

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the March 16, 2018 regular business meeting. This is provided in summary form; an official record of the meeting is available in the permanent records of the Governor's Office of Agricultural Policy, 404 Ann Street, Frankfort, Kentucky 40601.



**Kentucky Agricultural Finance Corporation Board  
Summary Minutes of the Regular Business Meeting  
Christian County Extension Office  
2850 Pembroke Road  
Hopkinsville, KY 40391**

**Call to Order**

Commissioner Ryan Quarles, presiding, called the Kentucky Agricultural Finance Corporation Board (KAFC) regular business meeting to order at 9:03 a.m. (CDT).

**Roll Call**

The following members were present: Commissioner Quarles, John Brady (designee for Secretary William M. Landrum III), Kenny Burdine, Larry Jagers, Wayne Hunt, Doug Lawson, Frank McAninch, and Aaron Miller.

Members absent: Westy Adams, Frank Penn, Tonya Phillips and Linda Rumpke.

**Notification of Media**

Commissioner Quarles received verification from Marielle Manning, Public Affairs Manager, that the media had been notified of the KAFC board meeting.

**Welcome**

Commissioner Quarles welcomed everyone to the meeting.

Commissioner Quarles thanked the Christian County Extension Office for hosting.

Commissioner Quarles commented on the economic impact of the Electronic Logging Device (ELD) mandate.

Commissioner Quarles stated that Kentucky had recently lost two important members of the Kentucky Agriculture community – Billy Joe Miles and Pearse Lyons.

Commissioner Quarles announced that Kentucky Cattlemen's ground beef products would be introduced at Lexington and Middletown Kroger grocery stores on Tuesday, March 20, 2018.

Commissioner Quarles yielded the floor to Bobby Foree to comment on the launch.

Mr. Foree thanked the KADB for their support in the form of a grant.

**Approval of Minutes**

Commissioner Quarles entertained a motion to approve the minutes of the February 9, 2018 KAFC board meeting.

Mr. Hunt moved to approve the minutes; Mr. Jagers seconded the motion.

VOTE: Motion Passed; Unanimous.

**Executive Director's Report**

Commissioner Quarles yielded the floor to Warren Beeler, GOAP Executive Director, to report to the board.

Mr. Beeler gave update on his activity since that last board meeting.

Mr. Beeler discussed the budget proposed by the Kentucky House of Representatives. He commented that he has been meeting with Senators about the importance of the Kentucky Agricultural Development Fund.

Mr. Beeler recapped the UK Grain and Forage Center of Excellence ground breaking, and commended Dean Cox and Chad Lee on their efforts.

Mr. Beeler commented that Kentucky agriculture had lost two icons in Billy Joe Miles and Pearse Lyons.

**Deputy Executive Director's Report**

Commissioner Quarles called on Bill McCloskey, GOAP Deputy Executive Director, to report to the board.

Mr. McCloskey stated that K AFC's total assets are \$75 million, a milestone for the fund.

Mr. McCloskey referenced the KY Agricultural Development Board State Pool Tobacco Funds (*on file*) as of February 26, 2018.

Mr. McCloskey reviewed KADF County Balances (*on file*) as of February 19, 2018.

Mr. McCloskey reviewed the K AFC Statement of Financial Position (*on file*) as of February 28, 2018.

<b>K AFC Statement of Financial Position</b>	
<b>As of February 28, 2018</b>	
<b>Assets</b>	
Cash K AFC Accounts	\$ 18,367,247
Loan Payments Due K AFC	
Category A	\$ 56,118,330
Category B	\$ 528,0092
Category C	\$
	\$ 56,646,422
<b>Total Assets</b>	<b>\$ 75,013,669</b>
<b>Liabilities</b>	
K AFC loans approved not closed	\$ 11,560,245
Loans Outstanding	\$ 56,646,422
<b>Total Liabilities</b>	<b>\$ 68,206,667</b>
<b>Unobligated Assets</b>	<b>\$ 6,807.002</b>
<b>Total Liabilities &amp; Unobligated Assets</b>	<b>\$ 75,013,669</b>

Mr. Brady moved to approve the K AFC Statement of Financial Position; Mr. Lawson seconded the motion.

VOTE: Motion Passed; Unanimous.

**New Business**

**Agricultural Infrastructure Loan Program (AILP)**

**AF18-0018            Hayden, Kevin**

Applicant requested \$53,400 for a grain bin in Carlisle County. Community Financial Services Bank in Benton, KY is the participating lender.

Staff recommends approval.

