase of 110 acres in LaRue County. Farm Credit in Elizabethtown, KY is the participating lender.

The applicant failed to purchase the property at auction and has since withdrawn the application. No action required.

AF24-0026 Hodges, William "Brad"

Ms. Randolph referenced the above application requesting \$250,000 for the purchase of 294 acres in Green County. 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, as presented; Mr. Aldridge seconded the motion

VOTE: Motion Passed; Unanimous.

AF24-0027 Farmwald, Jason

Mr. Roberts referenced the above application requesting \$250,000 for the purchase of 118 acres in Ohio County. 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 a combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

AF24-0028 Ayer, Kyle

Ms. Randolph referenced the above application requesting \$192,500 for the purchase of 43 acres in McLean County. Farm Credit in Owensboro, 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; Mr. Rink seconded the motion

VOTE: Motion Passed; Unanimous.

AF24-0029 Sisk, Jonah

Mr. Roberts referenced the above application requesting \$250,000 for the purchase of 19 acres with four Tyson broiler barns with improvements in McLean 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 a combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

AF24-0030 Rudnick, Jared

Mr. McCloskey referenced the above application requesting \$250,000 for the purchase of 54 acres with two Perdue egg barns in Hart County. Farm Credit in Hardinsburg, 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 a combined loan-to-value no greater than 100%.

Ms. Noel moved to approve the staff 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;
Ms. Noel seconded the motion.

VOTE: Motion Passed; Unanimous.

Extension

AF23-0144 Johnston, Nicholas

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 construction not being completed. This request is for a three (3) month extension to allow time for the property surveying and title services to be completed and the loan to be closed. The new expiration date would be May 13, 2024.

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

VOTE: Motion Passed; Unanimous.

Closing Remarks

Commissioner Shell informed the board the next KAFC meeting will be at the Franklin County Extension Office on Friday, March 8, 2024, at 10:00 a.m. (EST).

Adjournment

There being no further business, Commissioner Shell entertained a motion to adjourn the meeting at 11:36 a.m. (EST).

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

VOTE: Motion Passed; Unanimous.

APPROVED DATE: March 8, 2024

PRESIDING OFFICER: Warren Breen

BOARDS COORDINATOR: Hannah Sharp-Johnson
Commissioner Jonathan Shell - Warren Breen
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:	February 9, 2024
Meeting Location:	Franklin County Extension Office
Meeting Chair:	Jonathan Noe
Attendees:	<p>Committee Members: Kenny Burdine, Wayne Hunt, Lori Noel, Jonathan Noe, Warren Beeler, David Rink</p> <p>Staff: Bill McCloskey, Olivia Randolph, Tera Roberts, Brian Murphy, Brandon Reed</p> <p>Guests: Ken Adams, Jonathan West</p>
Minutes Issued By:	Olivia Randolph, Loan Programs Manager
Meeting Call to Order:	9:35 AM EDT
Meeting Adjourned:	9:57 AM EDT

Agenda Items
<p>New Business</p> <ol style="list-style-type: none"> 1. Review of AF24-0023: Makenzie Townsend <ol style="list-style-type: none"> a. On behalf of Makenzie Townsend, loan officer Ken Adams of Magnolia Bank requested KAFC Beginning Farmer Loan Program funding in the amount of \$250,000. Loan Review Committee met to discuss the applicant’s negative net worth. In addition to this, Mr. Adams informed the committee that the property the applicant was purchasing will be changing and updated them with the new property details. b. The Loan Review Committee recommends to approve the request as revised. <p>Old Business</p> <ol style="list-style-type: none"> 2. Review of AF24-0010: Nikolas Spalding <ol style="list-style-type: none"> a. On behalf of Nikolas Spalding, loan officer Jonathan West of Farm Credit Mid-America requested KAFC Beginning Farmer Loan Program funding in the amount of \$74,375 and was approved at the January 2024 meeting. Mr. West indicated to staff that the appraisal on the property being purchased came back higher and that the borrower was looking to increase his loan amounts with KAFC and Farm Credit Mid-America. The Loan Review Committee met to discuss the increase in loan amount from \$74,375 to \$90,000. b. The Loan Review Committee recommends to approve the increased loan amount request.