

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the November 8, 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
November 8, 2024**

Call to Order

Brandon Reed designee for Commissioner of Agriculture Jonathan Shell presiding, called the Kentucky Agricultural Finance Corporation Board (KAFC) regular business meeting to order at 10:07 a.m. (EST).

Roll Call

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

Absent Members: Jonathan Noe

Notification of Media

Mr. Reed received verification from Hannah Sharp-Johnson, Board and Special Events Manager; that the media had been notified of the KAFC board meeting.

Welcome

Mr. Reed welcomed everyone to the KAFC meeting. Board members and guests participated in person.

Approval of Minutes

Mr. Reed entertained a motion to approve the minutes of the October 10, 2024, board meeting.

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

VOTE: Motion Passed; Unanimous.

Kentucky Department of Agriculture Report

Mr. Reed updated the board on activities of the Kentucky Department of Agriculture (KDA).

Executive Director's Report

Mr. Reed called on Bill McCloskey to give the Executive Director's Report. Lastly, Mr. McCloskey gave an overview office's offices activities since the October board meeting.

Deputy Executive Director’s Report

Mr. Reed 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 October 24, 2024.

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

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

K AFC Statement of Financial Position		
As of October 31, 2024		
Assets		
Cash K AFC Accounts		\$ 29,394,744
Hold Account-Not Authorized for Distribution		\$ 15,000,000
Loan Payments Due K AFC		
Category A		\$ 116,218,707
Category B		\$ 747,756
Category C		\$ 116,966,463
Total Assets		\$ 161,361,207
Hold Account-Not Authorized for Distribution		\$ 15,000,000
Liabilities		
K AFC loans approved not closed		\$ 20,322,290
Principal Outstanding		\$ 116,966,463
Total Liabilities		\$ 152,288,753
Unobligated Assets		\$ 9,072,454
Total Liabilities & Unobligated Assets		\$ 161,361,207

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

VOTE: Motion Passed; Unanimous.

K AFC Loan Review Committee Report

Mr. Reed called on Ms. Rumpke to give the K AFC Loan Review Committee report. Ms. Rumpke stated the loans would be discussed in order of the agenda.

Ms. Rumpke moved to accept the committee report, as presented; Mr. Flanagan seconded the motion.

VOTE: Motion passed; Unanimous.

K AFC Compliance Committee Report

Mr. Reed 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.

Dr. Burdine moved to accept the committee report, as presented; Mr. Penn seconded the motion.

VOTE: Motion passed; Unanimous.

Memo

2025 K AFC Program Guidelines

Mr. Reed called on Mr. McCloskey to present a memorandum (*on file*) regarding an overview of the current 2024 K AFC Program Guidelines with possible changes to reflect the 2025 K AFC Program Guidelines.

No action necessary

New Business

Mr. Reed called on Mr. McCloskey, Mr. Jones, and Mr. Roberts to present the following applications:

Agricultural Infrastructure Loan Program (AILP)

AF24-0187 Buck, Travis

Mr. McCloskey referenced the above application requesting \$195,500 for the purchase of thirty seven acres and for the construction of four Tyson broiler houses in Monroe County. Farm Credit Mid-America in Glasgow, KY is the participating lender.

Staff recommends pending the application for additional information.

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

VOTE: Motion Passed; Unanimous.

AF24-0198 Hostetler, Colten

Mr. Roberts referenced the above application requesting \$250,000 for the purchase of two Handsome Brook poultry barns and 201 acres in Logan 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 K AFC funds, with a combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

AF24-0203 Branton, Bryant

Mr. McCloskey referenced the above application requesting \$250,000 for the construction of four Tyson broiler houses in Monroe County. Farm Credit Mid-America in Glasgow, 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%.

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

VOTE: Motion Passed; Unanimous.

AF24-0205 King, Abner

Mr. Jones referenced the above application requesting \$250,000 for the purchase of a dairy farm in Trigg County. Farmers Bank in Princeton, 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. Flanagan seconded the motion.

VOTE: Motion Passed; Unanimous.

Beginning Farmer Loan Program (BFLP)

AF24-0183 Priddy, William

Mr. Roberts referenced the above application requesting \$155,000 for the purchase of forty eight acres 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 a combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

AF24-0184 McClure, Clint

Mr. Jones referenced the above application requesting \$250,000 for the construction of four Tyson broiler houses in Graves County. FNB Bank, Inc. in Mayfield, KY is the participating lender.

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

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

VOTE: Motion Passed; Ms. Noel Abstained.

AF24-0185 Keltner, Matthew

Mr. McCloskey referenced the above application requesting \$117,500 for the purchase of fifty-three 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%.

