

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the June 14, 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 Court, Frankfort, KY
June 14, 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 10:00 a.m. (EDT).

Roll Call

The following members were present: Deputy Commissioner of Agriculture Warren Beeler (designee for Commissioner of Agriculture Jonathan Shell), Bethany Padgett (designee for Secretary Holly M. Johnson), Lori Noel, Wayne Hunt, Dr. Kenny Burdine, Frank Penn, David Rink, Mac Stone, Dan Flanagan, and Larry Jagers.

Absent Members: Linda Rumpke & Jonathan Noe.

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 May 10, 2024, board meeting.

Mr. Hunt moved to approve the minutes, as presented; Mr. Flanagan 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 May board meeting. Mr. Reed introduced KOAP's summer interns. Lastly, Mr. Reed gave an overview of the May Tobacco Oversight Committee Meeting.

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 May 31, 2024.

Mr. McCloskey reviewed Kentucky Agricultural Development Fund County Balances (on file) as of May 23, 2024.

Mr. McCloskey reviewed the K AFC Statement of Financial Position (on file) as of April 30, 2024

| K AFC Statement of Financial Position | |
|---|-----------------------|
| As of May31, 2024 | |
| Assets | |
| Cash K AFC Accounts | \$ 28,135,033 |
| Loan Payments Due K AFC | |
| Category A | \$105,524,824 |
| Category B | \$371,790 |
| Category C | \$ |
| | \$ 105,896,614 |
| Total Assets | \$ 134,031,647 |
| Liabilities | |
| K AFC loans approved not closed | \$ 26,059,150 |
| Principal Outstanding | \$ 105,896,614 |
| Total Liabilities | \$ 131,955,764 |
| Unobligated Assets | \$ 2,075,883 |
| Total Liabilities & Unobligated Assets | \$ 134,031,647 |

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

VOTE: Motion Passed; Unanimous.

K AFC Loan Review Committee Report

Deputy Commissioner Beeler called on Ms. Noel to give the K AFC Loan Review Committee report. Ms. Noel stated the loans would be discussed in order of the agenda.

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

VOTE: Motion passed; Unanimous.

Memo Action Items

A2008-0400 Kentucky Agricultural Finance Corporation

Deputy Commissioner Beeler called on Mr. McCloskey 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. Stone moved to approve the memorandum on behalf of the Kentucky Agricultural Finance Corporation to the Kentucky Agricultural Development Board; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Unanimous.

New Business

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

Agricultural Infrastructure Loan (AILP)

AF24-0111 Eldon, Leslie

Olivia Randolph referenced the above application requesting \$250,000 for the construction of two Vital Farms layer houses in Metcalfe County. First Financial Bank in Fort Payne, AL is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF24-0121 Thompson, Chad

Mr. McCloskey referenced the above application requesting \$239,183 for the improvements to existing poultry houses in Breckinridge 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 a combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

AF24-0122 Hegstrom, Samantha

Ms. Randolph referenced the above application requesting \$125,000 for the improvements to existing equine facilities in Shelby County. Independence Bank in Shelbyville, KY is the participating lender. This application was referred to the Loan Review Committee.

The Loan Review Committee recommends approving as presented.

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

VOTE: Motion Passed; Unanimous.

Agricultural Processing Loan Program (APLP)
AF24-0087 Jemstar Meats, LLC

Mr. McCloskey referenced the above application requesting \$250,000 for the construction of a processing facility in Montgomery County. Peoples Bank of Kentucky in Mt. Sterling, KY is the participating lender. This application was referred to the Loan Review Committee.

The Loan Review Committee recommends pending the application for additional information.

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

VOTE: Motion Passed; Unanimous.

AF24-0112 Rissler, Delbert

Ms. Randolph referenced the above application requesting \$250,000 for the construction of a processing facility in Todd County. Farm Credit Mid-America in Russellville, KY is the participating lender. This application was referred to the Loan Review Committee.

The Loan Review Committee recommends transferring the application from the Agricultural Processing Loan Program to the Agricultural Infrastructure Loan Program due to meeting guideline requirements.

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

VOTE: Motion Passed; Unanimous.

Beginning Farmer Loan Program (BFLP)

AF24-0103 Welsh, Aaron

Mr. McCloskey referenced the above application requesting \$237,500 for the purchase of 92 acres in Bourbon 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 K AFC funds, with a combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

AF24-0104 Haddix, James

Hunter Jones referenced the above application requesting \$194,225 for the purchase of 89 acres in Anderson County. Farm Credit Mid-America in Shelbyville, KY is the participating lender.

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

Dr. Burdine moved to pend the application for additional information; Ms. Noel seconded the motion.

VOTE: Motion Passed; Unanimous.

AF24-0105 Maupin, Michael

Ms. Randolph referenced the above application requesting \$139,037 for the purchase of 44 acres in Marion County. Farm Credit Mid-America 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. Penn moved to approve the staff recommendation, as presented; Mr. Rink seconded the motion.

