

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the April 19, 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
Hardin County Extension Office
111 Opportunity Way, Elizabethtown, KY
April 19, 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 9:05 a.m. (EDT).

Roll Call

The following members were present: Deputy Commissioner of Agriculture Warren Beeler (designed for Commissioner of Agriculture Jonathan Shell), Billy Aldridge (designee for Secretary Holly M. Johnson), Jonathan Noe, Lori Noel, Wayne Hunt, Dr. Kenny Burdine, Frank Penn, and Dan Flanagan.

Absent Members: David Rink, Mac Stone, Linda Rumpke, and Larry Jagers.

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 meeting. Board members and guests participated in person.

Approval of Minutes

Deputy Commissioner Beeler entertained a motion to approve the minutes of the March 8, 2024, board meeting.

Mr. Flanagan moved to approve the minutes, as presented; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Unanimous.

Kentucky Department of Agriculture Report

Deputy Commissioner Beeler updated the board on activities of the Kentucky Department of Agriculture (KDA).

Executive Director's Report

Deputy Commissioner Beeler called on Brandon Reed to give the Executive Director's Report. Mr. Reed gave an overview of his activities since the March board meeting. Mr. Reed gave an overview of the Large and Food Animal Veterinary Incentive Program. Lastly, Mr. Reed gave an overview of the Kentucky Veterinary Medical Association House Bill 553.

Deputy Executive Director's Report

Deputy Commissioner Beeler called on Mr. Bill McCloskey, KOAP Deputy Executive Director, to present the compliance and financial report to the board.

Mr. McCloskey referenced the Kentucky Agricultural Development Fund State Pool Tobacco Funds (on file) as of March 22, 2024.

Mr. McCloskey reviewed Kentucky Agricultural Development Fund County Balances (on file) as of March 25, 2024.

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

KAFC Statement of Financial Position	
As of March 30, 2024	
Assets	
Cash KAFC Accounts	\$ 27,842,474
Loan Payments Due KAFC	
Category A	\$105,285,293
Category B	\$381,325
Category C	\$
	\$ 105,666,618
Total Assets	\$ 133,509,092
Liabilities	
KAFC loans approved not closed	\$ 21,428,610
Principal Outstanding	\$ 105,666,618
	\$ 127,095,228
Total Liabilities	\$ 127,095,228
Unobligated Assets	\$ 26,413,864
Total Liabilities & Unobligated Assets	\$ 133,509,092

Mr. Penn moved to accept the KAFC financial report, as presented; Mr. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous.

KAFC Loan Review Committee Report

Deputy Commissioner Beeler called on Mr. Noe to give the KAFC 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.

K AFC Compliance Committee Report

Deputy Commissioner Beeler called on Mr. Noe to give the K AFC Compliance Committee report. Mr. Noe stated he met with staff to review the appropriate amount of loans closed in the fourth quarter of 2023. Mr. Noe stated that there were no issues found.

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

AF24-0041 McBurney, Christopher

Tera Roberts referenced the above application requesting \$250,000 for the construction of 80 x 300 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 approving as presented.

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

VOTE: Motion Passed; Unanimous.

AF24-0054 Wood, James

Olivia Randolph referenced the above application requesting \$112,500 for the installation of a new grain bin system in Taylor County. Farm Credit in Elizabethtown, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF24-0055 Hoover, Randall

Mr. Roberts referenced the above application requesting \$250,000 for the purchase of 200 acres with 6 Tyson breeder barns with improvements in Todd County. Farm Credit in Hopkinsville, 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.

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

VOTE: Motion Passed; Unanimous.

AF24-0057 Price, Robert

Ms. Randolph referenced the above application requesting \$177,000 for the construction of a Tyson mega poultry barn in Adair County. Farm Credit in Campbellsville, KY is the participating lender.

Staff recommends approval, with a combined loan-to-value no greater than 85% and aggregate KAFC balance no greater than \$250,000.

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

VOTE: Motion Passed; Unanimous.

