

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the December 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
Franklin County Extension Office
101 Lakeview Court, Frankfort, KY
December 13, 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 10:02 a.m. (EST).

Roll Call

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

Absent Members: Linda Rumpke and Wayne Hunt.

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 November 8, 2024, board meeting.

Ms. Noel 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 office's offices activities since the November board meeting.

Deputy Executive Director’s Report

Deputy Commissioner Beeler 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 November 25, 2024.

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

Mr. McCloskey reviewed the KAFC Statement of Financial Position (on file) as of November 30, 2024

KAFC Statement of Financial Position		
As of November 30, 2024		
Assets		
Cash KAFC Accounts		\$ 28,775,530
Hold Account-Not Authorized for Distribution		\$ 15,000,000
Loan Payments Due KAFC		
Category A		\$ 117,303,882
Category B		\$ 496,305
Category C		\$ 117,800,187
Total Assets		\$ 161,575,717
Hold Account-Not Authorized for Distribution		\$ 15,000,000
Liabilities		
KAFC loans approved not closed		\$ 20,837,712
Principal Outstanding		\$ 117,800,187
Total Liabilities		\$ 153,637,899
Unobligated Assets		\$ 7,937,818
Total Liabilities & Unobligated Assets		\$ 161,575,717

Mr. Penn moved to accept the KAFC financial report, as presented; Mr. Cochran seconded the motion.

VOTE: Motion Passed; Unanimous.

KAFC Loan Review Committee Report

Deputy Commissioner Beeler called on Ms. Noel to give the KAFC 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. Noe seconded the motion.

VOTE: Motion passed; Unanimous.

K AFC Program Guidelines

Deputy Commissioner Beeler 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. Mr. McCloskey identified four changes that be reflected in the 2025 K AFC Program Guidelines.

Ms. Noel moved to accept the committee report, as presented; Dr. Burdine seconded the motion.

VOTE: Motion passed; Unanimous.

Memo Items

AF20-0037 Pennington Stave and Cooperage LLC

On July 11, 2023, the K AFC entered into a participation agreement and with South Central Bank in which K AFC purchase an interest in a promissory note (Loan no. 48000194063) made by Pennington Stave and Cooperage LLC, which was entered into on February 5, 2021, has a face value of \$500,000, and was paid down to \$432,808.66 by the time construction was completed.

South Central Bank would like to allow Pennington to temporarily pay interest only on the outstanding balance of its loans and K AFC's loan to allow Pennington time to find a new buyer for its staves due to the fact that its exclusive buyer Bardstown Bourbon Company abruptly terminated it contract in July 2024. Todd Lockett, in his role as South Central Bank's representative, requests the K AFC consent to accepting interest-only-payments for up to six months. Concurrence from the USDA will be required to maintain their loan guarantee. South Central Bank proposes maintaining the same maturity date and re-amortizing the loan accordingly.

Ms. Noel moved to accept interest only forbearance; Dr. Burdine seconded the motion.

VOTE: Motion passed; Unanimous.

New Business

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

Agricultural Infrastructure Loan Program (AILP)

AF24-0187 Buck, Travis

Mr. Roberts referenced the above application requesting \$195,000 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 approval, contingent upon the approval and obligation of a 90% FSA guarantee on FCMA and K AFC funds, with aggregate K AFC balance no greater than \$250,000, 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.

AF24-0209 Beyke, Steve

Mr. McCloskey referenced the above application requesting \$125,000 for the construction of 100,000 bushel grain bin in Daviess County. Independence Bank in Owensboro, 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; Ms. Noel seconded the motion.

VOTE: Motion Passed; Unanimous.

AF24-0210 Roger, Story

Mr. Roberts referenced the above application requesting \$22,242.50 for the construction of a new barn and other improvements in Marshall County. River Valley Ag Credit in Mayfield, 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. Noel seconded the motion.

VOTE: Motion Passed; Unanimous.

Beginning Farmer Loan Program (BFLP)

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.

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

VOTE: Motion Passed; Unanimous.

AF24-0199 Deakins, William

Mr. McCloskey referenced the above application requesting \$180,000 for the purchase of seventy seven acres in Anderson 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. Penn moved to approve the staff recommendation, as presented; Mr. Jagers seconded the motion.