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

VOTE: Motion Passed; Unanimous.

AF24-0188 Stoltzfus, Benuel

Mr. Jones referenced the above application requesting \$250,000 for the purchase of fifty six acres in Trigg County. Farmers Bank in Princeton, 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. Penn seconded the motion

VOTE: Motion Passed; Unanimous.

AF24-0189 Mau, Bryan

Mr. Roberts referenced the above application requesting \$250,000 for the purchase of sixty seven acres and for the construction of four Tyson broiler houses in Russell County. Farm Credit Mid-America 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, with a combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

AF24-0190 Hostetler, Mark

Mr. McCloskey referenced the above application requesting \$190,000 for the purchase of ninety acres in Cumberland County. Farm Credit Mid-America in Glasgow, KY is the participating lender.

Staff recommends pending the application for additional information.

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

VOTE: Motion Passed; Unanimous.

AF24-0191 Hawkins Jr, Harvey

Mr. Roberts referenced the above application requesting \$218,875 for the purchase of one hundred acres in Metcalfe County. Farm Credit Mid-America in Glasgow, 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. Cochran seconded the motion.

VOTE: Motion Passed; Unanimous.

AF24-0193 Reardon, Clint

Mr. Joens referenced the above application requesting \$42,500 for the purchase of eleven acres in Meade County. Farm Credit Mid-America in Hardinsburg, 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 guidelines.

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

VOTE: Motion Passed; Unanimous.

AF24-0196 Green, Kirby

Mr. McCloskey referenced the above application requesting \$250,000 for the purchase of fifty two acres in Breckinridge County. Farm Credit Mid-America in Hardinsburg, KY is the participating lender.

Staff recommends approval, contingent upon the approval and obligation of a 95% FSA guarantee on FCMA and KAFC funds, with a 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.

AF24-0197 Hostetler, Austin

Mr. Roberts referenced the above application requesting \$240,000 for the purchase of sixty nine acres in Logan 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 a combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

AF24-0201 Garner, Christopher

Mr. Jones referenced the above application requesting \$82,000 for the purchase of thirty eight acres with two pullet barns in Wayne County. Farm Credit Mid-America in Somerset, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF24-0202 Williams, Tyler

Mr. McCloskey referenced the above application requesting \$191,250 for the purchase of fifty five acres in Taylor County. Farm Credit Mid-America in Campbellsville, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF24-0204 Thomas, Elijah

Mr. Roberts referenced the above application requesting \$115,750 for the purchase of fifty five acres in Grayson County. Magnolia Bank in Elizabethtown, 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. Cochran seconded the motion.

VOTE: Motion Passed; Unanimous.

AF24-0206 Simpson, Andrew

Mr. Jones referenced the above application requesting \$144,000 for the purchase of twenty two acres with structures in Madison County. Central Kentucky ACA in Richmond, 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. Cochran moved to approve the staff recommendation, as presented; Ms. Noel seconded the motion.

VOTE: Motion Passed; Unanimous.

AF24-0207 Stoltzfus, Amos

Mr. McCloskey referenced the above application requesting \$142,800 for the purchase of thirty two acres with improvements in Christian County. Farmers Bank in Princeton, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF24-0208 Armstrong, Christopher

Mr. Jones referenced the above application requesting \$250,000 for the purchase of one hundred and forty eight acres in Grayson County. Magnolia Bank in Elizabethtown, 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. Noel seconded the motion.

VOTE: Motion Passed; Unanimous.

Old Business:

Mr. Reed called on Mr. Roberts the following time extensions.

Extension

AF23-0067 Lundy, Dalton

Mr. Roberts presented a memorandum (*on file*) regarding the above referenced loan. The loan officer indicated that there have been delays in construction of the barn due to supply and contractor issues. This request is for a three (3) month extension to allow time for the construction to be completed. The new deadline would be February 12, 2025.

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

VOTE: Motion Passed; Unanimous.

AF24-0140 Jones, John

Mr. Roberts presented a memorandum (*on file*) regarding the above referenced loan. The loan officer indicated that there have been delays in closing. This request is for a three (3) month extension to allow time for closing. The new deadline would be February 9, 2025.

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

VOTE: Motion Passed; Unanimous.

AF24-0141 Koehn, Donovan

Mr. Roberts presented a memorandum (*on file*) regarding the above referenced loan. The loan officer indicated that there have been delays in closing due to a bed bug infestation in the barns. This request is for a three (3) month extension to allow for time for the parties to clear the infestation and for closing. The new deadline would be February 9, 2025.

