

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the September 13, 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
September 13, 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), Jonathan Noe, Wayne Hunt, Dr. Kenny Burdine, Linda Rumpke, Michael Cochran, Wes King, Lori Noel, and Larry Jagers.

Absent Members: Frank Penn & Dan Flanagan.

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

Deputy Commissioner Beeler entertained a motion to approve the minutes of the August 9, 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 August board meeting. Lastly, Mr. Reed introduced new KOAP staff member Landon Peach.

Deputy Executive Director’s Report

Commissioner Shell called on 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 August 30, 2024.

Mr. McCloskey reviewed Kentucky Agricultural Development Fund County Balances (on file) as of August 26, 2024.

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

K AFC Statement of Financial Position		
As of August 31, 2024		
Assets		
Cash K AFC Accounts		\$ 24,863,499
Hold Account-Not Authorized for Distribution		\$ 20,000,000
Loan Payments Due K AFC		
Category A		\$ 114,680,106
Category B		\$ 908,061
Category C		\$ 115,568,167
Total Assets		\$ 160,451,666
Hold Account-Not Authorized for Distribution		\$ 20,000,000
Liabilities		
K AFC loans approved not closed		\$ 19,812,604
Principal Outstanding		\$ 115,588,167
Total Liabilities		\$ 155,400,771
Unobligated Assets		\$ 5,050,895
Total Liabilities & Unobligated Assets		\$ 160,451,666

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 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; Mr. Cochran seconded the motion.

VOTE: Motion passed; Unanimous.

New Business

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

Agricultural Infrastructure Loan Program (AILP)

AF24-0150 Bertram, Jeffery

Mr. Jones referenced the above application requesting \$250,000 for the purchase of a sawmill and construction of a building to house the sawmill in Wayne County. Farm Credit in Somerset, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF24-0152 Sullivan, Thomas

Mr. Roberts referenced the above application requesting \$56,500 for the purchase of two 25k bushel grain bins in Hardin County. Magnolia Bank in Elizabethtown, 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; Mr. Noe seconded the motion.

VOTE: Motion Passed; Mr. Jagers Abstained.

AF24-0153 Key, Jason

Mr. McCloskey referenced the above application requesting \$125,000 for the construction of a grain bin in Logan County. Magnolia Bank in Elizabethtown 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. Rumpke seconded the motion.

VOTE: Motion Passed; Unanimous.

AF24-0160 Basham, Toby

Mr. Roberts referenced the above application requesting \$250,000 for the purchase of 30 acres with three Perdue broiler houses in Butler 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 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.

AF24-0163 Costello, Jacob

Mr. McCloskey referenced the above application requesting \$250,000 for the construction of three Tyson breeder barns in Allen County. First Financial Bank in Fort Payne, AL 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. King seconded the motion.

VOTE: Motion Passed; Unanimous.

Beginning Farmer Loan Program (BFLP)

AF24-0147 Smith, Griffen

Mr. Jones referenced the above application requesting \$30,175 for the purchase of one acre in Taylor County. Farm Credit Mid-America in Campbellsville, 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; Mr. Cochran seconded the motion.

VOTE: Motion Passed; Unanimous.

AF24-0148 Antle, Brandon

Mr. McCloskey referenced the above application requesting \$174,924 for the purchase of 180 acres in Adair County. Farm Credit-Mid America in Somerset, 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; Mr. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous.

AF24-0149 Doctor, Stanley

Mr. Jones referenced the above application requesting \$130,000 for the purchase of 88 acres in Whitley County. Farm Credit-Mid America in Somerset, 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.

AF24-0151 Newcomb, Amanda

Mr. Roberts referenced the above application requesting \$158,437 for the purchase of 40 acres in Owen County. Central Kentucky ACA in Paris, 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; Ms. Rumpke seconded the motion

VOTE: Motion Passed; Mr. Noe Abstained.

AF24-0154 Grimes, Miles

Mr. Jones referenced the above application requesting \$250,000 for the purchase of four poultry houses in Green County. Bank of Columbia in Columbia, KY is the participating lender. This application was referred to the Loan Review Committee.