Beginning Farmer Loan Program (BFLP)

AF24-0058 Reynolds, Michael

Mr. McCloskey referenced the above application requesting \$250,000 for the construction of a grain bin in Taylor County. Farm Credit in Campbellsville, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF24-0062 Gaskins, Jonathan

Ms. Randolph referenced the above application requesting \$250,000 for the construction of a milking parlor in Adair County. Farm Credit in Campbellsville, 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. Flanagan seconded the motion.

VOTE: Motion Passed; Unanimous.

AF24-0065 James, Michael

Mr. McCloskey referenced the above application requesting \$250,000 for the construction of Vital Eggs houses in Calloway County. 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 no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

AF24-0066 Hardesty, Nicholas

Mr. Roberts referenced the above application requesting \$65,000 for the construction of a on farm retail store in Meade County. The Cecilian Bank in Cecilia, 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.

AF24-0070 Turner, Arthur

Mr. McCloskey referenced the above application requesting \$71,667 for the construction of 80' grain leg, leg support tower, and pit conveyor in Hart 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. Aldridge seconded the motion.

VOTE: Motion Passed; Unanimous.

Beginning Farmer Loan Program (BFLP)

AF24-0056 Baxter, Reiss

Ms. Randolph referenced the above application requesting \$250,000 for the purchase of 104 acres in Mercer County. Farm Credit in Campbellsville, KY is the participating lender.

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

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

VOTE: Motion Passed; Dr. Burdine Abstained.

AF24-0060 Wengerd, Jordan

Mr. McCloskey referenced the above application requesting \$150,000 for the purchase of 50 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; Mr. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous.

AF24-0063 Sparrow, Silas

Mr. Roberts referenced the above application requesting \$102,000 for the purchase of 40 acres in Anderson County. Farm Credit in Shelbyville, KY is the participating lender. This application was referred to the Loan Review Committee.

The Loan Review Committee recommends denying the loan due to the lack of agriculture production on the previous acres purchased with K AFC funds.

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

VOTE: Motion Passed; Unanimous.

AF24-0064 Parsley, Craig

Ms. Randolph referenced the above application requesting \$100,000 for the purchase of 37 acres in Harrison County. Central Kentucky ACA in Paris, 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. Hunt seconded the motion

VOTE: Motion Passed; Mr. Noe Abstained.

AF24-0067 Baldock, Jordan

Mr. Roberts referenced the above application requesting \$82,500 for the purchase of 30 acres in Casey 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%.

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

VOTE: Motion Passed; Unanimous.

AF24-0068 Miller, Trent

Mr. McCloskey referenced the above application requesting \$142,860 for the purchase of 79 acres in Adair County. Bank of Columbia in Columbia, 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.

AF24-0069 Ragland, Joshua

Mr. Roberts referenced the above application requesting \$110,000 for the purchase and hauling of livestock in LaRue County. Cecilian Bank in Brandenburg, KY is the participating lender.

Staff recommends approval, with aggregate KAFC balance no greater than \$250,000 at time of closing, 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.

AF24-0071 Collins, Taylor

Mr. McCloskey referenced the above application requesting \$106,250 for the purchase of 42 acres in Edmonson County. 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 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.

AF24-0073 Dame, Kirby

Ms. Randolph referenced the above application requesting \$226,100 for the purchase of 64 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. Noe moved to approve the staff recommendation, as presented; Mr. Flanagan seconded the motion

VOTE: Motion Passed; Unanimous.

Diversification through Entrepreneurship in Agribusiness Loan Program (DEALP)

AF24-0059 Rogers, Nick

Mr. McCloskey referenced the above application requesting \$100,000 for the purchase of a new Apache sprayer in Marion County. Farm Credit Mid-America in Campbellsville, 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; Mr. Hunt seconded the motion

VOTE: Motion Passed; Unanimous.