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

VOTE: Motion Passed; Unanimous.

Closing Remarks

Mr. Reed informed the board the next KAFC meeting will be at Franklin County Extension Office on Friday, December 13, 2024, at 10:00 a.m. (EST).

Adjournment

There being no further business, Mr. Reed entertained a motion to adjourn the meeting at 11:15 a.m. (EST).

Mr. Hunt moved to adjourn the November KAFC board meeting; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Unanimous.

APPROVED DATE: December 13, 2024

PRESIDING OFFICER: Jonathan Shell
Commissioner Jonathan Shell — D. Com. W. Burdine

BOARDS COORDINATOR: Hannah Sharp-Johnson
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.
 3. A copy of the Guidelines Committee meeting minutes is attached as Appendix C.

APPENDIX A: Loan Review Committee Meeting Minutes



Meeting Date:	November 8, 2024
Meeting Location:	Franklin County Extension Office
Meeting Chair:	Linda Rumpke
Attendees:	<p>Committee Members: Kenny Burdine, Wayne Hunt, Linda Rumpke, Lori Noel, Michael Cochran, Billy Aldridge</p> <p>Staff: Bill McCloskey, Tera Roberts, Hunter Jones, Brian Murphy, Brandon Reed</p> <p>Guests: Jaclyn Walden</p>
Minutes Issued By:	Tera Roberts, Loan Programs Manager
Meeting Call to Order:	9:03 AM EDT
Meeting Adjourned:	9:25 AM EDT

Agenda Items
<p>New Business</p> <ol style="list-style-type: none"> 1. Review of AF24-0193: Clint Reardon <ol style="list-style-type: none"> a. On behalf of Clint Reardon, loan officer Jaclyn Walden of Farm Credit Mid-America requested KAFC Beginning Farmer Loan Program funding in the amount of \$45,500. The Loan Review Committee met to discuss the applicants' eligibility for the program. b. The Loan Review Committee recommends denying the application

APPENDIX B: Compliance Committee Meeting Minutes



Meeting Date:	November 8, 2024
Meeting Location:	Franklin Co. Extension Office
Meeting Chair:	Bill McCloskey
Attendees:	Committee Members: Billy Aldridge, Linda Rumpke, Wayne Hunt, Lori Noel, Kenny Burdine, Frank Penn, Michael Cochran Staff: Bill McCloskey, Tera Roberts, Hunter Jones, Brian Murphy, Brandon Reed
Minutes Issued By:	Tera Roberts, Loan Programs Manager
Meeting Call to Order:	9:25 AM EDT
Meeting Adjourned:	9:35 AM EDT

Agenda Items:

New Business

1. Review of previous quarter's and current quarter's loan disbursement
 - a. 40 Loans Closed April- June 2024
 - b. 51 Loans Closed July- September 2024
2. Report of ten loans randomly selected and reviewed by the Committee Chair
 - a. AF22-0104 Nathan Shemwell
 - b. AF23-0143 Teresita Pedraja
 - c. AF23-0162 Hardin Bros
 - d. AF23-0186 Joshua Sykes
 - e. AF23-0191 John Coots
 - f. AF24-0027 Jason Farmwald
 - g. AF24-0046 Charles Toll
 - h. AF24-0051 Benjamin Hall
 - i. AF24-0068 Trent Miller
 - j. AF24-0100 James Luttrell
3. Tera Roberts, Loan Programs Manager, informed the Committee that all reviewed files were correct as described on the documentation checklist provided by staff.

APPENDIX C: Guidelines Committee Meeting Minutes



Meeting Date:	November 8, 2024
Meeting Location:	Franklin County Extension Office
Meeting Chair:	Brandon Reed
Attendees:	<p>Committee Members: Wayne Hunt, Frank Penn, Lori Noel, Wes King, Larry Jagers, Dan Flanagan, Michael Cochran, Kenny Burdine</p> <p>Staff: Brandon Reed, Bill McCloskey, Hunter Jones, Tera Roberts, Brian Murphy, Hannah Johnson, Alexis Scheidt, Bailey Siry-Crowder, Savannah Hill, Rebecca Besok</p>
Minutes Issued By:	Tera Roberts, Loan Programs Manager
Meeting Call to Order:	12:10 PM EDT
Meeting Adjourned:	12:58 PM EDT

Agenda Items:
<ol style="list-style-type: none"> 1. KAFC Guidelines <ol style="list-style-type: none"> a. The Committee recommended staff to edit current KAFC guidelines based on discussion for possible review and approval at the December 13, 2024 Guidelines Committee meeting.