

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the March 8, 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
March 8, 2024**

Call to Order

Deputy Commissioner of Agriculture Warren Beeler 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, Lori Noel, Mac Stone, Dr. Kenny Burdine, Linda Rumpke Frank Penn, and Larry Jagers.

Absent Members: Dan Flanagan, Wayne Hunt, and David Rink.

Notification of Media

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

Welcome

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

Approval of Minutes

Deputy Commissioner Beeler entertained a motion to approve the minutes of the February 9, 2024, board meeting.

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

VOTE: Motion Passed; Unanimous.

Executive Director's Report

Deputy Commissioner Beeler 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 February board meeting. Lastly, Mr. Reed gave an overview of the KADB Fund Evaluation Lick-Off with KK&P.

Deputy Executive Director's Report

Deputy Commissioner Beeler 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 22, 2024

Mr. McCloskey reviewed an updated version of the Kentucky Agricultural Development Fund County Account Balances *(on file)* as of February 22, 2024

Mr. McCloskey reviewed the K AFC Statement of Financial Position *(on file)* as of February 29, 2024

K AFC Statement of Financial Position	
As of February 29, 2024	
Assets	
Cash K AFC Accounts	\$ 24,172,895
Loan Payments Due K AFC	
Category A	\$102,705,177
Category B	\$406,358
Category C	\$
	\$ 103,111,535
Total Assets	\$ 127,284,430
Liabilities	
K AFC loans approved not closed	\$ 21,304,260
Principal Outstanding	\$ 103,111,535
	\$ 124,415,795
Total Liabilities	\$ 124,415,795
Unobligated Assets	\$ 2,868,632
Total Liabilities & Unobligated Assets	\$ 127,284,430

Mr. Aldridge moved to accept the K AFC financial report, as presented; Mr. Noe 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.

Memo Action Items

A2008-0400 Kentucky Agricultural Finance Corporation

Deputy Commissioner Beeler called on Mr. Reed 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 \$15 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. Stone moved to approve the memorandum on behalf of the Kentucky Agricultural Finance Corporation to the Kentucky Agricultural Development Board; Mr. Penn seconded the motion.

VOTE: Motion Passed; Unanimous.

New Business

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

Agricultural Infrastructure Loan (AILP)

AF24-0038 Hager, Ryan

Olivia Randolph referenced the above application requesting \$250,000 for the purchase of a grain bin facility in Breckinridge County. Farm Credit in Hardinsburg, 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.

AF24-0040 Burbaugh, Doug

Tera Roberts referenced the above application requesting \$250,000 for the purchase of three Egg Innovations layer barns Owen County. Wilson & Muir Bank & Trust Co in Leitchfield, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF24-0041 McBurney, Christopher

Bill McCloskey referenced the above application requesting \$250,000 for the construction of an 80x300 Monoslope barn with equipment in Henry County. Wilson & Muir Bank & Trust Co in Bardstown, KY is the participating lender. This application was referred to the Loan Review Committee.

The Loan Review Committee recommends pending the application until additional information is received.

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

VOTE: Motion Passed; Unanimous.

AF24-0044 Hayes, Gene

Mr. Roberts referenced the above application requesting \$250,000 for the construction of a new grain tower, dryer, leg, and distributor system in McCracken County. FNB Bank, Inc in Mayfield, KY is the participating lender.

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

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

VOTE: Motion Passed; Ms. Noel Abstained.

Beginning Farmer Loan Program (BFLP)

AF24-0150 Cherry, John Mark

Mr. McCloskey referenced the above application requesting \$142,500 for the purchase of 54 acres in Barren County. Farm Credit in Glasgow, KY is the participating lender.

Staff recommends approval, with a 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.

AF24-0042 Cartwright, Kristina

Mr. Roberts referenced the above application requesting \$162,500 for the purchase of 132 acres in Franklin County. Central Kentucky ACA in Frankfort, KY is the participating lender.

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

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

VOTE: Motion Passed; Mr. Noe Abstained.

AF24-0043 Garner, Chris

Ms. Randolph referenced the above application requesting \$175,000 for the purchase of 15 acres with two Cobb Vantress layer barns 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%.

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

VOTE: Motion Passed; Unanimous.

AF24-0045 Mattox, Kelton

Mr. Roberts referenced the above application requesting \$154,375 for the purchase of 66 acres in Harrison County. Central Kentucky ACA in Lexington, 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 a combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Mr. Noe Abstained.

AF24-0046 Toll, Charles

Mr. McCloskey referenced the above application requesting \$47,500 for the purchase of 21 acres in Anderson County. Central Kentucky ACA in Frankfort, KY is the participating lender. This application was referred to the Loan Review Committee.

The Loan Review Committee recommends to approve the application as presented.

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

VOTE: Motion Passed; Mr. Noe and Mr. Jagers Abstained.

AF24-0047 Radcliff, Trevor

Mr. Roberts referenced the above application requesting \$195,000 for the purchase of 40 acres with improvements in Shelby County. Wilson & Muir Bank & Trust Co in Leitchfield, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF24-0048 Grant, Tyler

Ms. Randolph referenced the above application requesting \$117,500 for the purchase of 58 acres in Russell 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 combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

AF24-0049 Wright, Dustin Shane

Mr. McCloskey referenced the above application requesting \$92,625 for the purchase of 41 acres in Pendleton County. Central Kentucky ACA in Paris, KY is the participating lender.

Staff recommends approval, contingent upon the approval and obligation of a 90% 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; Mr. Aldridge seconded the motion

VOTE: Motion Passed; Mr. Noe Abstained.

AF24-0050 Bradshaw, Austin

Ms. Randolph referenced the above application requesting \$75,000 for the purchase of 47 acres in Adair 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 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.