AF24-0072 Bragg, Birch

Mr. Roberts referenced the above application requesting \$200,000 for the purchase of a equipment and working capital in Jefferson County. Metropolitan Business Development Corporation in Louisville, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

Old Business:

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

Modifications

AF23-0041 Puckett, Logan Kyle

Mr. Roberts presented a memorandum (*on file*) regarding the above referenced loan. The loan officer is requesting a modification in terms on behalf of Mr. Puckett. The application was originally approved with a request for FSA guarantees on FCMA and K AFC funds with an expected 80% loan-to-value. Construction has now been completed and the final loan-to-value is currently 70%. The loan officer is inquiring about the removal of the 90% FSA guarantee on K AFC funds. This request is for approval of the new terms with the 70% loan-to-value and the removal of the FSA guarantee requirement from loan approval. The expiration date remains the same; September 10, 2024. This request was referred to the Loan Review Committee.

The Loan Review Committee recommended pending the application for updated financials to be received.

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

VOTE: Motion Passed; Unanimous.

AF23-0097 Nevitt, Charles

Mr. Roberts presented a memorandum (*on file*) regarding the above referenced loan. The loan officer is requesting a modification on behalf of Mr. Nevitt. The loan officer indicated that Mr. Nevitt is requesting a modification of the terms. The original application was approved for \$49,175 in K AFC financing and \$49,175 in The Cecilian Bank financing with an FSA guarantee on both loans. The loan officer is inquiring about the removal of the 90% FSA guarantee on The Cecilian Bank's and K AFC's funds. This request is for approval of the new terms with 85% loan-to-value and the removal of the FSA guarantee requirement from the loan approval. This request was referred to the Loan Review Committee.

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

AF23-0126 Kendall, Kyle

Mr. Roberts presented a memorandum (*on file*) regarding the above referenced loan. The loan officer indicated that there have been delays in obtaining final approval for FSA financing. This request is for a six month extension to allow for the final FSA approval and closing of the loan. The new deadline would be September 8, 2024.

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

VOTE: Motion Passed; Unanimous.

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 finishing the improvements in the broiler houses. This request is for a three month extension to allow time for property surveying and title services to be completed and the loan to be closed. The new expiration date would be July 13, 2024.

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

VOTE: Motion Passed; Unanimous.

AF23-0191 Coots, John

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 property having to be surveyed. The survey is expected to be back in May. The request is for a six month extension to allow time for property surveying and title services to be completed and the loan to be closed. The new expiration date would be October 8, 2024.

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

VOTE: Motion Passed; Unanimous.

AF23-0192 Coots, Winston

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 property having to be surveyed. The survey is expected to be back in May. The request is for a six month extension to allow time for property surveying and title services to be completed and the loan to be closed. The new expiration date would be October 8, 2024.

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

VOTE: Motion Passed; Unanimous.

AF24-0033 Vest, Robert

Mr. Roberts presented a memorandum (*on file*) regarding the above referenced loan. The loan officer indicated that an updated survey and appraisal is required on the property. The borrower has been working with the seller to have these completed. This request is for a three month extension to allow time for the updated survey and appraisal to be completed and the loan to be closed. The new expiration date would be August 9, 2024.

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

VOTE: Motion Passed; Unanimous.

Withdrawn Application

AF19-0009	Jones, Gerald
AF22-0056	Newswanger, Sheldon
AF23-0093	Cox, Ben "Taylor"
AF24-0052	Wengerd, Jordan

No action necessary on withdrawn applications.

Closing Remarks

Deputy Commissioner Beeler informed the board the next KAFC meeting will be at the Franklin County Extension Office on Friday, May 10, 2024, at 10:00 a.m. (EDT).

Adjournment

There being no further business, Deputy Commissioner Beeler entertained a motion to adjourn the meeting at 10:06 a.m. (EDT).

Mr. Aldridge moved to adjourn the April KAFC board meeting; Mr. Noe seconded the motion.

VOTE: Motion Passed; Unanimous.