Dr. Burdine moved to approve staff recommendation, as presented, pending availability of funds; Mr. Miller seconded the motion.

VOTE: Motion Passed; Unanimous.

**AF18-0020            Kirks, Kyle**

Applicants requested \$150,000 for the construction of four (4) Tyson broiler barns in Graves County. FNB bank in Cadiz, KY is the participating lender.

Staff recommends approval.

Mr. Miller moved to approve staff recommendation, as presented, pending availability of funds; Mr. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous.

**AF18-0021                Smith, Roy**

Applicant requested \$100,000 for the construction of four (4) Perdue broiler barns in Ohio County. Farm Credit Mid-America in Owensboro, KY is the participating lender.

Referred to Loan Review Committee.

Mr. Lawson gave report on behalf of the Loan Review Committee. The Loan Review Committee recommended loan approval contingent on documentation that outstanding medical collections had been paid.

Mr. Lawson moved to approve the committee recommendation, as presented, pending availability of funds; Mr. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous.

**AF18-0022                Allen, Daniel "Buck"**

Applicant requested \$100,000 for the construction of three (3) Keystone pullet houses in Allen County. Farm Credit Mid-America in Glasgow, KY is the participating lender.

Staff recommends approval.

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

VOTE: Motion Passed; Mr. Miller abstained.

Mr. Beeler commended Mr. Miller and his wife for their efforts in allowing poultry operation in Ohio County.

Mr. Miller commented they would not have been successful without Mr. Pedigo and his son.

**AF18-0023                Smith, Roger**

Applicant requested \$100,000 for the construction of four (4) Perdue broiler barns in Ohio County. Farm Credit Mid-America in Owensboro, KY is the participating lender.

Staff recommends approval.

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

VOTE: Motion Passed; Unanimous.

**AF18-0030                Reynolds, Tyler**

Applicant requested \$100,000 for the installation of a grain dryer and leg in Taylor County. Farm Credit Mid-America in Campbellsville, KY is the participating lender.

Staff recommends approval.

Mr. Jagers moved to approve staff recommendation, as presented, pending availability of funds; Mr. Brady seconded the motion.

VOTE: Motion Passed; Mr. Miller abstained.

**AF18-0031                White, Suzanne**

Applicants requested \$150,000 for the construction of an on-farm venue and farm market in Daviess County. Independence Bank in Livermore, KY is the participating lender.

Staff recommends approval.

Mr. Hunt moved to approve staff recommendation, as presented, pending availability of funds; Mr. McAninch seconded the motion.

VOTE: Motion Passed; Unanimous.

Commissioner Quarles called on Ms. White to discuss the project.

**AF18-0033 Hermenitt, Tyler**

Applicants requested \$35,000 for the construction of a workshop in Clark County. Central Kentucky ACA in Lexington, KY is the participating lender.  
Staff recommends approval.

Mr. Lawson moved to approve staff recommendation, as presented, pending availability of funds; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Unanimous.

**Agricultural Processing Loan Program (APLP)**

**AF18-0019 Case, Russell**

Applicant requested \$348,000 to equip a malthouse in Harrison County. Kentucky Bank in Cynthiana, KY is the participating lender.

Referred to Loan Review Committee.

Mr. Lawson gave report on behalf of the Loan Review Committee. The Loan Review Committee pended the application until more information can be obtained.

**Beginning Farmer Loan Program (BFLP)**

**AF18-0024 Godbey, John**

Applicants requested \$57,500 for the purchase of thirty (30) acres in Boyle County. Farm Credit Mid-America in Lexington, KY is the participating lender.

Staff recommends approval.

Mr. McAninch moved to approve staff recommendation, as presented, pending availability of funds; Mr. Jagers seconded the motion.

VOTE: Motion Passed; Unanimous.

**AF18-0025 Benton, Christopher**

Applicants requested \$200,000 for the purchase of one hundred-sixteen (116) acres in Owen County. Farm Credit Mid-America in Dry Ridge, KY is the participating lender.

Staff recommends approval, contingent on the approval and obligation of 90% FSA guarantee on the Farm Credit Mid-America and KAFC funds.

Dr. Burdine moved to approve staff recommendation, as presented, pending availability of funds; Mr. Brady seconded the motion.

VOTE: Motion Passed; Unanimous.

**AF18-0026 Graves, Steven**

Applicant requested \$130,000 for the purchase of fifty-seven (57) acres in Washington County. Central Kentucky ACA in Lebanon, KY is the participating lender.

Staff recommends approval contingent on the approval and obligation of 90% FSA guarantee on the Central Kentucky ACA and KAFC funds.