The Loan Review Committee recommends pending the application for further discussion.

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

VOTE: Motion Passed; Unanimous.

AF24-0155 Cochran, Tyler

Mr. McCloskey referenced the above application requesting \$114,312 for the purchase of 85 acres in Adair County. Bank of Columbia in Columbia, 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; Mr. Jagers seconded the motion.

VOTE: Motion Passed; Unanimous.

AF24-0156 Hadley, Nicholas

Mr. Roberts referenced the above application requesting \$250,000 for the purchase of 45 acres with two Tyson Mega Broiler Houses 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 a combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

AF24-0157 Farmwald, Jason

Mr. McCloskey referenced the above application requesting \$250,000 for the purchase of 166 acres in Ohio 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 BOC and KAFC funds, with aggregate KAFC balance no greater than \$250,000, with a combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

AF24-0158 Murphy, Josphe

Mr. Roberts referenced the above application requesting \$250,000 for the purchase of 33 acres with three Farbest turkey houses in Daviess County. First Kentucky Bank in Beaver Dam, KY is the participating lender.

Staff recommends approval, contingent upon the approval and obligation of a 95% FSA guarantee on First Kentucky Bank 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; Unanimous.

AF24-0161 Choate, Samuel

Mr. McCloskey referenced the above application requesting \$168,750 for the purchase of 105 acres in Hart County. Farm Credit-Mid America in Elizabethtown, 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 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; Unanimous.

AF24-0162 McMican, Jacob

Mr. Roberts referenced the above application requesting \$215,000 for the purchase of 114 acres with improvements in Crittenden County. Farm Credit Mid-America in Hopkinsville, 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; Mr. Noe seconded the motion.

VOTE: Motion Passed; Unanimous.

Diversification through Entrepreneurship in Agribusiness Loan Program (DEALP)

AF24-0159 Bloomer, Megan

Mr. Jones referenced the above application requesting \$250,000 for the construction of 5,500 sqft venue in Madison County. Central Kentucky ACA in Richmond, 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. Jagers seconded the motion.

VOTE: Motion Passed; Mr. Noe Abstained .

Old Business:

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

Modifications

AF24-0081 Lian, Za

Mr. Roberts presented a memorandum (*on file*) regarding the above referenced loan. The loan officer is requesting a modification on behalf of Mr. Lian. The K AFC Board approved Mr. Lian's request for \$250,000 for the purchase of 225 acres with 10 Tyson broiler houses with improvements in Hopkins County at the May 10, 2024, meeting. This request is to modify the request to purchase 204 acres with 6 Tyson broiler houses and keep the 95% FSA guarantee on both Field and Main Bank and K AFC financing. The new combined loan-to-value would go from 87% to 88%.

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

VOTE: Motion Passed; Unanimous.

AF24-0126 Gober, Redding

Mr. Roberts presented a memorandum (*on file*) regarding the above referenced loan. The loan officer is requesting a modification on behalf of Mr. Gober . The K AFC Board approved Mr. Gober's request for \$250,000 for the purchase of 101 acres in Fayette County at the June 14, 2024, meeting. This request would require that K AFC subordinate its existing debt. The new combined loan-to-value with the construction of the new barn would be 76%.

The Loan Review Committee recommended approval as presented.

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

VOTE: Motion Passed; Mr. Noe Abstained.

Extension

AF24-0006 Lloyd, Dwayne

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 requires improvements to be completed. This request is for a three (3) month extension to allow time for the improvements to be completed. The new expiration date would be December 12, 2024.

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

VOTE: Motion Passed; Unanimous.

AF24-0017 Williams, Ross

Commissioner Shell informed the board the next KAFC meeting will be a Joint KAFC & KADB meeting on Thursday, October 10, 2024, at 9:00 a.m. (EDT).

Adjournment

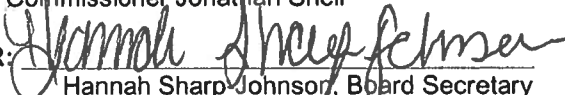
There being no further business, Commissioner Shell entertained a motion to adjourn the meeting at 11:23 a.m. (EDT).