APPROVED DATE: 5-10-2024

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:	April 19, 2023
Meeting Location:	Hardin County Extension Office
Meeting Chair:	Jonathan Noe
Attendees:	<p>Committee Members: Kenny Burdine, Wayne Hunt, Lori Noel, Jonathan Noe, Frank Penn, Warren Beeler</p> <p>Staff: Bill McCloskey, Olivia Randolph, Tera Roberts, Brian Murphy, Brandon Reed</p> <p>Guests: Becky Marlowe, Jeremy Stull, Zach Heibert</p>
Minutes Issued By:	Olivia Randolph, Loan Programs Manager
Meeting Call to Order:	8:03 AM EDT
Meeting Adjourned:	8:39 AM EDT

Agenda Items

New Business

1. Review of AF24-0041: Chris McBurney
 - a. On behalf of Chris 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 review the documents that were requested from the previous month's discussion.
 - b. The Loan Review Committee recommends to approve the request contingent upon the approval and obligation of a 90% FSA guarantee on Wilson & Muir Bank and Trust and KAFC funds with loan-to-value no greater than 100%.
2. Review of AF24-0055: Randall Hoover
 - a. On behalf of Randall Hoover, loan officer Becky Marlowe of Farm Credit Mid-America requested KAFC Agriculture Infrastructure Loan Program funding in the amount of \$250,000. Loan Review Committee met to review the loan due to the use of a new integrator, CWT.
 - b. The Loan Review Committee recommends to pend the application until a representative from CWT can come and present their business model to the KAFC board.
3. Review of AF24-0063: Silas Sparrow
 - a. On behalf of Silas Sparrow, loan officer Shaylynn Webb of Farm Credit Mid-America requested KAFC Beginning Farmer Loan Program funding in the amount of \$102,000. Loan Review Committee met to discuss the eligibility of the project and lack of production.
 - b. The Loan Review Committee recommends to deny the application due to the lack of production that was started on the previously owned farm that KAFC was

APPENDIX A: Loan Review Committee Meeting Minutes



a participant on.

Old Business:

1. Review of AF23-0041: Logan Puckett
 - a. On behalf of Logan Puckett, loan officer Josh Renaker of Farm Credit Mid-America requested KAFC funds in the amount of \$165,232 for the construction of two Tyson pullet houses in McLean County at the March 10, 2023, meeting. Mr. Renaker is requesting a modification to the loan for the FSA guarantee requirement on FCMA and KAFC funds be removed. There have been timing issues on receiving the FSA guarantee. LTV at the time of approval was at 80% but now that construction is complete LTV has improved to 70%.
 - b. The Loan Review Committee recommends to pend the request for updated cash flow information.
2. AF23-0097: Charles Nevitt
 - a. On behalf of Charles Nevitt, loan officer Jeremy Stull of The Cecilian Bank requested KAFC funds in the amount of \$49,175 for the purchase of 9+/- acres in Meade County at the July 14, 2023 meeting. Mr. Stull is requesting a modification to the loan for the FSA guarantee requirement on Cecilian Bank and KAFC funds to be removed. The borrowers are now placing a larger down payment on the Cecilian Bank portion which is improving LTV to 85%.
 - b. The Loan Review Committee recommends to approve the modification.

APPENDIX B: Compliance Committee Meeting Minutes



Meeting Date:	April 19, 2023
Meeting Location:	Hardin County Extension Office
Meeting Chair:	Jonathan Noe
Attendees:	Committee Members: Jonathan Noe, Billy Aldridge, Wayne Hunt, Lori Noel, Kenny Burdine, Warren Beeler, Frank Penn Staff: Bill McCloskey, Tera Roberts, Olivia Randolph, Brian Murphy, Brandon Reed
Minutes Issued By:	Olivia Randolph, Loan Programs Manager
Meeting Call to Order:	8:40 AM EDT
Meeting Adjourned:	8:45 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. 47 Loans Closed October- December 2023 b. 41 Loans Closed January-March 2024 2. Report of twelve loans randomly selected and reviewed by the Committee Chair <ol style="list-style-type: none"> a. AF23-0124 Caleb Essex b. AF23-0103 Saulyer Logsdon c. AF23-0080 Payton Carrico d. AF23-0031 Josh Hazelwood e. AF23-0016 Steve Bontrager f. AF23-0043 William Allen g. AF22-0073 Franklin Heatherly h. AF22-0106 Eric Phillips i. AF23-0002 Steven Rogers j. AF22-0081 Jeff Rich k. AF23-0083 John Hurter l. AF23-0102 Nathan Reed 3. Committee Chair Jonathan Noe informed the Committee that all reviewed files were correct as described on the documentation checklist provided by staff.