

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the August 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
Kentucky State University
105 University Dr, Frankfort, KY
August 9, 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 10:10 a.m. (EDT).

Roll Call

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

Absent Members: Linda Rumpke & Lori Noel.

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 June 14, 2024, board meeting.

Dr. Burdine 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 July board meeting. Lastly, Mr. Reed introduced new KOAP staff members.

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 July 26, 2024.

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

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

| K AFC Statement of Financial Position | | |
|---|--|-----------------------|
| As of July 31, 2024 | | |
| Assets | | |
| Cash K AFC Accounts | | \$ 28,178,619 |
| Hold Account-Not Authorized for Distribution | | \$ 20,000,000 |
| Loan Payments Due K AFC | | |
| Category A | | \$ 110,972,456 |
| Category B | | \$ 908,061 |
| Category C | | \$ 111,880,517 |
| Total Assets | | \$ 139,405,721 |
| Hold Account-Not Authorized for Distribution | | \$ 20,000,000 |
| Liabilities | | |
| K AFC loans approved not closed | | \$ 22,121,651 |
| Principal Outstanding | | \$ 111,880,517 |
| Total Liabilities | | \$ 154,002,168 |
| Unobligated Assets | | \$ 6,056,968 |
| Total Liabilities & Unobligated Assets | | \$ 160,059,136 |

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

VOTE: Motion Passed; Unanimous.

K AFC Loan Review Committee Report

Deputy Commissioner Beeler 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; Dr. Burdine seconded the motion.

VOTE: Motion passed; Unanimous.

New Business

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

Beginning Farmer Loan Program (BFLP)

AF24-0137 Allen, Howard

Mr. McCloskey referenced the above application requesting \$47,500 for the purchase of 36 acres in Perry County. Farm Credit Mid-America in Lexington, 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.

AF24-0138 Myatt, Chad

Mr. Jones referenced the above application requesting \$180,000 for the purchase of 117 acres in Ballard County. First Community Bank of the Heartland in LaCenter, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF24-0140 Jones, John

Mr. Roberts referenced the above application requesting \$224,000 for the purchase of 280 acres in Wayne County. Monticello Banking Company in Monticello, 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. Noe seconded the motion.

VOTE: Motion Passed; Unanimous.

AF24-0141 Koehn, Donovan

Mr. McCloskey referenced the above application requesting \$250,000 for the purchase of 37 acres with two Pilgrims Pride egg barns in Graves County. River Valley AgCredit in Mayfield, 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. Flanagan seconded the motion

VOTE: Motion Passed; Unanimous.

AF24-0142 Wilson, David

Mr. Roberts referenced the above application requesting \$250,000 for the construction of a Vital Farms egg barn in Calloway County. River Valley AgCredit in Murray, 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; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Unanimous.

AF24-0143 Smith, Damion

Mr. McCloskey referenced the above application requesting \$113,925.50 for the purchase of 41 acres in Fleming 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. Noe moved to approve the staff recommendation, as presented; Mr. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous.

AF24-0144 Partin, Dalton

Mr. Roberts referenced the above application requesting \$113,925.50 for the purchase of 41 acres in Fleming 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 KAFK funds, with a combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Mr. Noe Abstained.

AF24-0146 Gardner, Chase

Mr. McCloskey referenced the above application requesting \$250,000 for the purchase of 119 acres in Metcalfe 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 SCB and KAFK funds, with a combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

Diversification Through Entrepreneurship In Agribusiness Loan Program (DEALP)

AF24-0139 Dyer, Michael

Mr. Jones referenced the above application requesting \$250,000 for the purchase of 200 acres in Pulaski County. Farm Credit Mid-America in Somerset, KY is the participating lender. This application was referred to the Loan Review Committee.

The Loan Review Committee recommends approving subject to the residence being built and being operable.

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

VOTE: Motion Passed; Unanimous.

AF24-0145 Knoth, Laura

Mr. McCloskey referenced the above application requesting \$222,500 for the purchase of Holly Nursery & Garden Center in Marshall County. First Financial Bank in Benton, 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. Aldridge seconded the motion.

VOTE: Motion Passed; Unanimous.

Old Business:

Deputy Commissioner Beeler called on Mr. Roberts the following modification, time extension, and withdrawn applications.

Modifications

AF24-0124 Kelly, Ty

Mr. Roberts presented a memorandum (*on file*) regarding the above referenced loan. The loan officer is requesting a modification on behalf of Mr. Kelly. The KAFB Board approved Mr. Kelly's request for \$190,000 for the purchase of 35 acres in Scott County at the June 14, 2024, meeting. The borrowers were approved to a 95% FSA guarantee on Central Kentucky Ag Credit and KAFB financing. Due to FSA's definition of a "young beginning farmer", FSA was only able to approve the guarantee at 90%. This request is to lower the FSA guarantee limit from 95% to 90% with improved loan-to-value position.

The Loan Review Committee recommended approval as presented.

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

VOTE: Motion Passed; Mr. Noe Abstained.

Extension

AF24-0013 Thomas, Cory

Mr. Roberts presented a memorandum (*on file*) regarding the above referenced loan. The loan officer indicated that there have been delays in finalizing the FSA note and delaying closing with FCMA and KAFB. This request is for a three (3) month extension to allow time for FSA to finalize their documentation and close their loan with the borrower. The new deadline would be November 9, 2024.

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

VOTE: Motion Passed; Unanimous.

AF24-0022 T&T Feed and Seed

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 due to zoning changes having yet to be voted on by the appropriate committee. This request is for a six (6) month extension to allow time for the zoning request to be approved. The new deadline would be February 10, 2025.

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

VOTE: Motion Passed; Unanimous.

AF24-0069 Ragland, Joshua

Mr. Roberts presented a memorandum (*on file*) regarding the above referenced loan. The loan officer indicated that there have been delays in purchasing the livestock on the part of the borrower as well as delays due to the loan officer being out of town for several weeks. This request is for a three (3) month extension to allow time to purchase the breeding stock. The new deadline would be October 19, 2024.

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

VOTE: Motion Passed; Unanimous.

Withdrawn Application

AF23-0097 Nevitt, Charles

AF24-0119 Partin, Dalton

No action necessary on withdrawn applications.

Closing Remarks

Deputy Commissioner Beeler informed the board the next KAFC meeting will be at Franklin County Extension Office on Friday, September 13, 2024, at 10:00 a.m. (EDT).

Adjournment

There being no further business, Deputy Commissioner Beeler entertained a motion to adjourn the meeting at 11:20 a.m. (EDT).


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

VOTE: Motion Passed; Unanimous.

APPROVED DATE: September 13, 2024

PRESIDING OFFICER: 

Commissioner Jonathan Shell

BOARDS COORDINATOR: 
Hannah Sharp Johnson, Board Secretary