Ms. Rumpke moved to adjourn the September KAFC board meeting; Mr. Cochran seconded the motion.

VOTE: Motion Passed; Unanimous.

APPROVED DATE: 10-10-2024

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.

Mr. Roberts presented a memorandum (*on file*) regarding the above referenced loan. The loan officer indicated that there have been delays in closing the FSA loan but intends to be closed by the middle of October. This request is for a three (3) month extension to allow for the final FSA approval. The new deadline would be December 13, 2204.

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

VOTE: Motion Passed; Unanimous.

AF24-0037 Lat, Zaw

Mr. Roberts presented a memorandum (*on file*) regarding the above referenced loan. The project was approved with a 95% FSA guarantee on Field & Main bank and KAFC financing. The project was approved for one three (3) month extension to allow for final FSA approval. During that time, the sellers took on another flock of birds. The loan officers is now request a second three (3) month extension to allow for the flock to be taken out and the loan to close. The new deadline would be December 12, 2024.

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

VOTE: Motion Passed; Unanimous.

AF24-0076 Grider, Bailey

Mr. Roberts presented a memorandum (*on file*) regarding the above referenced loan. The project was approved with an FSA direct loan and there have been delays in closing the FSA portion. The loan officer indicated that the deal is close to being finished but needs an extension to finalize FSA's approval. This request is for a three (3) month extension to allow time for the final FSA approval. The new deadline would be December 13, 2024.

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

VOTE: Motion Passed; Unanimous.

AF24-0097 Giles, Chaz

Mr. Roberts presented a memorandum (*on file*) regarding the above referenced loan. The project was approved with an FSA direct loan and there have been delays in receiving final approval. This request is for a three (3) month extension to allow for final FSA approval. The new deadline would be December 13, 2024.

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

VOTE: Motion Passed; Unanimous.

Withdrawn Application

AF23-0126 Kendall, Kyle

AF24-0132 Pemberton, Joseph

No action necessary on withdrawn applications.

Closing Remarks

APPENDIX A: Loan Review Committee Meeting Minutes



Meeting Date:	September 13, 2024
Meeting Location:	Franklin County Extension Office
Meeting Chair:	Jonathan Noe
Attendees:	<p>Committee Members: Kenny Burdine, Wayne Hunt, Jonathan Noe, Lori Noel, Larry Jagers, Michael Cochran, Warren Beeler, Billy Aldridge</p> <p>Staff: Bill McCloskey, Tera Roberts, Hunter Jones, Brian Murphy, Brandon Reed, Landon Peach</p> <p>Guests: Jonathan West, Michael Duckworth, Wyatt Houk</p>
Minutes Issued By:	Tera Roberts, Loan Programs Manager
Meeting Call to Order:	9:00 AM EDT
Meeting Adjourned:	9:48 AM EDT

Agenda Items

New Business

1. Review of AF24-0147: Griffin Smith
 - a. On behalf of Griffin Smith, loan officer Jonathan West of Farm Credit Mid-America requested KAFC Beginning Farmer Loan Program funding in the amount of \$30,175. The Loan Review Committee met to discuss the applicants' eligibility for the program.
 - b. The Loan Review Committee recommends approval
2. Review of AF24-0154: Myles Grimes
 - a. On behalf of Myles Grimes, loan officer Mark Dykes of Bank of Columbia requested KAFC Beginning Farmer Loan Program funding in the amount of \$250,000. The Loan Review Committee met to discuss the applicants' eligibility for the program.
 - b. The Loan Review Committee recommends to pend the application.

Old Business:

1. Update on AF22-0055: Stacey Westfall
 - a. On behalf of Stacey Westfall, loan officer Michael Duckworth of City National Bank updated the Loan Review Committee on Ms. Westfall's loan.
2. Review of AF24-0126: Redding Gober
 - a. On behalf of Redding Gober, loan officer Lisa Yeager with Central Ky Ag Credit requested KAFC subordinate its mortgage.
 - b. The Loan Review Committee recommends approval.