VOTE: Motion Passed; Mr. Noe Abstained.

AF24-0211 Oesterritter, Shawn

Mr. Roberts referenced the above application requesting \$175,000 for the purchase of fifty-two acres in Henry County. Farm Credit in Shelbyville, 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. Cochran seconded the motion.

VOTE: Motion Passed; Unanimous.

AF24-0212 Ellis, Brandon

Mr. Jones referenced the above application requesting \$196,235 for the purchase of forty acres in Boyle County. Farmers National Bank in Harrodsburg, KY is the participating lender.

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

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

VOTE: Motion Passed; Mr. Cochran Abstained.

AF24-0213 Bo, Cung

Mr. Roberts referenced the above application requesting \$250,000 for the purchase of twenty-five acres with eight broiler houses in Webster County. Field & Main Bank in Henderson, KY is the participating lender.

Staff recommends approval, contingent upon the approval and obligation of a 95% FSA guarantee on Field and Main Bank and KAFB funds, with documentation of proof of KY residency, with a 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.

AF24-0214 Hmung, Siang

Mr. McCloskey referenced the above application requesting \$250,000 for the purchase of twenty-three acres with eight Tyson broiler houses in Webster County. Field & Main Bank in Henderson, KY is the participating lender.

Staff recommends approval, contingent upon the approval and obligation of a 95% FSA guarantee on Field and Main Bank and KAFB funds, with documentation of proof of KY residency, with a combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

AF24-0216 Wilson, Luke

Mr. Jones referenced the above application requesting \$250,000 for the purchase of seventy-five acres in Henderson County. Independence Bank in Henderson, KY is the participating lender.

Staff recommends approval, contingent upon the approval and obligation of a 90% FSA guarantee Independence 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. Jagers seconded the motion.

VOTE: Motion Passed; Unanimous.

AF24-0217 Wilson, Trevor

Mr. McCloskey referenced the above application requesting \$250,000 for the purchase of two hundred-forty acres in Ohio 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%.

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

VOTE: Motion Passed; Unanimous.

AF24-0218 Dunn, Sean

Mr. Roberts referenced the above application requesting \$100,000 for the purchase of eleven acres in Marion 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. Cochran moved to approve the staff recommendation, as presented; Mr. Noe seconded the motion.

VOTE: Motion Passed; Unanimous.

AF24-0219 Riggs, Christopher

Mr. McCloskey referenced the above application requesting \$164,560 for the purchase of forty-eight acres in Hardin County. Farm Credit Mid-America 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. Jagers seconded the motion.

VOTE: Motion Passed; Unanimous.

AF24-0220 Pepper, Branden

Mr. Roberts referenced the above application requesting \$120,254 for the purchase of twenty-seven acres in LaRue County. Farm Credit Mid-America in Elizabethtown, 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; Mr. Noe seconded the motion.

VOTE: Motion Passed; Unanimous.

AF24-0221 Rankin, Jacob

Mr. Jones referenced the above application requesting \$250,000 for the purchase of one hundred and sixty-nine 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. Penn moved to approve the staff recommendation, as presented; Ms. Noel seconded the motion.

VOTE: Motion Passed; Mr. Noe Abstained.

AF24-0222 Mink, Anthony

Mr. McCloskey referenced the above application requesting \$150,000 for the purchase of sixty-four acres in Harrison County. Central Kentucky ACA in Paris, 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; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Mr. Noe Abstained.

AF24-0223 Stoltzfus, Elam

Mr. Jones referenced the above application requesting \$250,000 for the purchase of thirty acres with improvements 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. Penn moved to approve the staff recommendation, as presented; Mr. Flanagan seconded the motion.

VOTE: Motion Passed; Unanimous.

AF24-0224 Hixson, Brady

Mr. McCloskey referenced the above application requesting \$160,000 for the purchase of fifty 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. Aldridge moved to approve the staff recommendation, as presented; Mr. Cochran seconded the motion.

VOTE: Motion Passed; Unanimous.

Old Business:

Deputy Commissioner Beeler called on Mr. Roberts to present the following time extensions and Mr. Jones to present the following withdrawn applications.

