

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the July 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
Kentucky State University
105 University Dr, Frankfort, KY
July 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 10:04 a.m. (EDT).

Roll Call

The following members were present: Commissioner of Agriculture Jonathan Shell, Billy Aldridge (designee for Secretary Holly M. Johnson), Lori Noel, Wayne Hunt, Dr. Kenny Burdine, Frank Penn, Michael Cochran, Wes King, Dan Flanagan, and Larry Jagers.

Absent Members: Linda Rumpke & Jonathan Noe.

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 meeting. Board members and guests participated in person.

Approval of Minutes

Commissioner Shell entertained a motion to approve the minutes of the June 14, 2024, board meeting.

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

VOTE: Motion Passed; Unanimous.

Kentucky Department of Agriculture Report

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

Executive Director's Report

Commissioner Shell called on Brandon Reed to give the Executive Director's Report. Mr. Reed gave an overview of his activities since the June board meeting. Lastly, Mr. Reed referenced the Kentucky Department of Agriculture's annual audit.

Deputy Executive Director's Report

Commissioner Shell 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 June 30, 2024.

Mr. McCloskey reviewed Kentucky Agricultural Development Fund County Balances (on file) as of June 30, 2024.

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

K AFC Statement of Financial Position	
As of June 30, 2024	
Assets	
Cash K AFC Accounts	\$ 30,394,413
Loan Payments Due K AFC	
Category A	\$108,853,247
Category B	\$158,061
Category C	\$
	\$ 109,011,308
Total Assets	\$ 139,405,721
Liabilities	
K AFC loans approved not closed	\$ 25,128,070
Principal Outstanding	\$ 109,011,308
	\$ 134,139,378
Total Liabilities	\$ 134,139,378
Unobligated Assets	\$ 5,266,343
Total Liabilities & Unobligated Assets	\$ 139,405,721

Mr. Penn 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. 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; Dr. Burdine seconded the motion.

VOTE: Motion passed; Unanimous.

K AFC Compliance Committee Report

Comissioner Shell called on Tera Roberts to give the K AFC Compliance Committee report. Mr. Roberts stated the K AFC staff met with Jonathan Noe to review the appropriate amount of loans closed. Mr. Roberts stated that there were no issues found.

Mr. Penn moved to accept the committee report, as presented, Mr. Aldridge seconded the motion.

VOTE: Motion passed; Unanimous.

New Business

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

Agricultural Infrastructure Loan (AILP)

AF24-0055 Hoover, Randall

Mr. Roberts referenced the above application requesting \$250,000 for the purchase of 200 acres with 6 Tyson breeder barns and a residence 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 as presented.

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

VOTE: Motion Passed; Unanimous.

AF24-0096 Costello, Jacob

Mr. McCloskey referenced the above application requesting \$250,000 for the construction of 3 Tyson layer barns in Allen County. Farm Credit in Glasgow, KY is the participating lender. This application was referred to the Loan Review Committee.

The Loan Review Committee recommends approving subject to the appropriate collateral paperwork.

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

VOTE: Motion Passed; Unanimous.

AF24-0129 Arnett, Ricky

Ms. Randolph referenced the above application requesting \$250,000 for the construction of 8 Tyson mega broiler barns in Green 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 K AFC funds, with a combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

AF24-0131 Barton, Christopher

Mr. Roberts referenced the above application requesting \$45,614 for the construction of a Tyson breeder house in Allen County. Farm Credit in Glasgow, KY is the participating lender.

Staff recommends approval, contingent upon the approval and obligation of a 90% FSA guarantee on FCMA and KAFC funds, aggregate KAFC balance no greater than \$250,000, with a combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

AF24-0133 Critchelow, Andrew

Mr. McCloskey referenced the above application requesting \$141,863 for the conversion of 2 existing poultry houses to pullet houses 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% and aggregate KAFC balance no greater than \$250,000.

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

VOTE: Motion Passed; Unanimous.

AF24-0134 Critchelow, Samuel

Ms. Randolph referenced the above application requesting \$130,313 for the conversion of 2 mega poultry houses to Perdue pullet houses 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% and aggregate KAFC no greater than \$250,000.

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

VOTE: Motion Passed; Unanimous.

Beginning Farmer Loan Program (BFLP)

AF24-0104 Haddix, James

Mr. 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. This application was referred to the Loan Review Committee.

The Loan Review Committee recommends to approve with the new information provided.

Ms. Noel moved to approve the committee recommendation, as presented; Mr. Penn 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. This application was referred to the Loan Review Committee.

The Loan Review Committee recommends approval with the new information provided.

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

VOTE: Motion Passed; Unanimous.

AF24-0127 Bailey, Kaela

Mr. McCloskey referenced the above application requesting \$250,000 for the purchase of 132 acres with 4 Tyson broiler barns in Taylor County. First Financial Bank in Fort Payne, AL is the participating lender.

Staff recommends approval, contingent upon the approval and obligation of a 90% FSA guarantee on First Financial 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. Noel seconded the motion.

VOTE: Motion Passed; Unanimous.

AF24-0130 McGuire, Whitney

Mr. Roberts referenced the above application requesting \$250,000 for the purchase of 59 acres and construction of a Vital layer barn in Graves County. The Citizens bank of Hickman in Hickman, KY is the participating lender. This application was referred to the Loan Review Committee.

The Loan Review Committee recommends denying the application due to not meeting the guideline requirements.

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

VOTE: Motion Passed; Unanimous.