VOTE: Motion Passed; Unanimous.

AF24-0106 Williams, Tye

Mr. McCloskey referenced the above application requesting \$150,000 for the purchase of 60 acres in Meade County. Farm Credit Mid-America 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%.

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

VOTE: Motion Passed; Unanimous.

AF24-0107 Fuqua, Jayah

Mr. Roberts referenced the above application requesting \$22,000 for the purchase of 12 acres 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%.

Ms. Noel moved to pend the application for additional information; Ms. Padgett seconded the motion.

VOTE: Motion Passed; Unanimous.

AF24-0108 Simmons, Derrick

Mr. McCloskey referenced the above application requesting \$197,125 for the purchase of 56 acres in Mercer County. Central Kentucky ACA in Frankfort, 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 combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

AF24-0109 Stephens, James

Mr. Roberts referenced the above application requesting \$250,000 for the purchase of 86 acres in Franklin County. Central Kentucky ACA in Frankfort, 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. Flanagan seconded the motion.

VOTE: Motion Passed; Unanimous.

AF24-0110 Yoder, Marlin

Ms. Roberts referenced the above application requesting \$223,750 for the purchase of 2 poultry farms in Ohio County. Farm Credit Mid-America 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. Flanagan seconded the motion.

VOTE: Motion Passed; Unanimous.

AF24-0113 Miller, Glen

Mr. McCloskey referenced the above application requesting \$121,225 for the purchase of 38 acres with improvements in Clinton County. Bank of Columbia in Columbia, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF24-0114 Mefford, Landon

Mr. Roberts referenced the above application requesting \$55,000 for the purchase of 20 acres in Franklin County. Central Kentucky ACA in Frankfort, 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; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Unanimous.

AF24-0115 Story, Ashley

Mr. McCloskey referenced the above application requesting \$87,500 for the purchase of 28 acres in Graves County. River Valley AgCredit Mayfield, KY is the participating lender.

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

Dr. Burdine moved to pend the application for additional information; Mr. Penn seconded the motion.

VOTE: Motion Passed; Unanimous.

AF24-0116 Neal, Tanner

Mr. Jones referenced the above application requesting \$108,750 for the purchase of 10 acres with 2 broiler barns in Clinton County. Farm Credit Mid-America 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%.

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

VOTE: Motion Passed; Unanimous.

AF24-0117 Mefford, Benjamin

Mr. Roberts referenced the above application requesting \$55,000 for the purchase of 20 acres in Franklin County. Central Kentucky ACA in Frankfort 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. Penn seconded the motion.

VOTE: Motion Passed; Unanimous.

AF24-0118 Donnelly, Aaron

Mr. McCloskey referenced the above application requesting \$160,000 for the purchase of 59 acres in Nelson 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 a combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

AF24-0119 Partin, Dalton

Mr. Roberts referenced the above application requesting \$81,225 for the purchase of 33 acres in Montgomery 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%.

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

VOTE: Motion Passed; Unanimous.

AF24-0120 Cline, Wesley

Mr. McCloskey referenced the above application requesting \$88,156 for the purchase of 28 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. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous.

AF24-0123 Hagan, Alexander

Ms. Randolph referenced the above application requesting \$210,000 for the purchase of 18 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. Penn moved to approve the staff recommendation, as presented; Mr. Flanagan seconded the motion.

VOTE: Motion Passed; Unanimous.

AF24-0124 Kelley, Ty

Mr. Roberts referenced the above application requesting \$90,250 for the purchase of 35 acres in Scott 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. Hunt moved to approve the staff recommendation, as presented; Mr. Jagers seconded the motion

VOTE: Motion Passed; Unanimous.

AF24-0125 Boarman, Joseph

Ms. Randolph referenced the above application requesting \$172,500 for the purchase of 39 acres in Daviess County. Farm Credit Mid-America in Owensboro, 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.

AF24-0126 Gober, Redding

Mr. Roberts referenced the above application requesting \$250,000 for the purchase of 101 acres in Fayette County. Central Kentucky ACA in Lexington, 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. Padgett seconded the motion

VOTE: Motion Passed; Unanimous.

Old Business:

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

Modifications

AF23-0041 Puckett, Logan

Mr. Roberts presented a memorandum (*on file*) regarding the above referenced loan. The loan officer is requesting a modification on behalf of Mr. Puckett. This application was originally approved with a request for FSA guarantees on FCMA and KAFC funds. The loan officer added there have been issues receiving the FSA guarantee. The loan officer is inquiring about the removal of the 90% FSA guarantee on KAFC's funds. FCMA has already recommended and approved the removal of the guarantee on their financing. This request is for approval of the new terms with the 70% LTV and the removal of the FSA guarantee requirement from the 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 approval as presented.