Mr. Miller moved to approve staff recommendation, as presented, pending availability of funds; Mr. Jagers seconded the motion.

VOTE: Motion Passed; Unanimous.

**AF18-0027                      Newswanger, Sheldon**

Applicants requested \$250,000 for the construction of two (2) Tyson layer barns in Christian County. Citizens Bank of Hickman, KY is the participating lender.

Staff recommends approval, contingent on the approval and obligation of 90% FSA guarantee on the Citizens Union Bank and KAFC funds.

Mr. Hunt moved to approve staff recommendation, as presented, pending availability of funds; Mr. Jagers seconded the motion.

VOTE: Motion Passed; Unanimous.

**AF18-0028                      Leinbach, Jethro**

Applicants requested \$250,000 for the purchase of fifty (50) acres and construction of two (2) Perdue broiler barns in Todd County. Farm Credit Mid-America in Hopkinsville, KY is the participating lender.

Staff recommends approval contingent on the approval and obligation of 90% FSA guarantee on the Farm Credit Mid-America and KAFC funds.

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

VOTE: Motion Passed; Unanimous.

**AF18-0029                      Wodarczyk, Robert**

Applicants requested \$163,500 for the purchase of one hundred-ten (110) acres in Gallatin County. Farm Credit Mid-America in Dry Ridge, KY is the participating lender.

Staff recommends approval contingent on the C/LV being no worse than 85%.

Mr. Lawson moved to approve staff recommendation, as presented, pending availability of funds; Mr. McAninch seconded the motion.

VOTE: Motion Passed; Unanimous.

**Old Business**

**Amendments**

**AF18-0013                      Schlabach, Nathan**

Ms. Forte presented a memorandum (*on file*) regarding the above referenced loan. The loan officer has requested a disbursement exception for this loan. The Citizens Union Bank has modified their loan amounts based on updated estimates and a revised cash flow.

Staff recommends approving this request.

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

VOTE: Motion Passed; Unanimous.

**Extension Requests**

**AF16-0094                      Anderson, Robert**

Ms. Forte presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested a second extension. This request is for a 3-month extension to allow time for construction to be completed and permanent financing in place. The new expiration date would be July 7, 2018.

Staff recommends approving this request.

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

VOTE: Motion Passed; Unanimous.

**AF16-0026 Eadens, Brandon**

Ms. Forte presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested a 6-month extension, to allow time for construction to be completed and permanent financing in place. The new expiration date would be October 7, 2018.

Approved by the operations committee on March 8, 2018.

No Action Necessary.

**AF16-0027 Mullins, John**

Ms. Forte presented a memorandum (*on file*) regarding the above referenced loan. To allow time for the applicants 2017 tax returns to be submitted, the loan officer requested a 1-month extension. The new expiration date would be May 7, 2018.

Approved by the operations committee on March 8, 2018.

No Action Necessary.

**AF17-0089 Stoltzfus, Levi F.**

Ms. Forte presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested a six (6)-month extension to allow time for closing to take place and KAFC funds disbursed. The new expiration date would be October 6, 2018.

Staff recommends approving this request.

Mr. Lawson moved to approve staff recommendation, as presented; Mr. Brady seconded the motion.

VOTE: Motion Passed; Unanimous.

**AF17-0091 Yoder, Samuel**

Ms. Forte presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested a 6-month extension to allow time for closing to take place and KAFC funds disbursed. The new expiration date would be October 6, 2018

Approved by the operations committee on March 8, 2018.

No Action Necessary.

**AF17-0093 Stoltzfus, Levi M.**

Ms. Forte presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested a 6-month extension to allow time for closing to take place and KAFC funds disbursed. The new expiration date would be October 6, 2018.

Staff recommends approving this request.

Mr. Lawson moved to approve staff recommendation, as presented; Mr. Brady seconded the motion.

VOTE: Motion Passed; Unanimous.

**Closing Remarks**

Commissioner Quarles stated the next KAFC Board meeting would be on April 13, 2018 beginning at 10:00 a.m. at the Franklin County Extension Office, Frankfort, KY.

**Adjournment**

Commissioner Quarles entertained a motion to adjourn.

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

VOTE: Motion Passed; Unanimous.

The KAFC board meeting adjourned at 9:40 a.m. (CDT).

APPROVED DATE: \_\_\_\_\_

PRESIDING OFFICER: \_\_\_\_\_

BOARDS COORDINATOR: \_\_\_\_\_

*5-24-18*  
*Bon Quarles* *5-24-18*  
*Shay Park*