Extension

AF23-0047 Hawkins, Harvey

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 two Cobb Ventress layer barns. This request is for a three (3) month extension to allow time for the construction to be completed. The new deadline would be March 12, 2025.

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

VOTE: Motion Passed; Unanimous.

AF24-0006 Lloyd, Dwayne

Mr. Roberts presented a memorandum (*on file*) regarding the above referenced loan. The loan officer indicated that there have been \$30,000 of improvements still to be completed and there have been delays in closing the loan due to required improvements not being completed. This request is for a three (3) month extension to allow time for closing. The new deadline would be March 13, 2025.

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

VOTE: Motion Passed; Unanimous.

AF24-0081 Lian, Za

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 FSA and waiting for final flock of birds to be removed. The loan officer is aiming to be closed in December of 2024. This request is for a three (3) month extension to allow for completion of the purchase. The new deadline would be March 13, 2025.

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

VOTE: Motion Passed; Unanimous.

AF24-0146 Gardner, Chase

Mr. Roberts presented a memorandum (*on file*) regarding the above referenced loan. The loan officer indicated that there have been delays in receiving the guarantee and closing of the loans from FSA. The new deadline would be March 13, 2025.

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

VOTE: Motion Passed; Unanimous.

Withdrawn Application

- AF23-0065 Bale, Zach
- AF24-0039 Gregory, Curtis
- AF24-0097 Giles, Chaz

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, January 10, 2025, at 10:00 a.m. (EST).

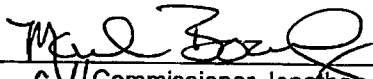
Adjournment

There being no further business, Deputy Commissioner Beeler entertained a motion to adjourn the meeting at 11:29 a.m. (EST).

Mr. Penn moved to adjourn the December KAFC board meeting; Mr. King seconded the motion.

VOTE: Motion Passed; Unanimous.

APPROVED DATE: 1-17-2025

PRESIDING OFFICER: 
Commissioner Jonathan Shell — *Mrd Beeler, Chief of Staff*

BOARDS COORDINATOR: 
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 Guidelines Committee meeting minutes is attached as Appendix B.

APPENDIX A: Loan Review Committee Meeting Minutes



Meeting Date:	December 13, 2024
Meeting Location:	Franklin County Extension Office
Meeting Chair:	Lori Noel
Attendees:	<p>Committee Members: Kenny Burdine, Larry Jagers, Jonathan Noe, Lori Noel, Michael Cochran, Billy Aldridge, Frank Penn, Warren Beeler</p> <p>Staff: Bill McCloskey, Tera Roberts, Hunter Jones, Brian Murphy, Brandon Reed, Savannah Hill</p> <p>Guests: Jaclyn Walden</p>
Minutes Issued By:	Tera Roberts, Loan Programs Manager
Meeting Call to Order:	9:05 AM EDT
Meeting Adjourned:	9:38 AM EDT

Agenda Items
<p>New Business</p> <ol style="list-style-type: none"> 1. Review of AF20-0037: Pennington Stave and Cooperage <ol style="list-style-type: none"> a. On behalf of Pennington Stave and Cooperage, loan officer Todd Lockett of South Central Bank of Barren Co requested the KAFC Board approve a six-month interest only period in repaying their KAFC loan. The Loan Review Committee met to review the request. b. The Loan Review Committee recommends approval subject to concurrence with USDA regulations and guidelines and monthly updated to the KAFC Board about payment progress.

APPENDIX B: Guidelines Committee Meeting Minutes



Meeting Date:	December 13, 2024
Meeting Location:	Franklin County Extension Office
Meeting Chair:	Brandon Reed
Attendees:	Committee Members: Frank Penn, Lori Noel, Wes King, Larry Jagers, Michael Cochran, Kenny Burdine Staff: Brandon Reed, Bill McCloskey, Hunter Jones, Tera Roberts, Brian Murphy, Hannah Sharp-Johnson, Alexis Scheidt, Bailey Siry-Crowder, Savannah Hill, Rebecca Besok, Landon Peach
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 January 10, 2025 KAFC Board meeting.