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

VOTE: Motion Passed; Unanimous.

AF24-0034 Thompson, William Payton

Ms. Randolph presented a memorandum (*on file*) regarding the above referenced loan. The loan officer is requesting a modification on behalf of Mr. William Payton Thompson. The KAFC Board approved Mr. Thompon's request for \$250,000 for the purchase of 300 acres in Green County contingent on the approval and obligation of a 90% FSA guarantee on FCMA and KAFC funds with a combined LTV no greater than 100% at the February 9, 2024, meeting. The loan officer indicated that the current owner of the property has cleared some land and FSA is denying the guarantee application and direct financing due to the environmental aspect. Farm Credit is planning to finance at \$1.5 million. If the appraisal does not come back at that value, then Farm Credit will adjust their loan amount with LTV not to exceed 85%. This request is for a removal of the FSA guarantee requirement. This request was referred to the Loan Review Committee.

The Loan Review Committee recommended approval as presented.

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

VOTE: Motion Passed; Unanimous.

APPENDIX A: Loan Review Committee Meeting Minutes



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|-------------------------------|--|
| Meeting Date: | June 14, 2024 |
| Meeting Location: | Franklin County Extension Office |
| Meeting Chair: | Lori Noel |
| Attendees: | <p>Committee Members: Kenny Burdine, Wayne Hunt, Lori Noel, Frank Penn, Warren Beeler, Larry Jaggars, David Rink</p> <p>Staff: Bill McCloskey, Olivia Randolph, Tera Roberts, Brian Murphy, Brandon Reed, Hunter Jones</p> <p>Guests: Mary Courtney, Jonathan West</p> |
| Minutes Issued By: | Olivia Randolph, Loan Programs Manager |
| Meeting Call to Order: | 9:02 AM EDT |
| Meeting Adjourned: | 9:40 AM EDT |

Agenda Items

New Business

1. Review of AF24-0087: Marlin Gerber
 - a. On behalf of Marlin Gerber, loan officer Mary Jane Petit of Peoples Bank requested KAFC Agriculture Processing Loan Program funding in the amount of \$250,000. Loan Review Committee met to receive an update from staff on the progress of the application.
 - b. No action necessary.
2. Review of AF24-0112: Delbert Rissler
 - a. On behalf of Delbert Rissler, loan officer Jennifer Ferris of Farm Credit Mid-America requested KAFC Agriculture Processing Loan Program funding in the amount of \$170,000. Loan Review Committee met to review the ag processing application
 - b. The Loan Review Committee recommends to approve the loan as an Agriculture Infrastructure Loan due to the majority of financing going to infrastructure.
3. Review of AF24-0122: Samantha Hegstrom
 - a. On behalf of Samantha Hegstrom, loan officer Mary Courtney of Independence Bank requested KAFC Agriculture Infrastructure Loan Program funding in the amount of \$125,000. Loan Review Committee met to discuss the eligibility of the project.
 - b. The Loan Review Committee recommends to approve the application as presented.

APPENDIX A: Loan Review Committee Meeting Minutes



Old Business:

1. Review of AF24-0034: William Thompson
 - a. On behalf of William Thompson, loan officer Jonathan West of Farm Credit Mid-America requested KAFC funds in the amount of \$250,000 for the purchase of 300+/- acres in Green County at the February 9, 2024 meeting. Mr. West is requesting a modification to the loan for the FSA guarantee requirement on FCMA and KAFC funds be removed. The loan officer indicated that FSA is denying the guarantee application due to environmental concerns. FCMA will adjust loan amounts to ensure and 85% or lower LTV.
 - b. The Loan Review Committee recommends to approve the request based on the updated financial statements.

2. 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 approve the request based on updated financial statements.

Extension

AF24-0026 **Hodges, William**

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. This request is for a three (3) month extension to allow time for the property surveying and title services to be completed. The new expiration date would be September 14, 2024.

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

VOTE: Motion Passed; Unanimous.

AF24-0039 **Gregory, Curtis**

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 as they have been waiting for the appraisal to return and for the title work to be completed. This request is for a three (3) 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 September 14, 2024.

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

VOTE: Motion Passed; Unanimous.

Closing Remarks

Deputy Commissioner Beeler informed the board the next KAFC meeting will be at KSU Extension Building on Friday, July 12, 2024, at 10:00 a.m. (EDT).

Adjournment

There being no further business, Deputy Commissioner Beeler entertained a motion to adjourn the meeting at 11:30 a.m. (EDT).

Mr. Stone moved to adjourn the June KAFC board meeting; Mr. Flanagan seconded the motion.

VOTE: Motion Passed; Unanimous.

APPROVED DATE: July 12, 2024

PRESIDING OFFICER: 
Commissioner Jonathan Shell

BOARDS COORDINATOR: 
Hannah Sharp-Johnson, Board Secretary

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