AF24-0132 Pemberton, Joseph

Mr. McCloskey referenced the above application requesting \$250,000 for the purchase of 24 acres with 2 Perdue breeder barns in Grayson County. Magnolia Bank in Elizabethtown, KY is the participating lender.

Staff recommends approval, contingent upon the approval and obligation of a 95% FSA guarantee on Magnolia Bank 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.

AF24-0135 Hagan, Ryan

Mr. Jones referenced the above application requesting \$106,250 for the purchase of 28 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%.

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

VOTE: Motion Passed; Unanimous.

Old Business:

Commissioner Shell called on Mr. Roberts the following time extension and withdrawn applications.

Extension

AF24-0040 Burbaugh, Doug

Mr. Roberts 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 final FSA approval. The new expiration date would be August 8, 2024.

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

VOTE: Motion Passed; Unanimous.

Withdrawn Application

AF23-0179 Leslie, Larry

No action necessary on withdrawn applications.

Closing Remarks

Commissioner Shell informed the board the next KAFC meeting will be at Franklin County Extension Office on Friday, August 9, 2024, at 10:00 a.m. (EDT).

Adjournment

There being no further business, Commissioner Shell entertained a motion to adjourn the meeting at 11:14 a.m. (EDT).

Mr. Alridge moved to adjourn the July KAFC board meeting; Mr. Jagers seconded the motion.

VOTE: Motion Passed; Unanimous.

APPROVED DATE: 8-9-2024

PRESIDING OFFICER: Jonathan Shell
Commissioner Jonathan Shell

BOARDS COORDINATOR: Hannah Sharp-Johnson
Hannah Sharp-Johnson, Board Secretary

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:	July 12, 2024
Meeting Location:	KSU Extension Office
Meeting Chair:	Lori Noel
Attendees:	<p>Committee Members: Kenny Burdine, Wayne Hunt, Lori Noel, Frank Penn, Larry Jagers, Michael Cochran</p> <p>Staff: Bill McCloskey, Olivia Randolph, Tera Roberts, Brian Murphy, Brandon Reed, Hunter Jones, Jesslyn Watson</p> <p>Guests: Shaylynn Webb</p>
Minutes Issued By:	Tera Roberts, Loan Programs Manager
Meeting Call to Order:	9:05 AM EDT
Meeting Adjourned:	9:44 AM EDT

Agenda Items

New Business

1. 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 receive an update from staff on the progress of the application.
 - b. The Loan Review Committee recommends to pend the loan as presented.
2. Review of AF24-0096: Jacob Costello
 - a. On behalf of Jacob Costello, loan officer Sarah Adams 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 pended application.
 - b. The Loan Review Committee recommends to approve the loan with the additional information provided.
3. Review of AF24-0104: James Haddix
 - a. On behalf of James Haddix, loan officer Shaylynn Webb of Farm Credit Mid-America requested KAFC Beginning Farmer Loan Program funding in the amount of \$194,225. Loan Review Committee met to discuss the pended application.
 - b. The Loan Review Committee recommends to approve the application with the additional information presented.

Old Business:

APPENDIX A: Loan Review Committee Meeting Minutes



1. Review of AF24-0107: Jayah Fuqua
 - a. On behalf of Jayah Fuqua, loan officer Zach Heibert of The Cecilian Bank requested KAFC funds in the amount of \$22,000. The Loan Review Committee met to discuss the pended application.
 - b. The Loan Review Committee recommends to approve the application with the additional information presented.
2. Review of AF24-0130: Whitney McGuire
 - a. On behalf of Whitney McGuire, loan officer Wallace Ward requested KAFC funds in the amount of \$250,000. The Loan Review Committee met to discuss the eligibility of the application.
 - b. The Loan Review Committee recommends to deny the request due to its failure to meet the BFLP guidelines.
3. Review of AF24-0132: Joseph Pemberton
 - a. On behalf of Joseph Pemberton, loan officer Dustin Hayes requested KAFC funds in the amount of \$250,000. The Loan Review Committee met to discuss the participation amount in the application.
 - b. The Loan Review Committee recommends to approve the request with a participation amount of \$200,000.

APPENDIX B: Compliance Committee Meeting Minutes



Meeting Date:	July 12, 2024
Meeting Location:	KSU Extension Office
Meeting Chair:	Jonathan Noe
Attendees:	Committee Members: Billy Aldridge, Wayne Hunt, Lori Noel, Kenny Burdine, , Frank Penn Staff: Bill McCloskey, Tera Roberts, Olivia Randolph, Hunter Jones, Brian Murphy, Brandon Reed, Jesslyn Watson
Minutes Issued By:	Tera Roberts, Loan Programs Manager
Meeting Call to Order:	9:45 AM EDT
Meeting Adjourned:	9:48 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. 41 Loans Closed January-March 2024 b. 40 Loans Closed April- June 2024 2. Report of twelve loans randomly selected and reviewed by the Committee Chair <ol style="list-style-type: none"> a. AF23-0140 Grayson Blankenship b. AF23-0107 Travis Miller c. AF23-0160 Andrew Hostetter d. AF23-0182 Jack Howard e. AF23-0181 Daniel Shouse f. AF23-0154 Jessica Britt g. AF24-0009 Cordell Marcum h. AF23-0102 Abner Glick i. AF24-0004 Nathan Jenkin j. AF24-0016 Benjamin Hayden k. AF23-0119 Travis Buck 3. Tera Roberts, Loan Programs Manager, informed the Committee that all reviewed files were correct as described on the documentation checklist provided by staff.