AF24-0051 Hall, Benjamin

Mr. McCloskey referenced the above application requesting \$152,500 for the purchase of 89 acres in Madison 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 on CKACA and KAFC funds, with a 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; Mr. Noe Abstained.

AF24-0052 Wengerd, Jordan

Ms. Randolph referenced the above application requesting \$120, 938 for the purchase of 43 acres in Green County. Farm Credit in Elizabethtown, 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. Rumpke seconded the motion

VOTE: Motion Passed; Unanimous.

AF24-0053 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 to approve the application as presented.

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

VOTE: Motion Passed; Unanimous.

Diversification through Entrepreneurship in Agribusiness Loan Program (DEALP)

AF24-0039 Gregory, Curtis

Ms. Randolph referenced the above application requesting \$250,000 for the purchase of an agriculture retail business in Bath County. Citizens Bank in Sharpsburg, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

Old Business:

Deputy Commissioner Beeler called on Ms. Randolph and Mr. Roberts the following modifications.

Modifications

AF21-0046 Totman, Nathan

Ms. Randolph presented a memorandum (*on file*) regarding the above referenced loan. The loan officer is requesting a modification on behalf of Mr. Totman. The loan officer indicated that Mr. Totman wishes to purchase 123 adjoining acres to his current operation. Mr. Totman plans to use the equity in his current operations as equity. This would require KAFC subordination on that farm. The project's combined loan-to-value was 82% at the time of approval. After several years of repayments, if this subordination request is approved the new combined loan-to-value would be 68% with the FSA guarantee still active. The borrower plans to pay off their home loan of \$115,634 within the next six months and at that time combined loan-to-value would be 59%. This request 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; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Unanimous.

AF23-0060 Brown, Spencer

Mr. Roberts presented a memorandum (*on file*) regarding the above referenced loan. The loan officer is requesting a modification on behalf of Mr. Brown. The loan officer indicated that Mr. Brown is intending to make improvements on the 49 acres. A new appraisal was completed on February 9, 2024, indicating that when the improvements are complete the property will be valued at \$500,000. With the two Central Kentucky Ag Credit loans ahead of the KAFC, the new combined loan-to-value is no greater than 74%. The loan officer is inquiring about the removal of the FSA guarantee on Central Kentucky Ag Credit's and KAFC funds. This request is for approval of a new subordination request and the removal of the FSA guarantee requirement with the new combined loan-to-value of 74%. This request 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;
Ms. Noel seconded the motion.

VOTE: Motion Passed; Unanimous.

Withdrawn Application

AF23-0074 Leslie, Eldon

No action necessary on withdrawn application.

Closing Remarks

Deputy Commissioner Beeler informed the board the next KAFC meeting will be at the Hardin County Extension Office on Friday, April 19, 2024, at 9:00 a.m. (EDT).

Adjournment

There being no further business, Deputy Commissioner Beeler entertained a motion to adjourn the meeting at 11:26 a.m. (EST).

Mr. Stone moved to adjourn the March KAFC board meeting; Mr. Aldridge seconded the motion.

VOTE: Motion Passed; Unanimous.

APPROVED DATE: Jonathan Beeler
4-19-24

PRESIDING OFFICER: _____
Commissioner Jonathan Shell

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:	March 8, 2024
Meeting Location:	Franklin County Extension Office
Meeting Chair:	Linda Rumpke
Attendees:	Committee Members: Kenny Burdine, Wayne Hunt, Lori Noel, Jonathan Noe, Linda Rumpke, Warren Beeler, Larry Jagers, Frank Penn Staff: Bili McCloskey, Olivia Randolph, Tera Roberts, Brandon Reed Guests: Andy Bishop, Kelli Buckley, Beth Mobley, Hurst Nuckols
Minutes Issued By:	Olivia Randolph, Loan Programs Manager
Meeting Call to Order:	9:05 AM EDT
Meeting Adjourned:	9:55 AM EDT

Agenda Items

New Business

1. Review of AF24-0041: Christopher McBurney
 - a. On behalf of Christopher McBurney, loan officer Andy Bishop of Wilson & Muir Bank and Trust requested KAFC Agriculture Infrastructure Loan Program funding in the amount of \$250,000. Loan Review Committee met to discuss the market risk of the project and receive additional information from the loan officer.
 - b. The Loan Review Committee recommends pending the application for additional information including yardage information, breakdown of projections, historical cash flow information, updated credit report and commitment letter from cattle buyers.
2. Review of AF24-0046: Charles Toll
 - a. On behalf of Charles Toll, loan officer Kelli Buckley of Central KY Ag Credit requested KAFC Beginning Farmer Loan Program funding in the amount of \$47,500. The Loan Review Committee met to discuss eligibility of the applicant under BFLP guidelines.
 - b. The Loan Review Committee recommends to approve the request.
3. Review of AF24-0053: 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. Loan Review Committee met to discuss the eligibility of the project under BFLP guidelines.
 - b. The Loan Review Committee recommends to approve the request.

Old Business

1. AF21-0046: Nathan Totman
 - a. On behalf of Mr. Nathan Totman, loan officer Beth Mobley of Central KY Ag

APPENDIX A: Loan Review Committee Meeting Minutes



Credit requested a modification to loan AF21-0046 in the way of a subordination request on the 105+/- acres previously participated on with KAFC.

- b. The Loan Review Committee recommends to approve the modification request.
2. AF23-0060: Spencer Brown
- a. On behalf of Mr. Spencer Brown, loan officer Kelli Buckley of Central KY Ag Credit requested a modification to loan AF23-0060 in the way of a subordination request and to release the FSA guarantee requirement on 49+/- acres.
 - b. The Loan Review Committee recommends to approve the request.