

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the May 10, 2019 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 Business Meeting
4800 New Hartford Road
Owensboro, KY 42303**

Call to Order

Commissioner Ryan Quarles, presiding, called the Kentucky Agricultural Finance Corporation Board (KAFC) regular business meeting to order at 10:02 a.m. (CDT).

Roll Call

The following members were present: Commissioner Quarles, presiding, Donna Amburgey, John Brady, (designee for Secretary William M. Landrum III), Dr. Kenny Burdine, Wayne Hunt, Larry Jagers, Doug Lawson, Frank Penn and Jonathan Noe.

Members absent: Frank McAninch, Westy Adams and Linda Rumpke.

Notification of Media

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

Welcome

Commissioner Quarles welcomed everyone to the meeting.

Commissioner Quarles thanked the Daviess County Extension Office for hosting the board meeting.

Commissioner Quarles yielded the floor to Frank Penn to discuss the recent event at the Kentucky Derby.

Commissioner yielded the floor to Tim Hughes, Senior Trade Advisor for the Kentucky Department of Agriculture, to give an update.

Commissioner Quarles recognized Representative Brandon Reed.

Commissioner Quarles gave an update on things that are going on at KDA.

Approval of Minutes

Commissioner Quarles entertained a motion to approve the minutes of the April 12, 2019 KAFC board meeting.

Mr. Hunt moved to approve the minutes; Mr. Noe 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 welcomed everyone to the meeting.

Mr. Beeler introduced Representative Brandon Reed and Representative Suzanne Miles in attendance of the meeting.

Mr. Beeler recognized Kellie Padgett from the Kentucky Center for Agriculture and Rural Development.

Mr. Beeler recognized Wayne Mattingly, former Kentucky Agricultural Development Board member.

Mr. Beeler yielded the floor to Will Snell, Co-Director of the Kentucky Agricultural Leadership Program to discuss the impact trade issues are having on agriculture.

Mr. Beeler reviewed his schedule since the last meeting.

Deputy Executive Director's Report

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

Mr. McCloskey addressed the update packet.

Mr. McCloskey reviewed the K AFC Statement of Financial Position (*on file*) as of April 30, 2019.

Mr. McCloskey reviewed the Kentucky Agricultural Development Fund Cash Flow (*on file*) as of May 3, 2019.

Mr. McCloskey referenced the Kentucky Agricultural Development Fund State Pool Tobacco Funds (*on file*) as of May 3, 2019.

Mr. McCloskey reviewed Kentucky Agricultural Development Fund County Balances (*on file*) as of April 30, 2019.

Mr. McCloskey reviewed the Category B loans as of March 31, 2019.

K AFC Statement of Financial Position	
As of April 30, 2019	
Assets	
Cash K AFC Accounts	\$ 15,426,024
Loan Payments Due K AFC	
Category A	\$ 66,343,352
Category B	\$ 566,786 (Foothills, Monroe, Palmer, Weekly Juicery, Ellis)
Category C	\$ 250,000 (Bevins)
	\$ 67,180,138
Total Assets	\$ 82,606,162
Liabilities	
K AFC loans approved not closed	\$ 13,302,029
Principal Outstanding	\$ 67,180,138
Total Liabilities	\$ 80,482,167
Unobligated Assets	\$ 2,123,995
Total Liabilities & Unobligated Assets	\$ 82,606,162

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

VOTE: Motion Passed; Unanimous.

Loan Review Committee Report

Commissioner Quarles yielded the floor to Doug Lawson to report to the board.

Mr. Lawson requested that the reviewed loans be presented in the order of the agenda (*on file*).

New Business

Agricultural Infrastructure Loan Program (AILP)

AF19-0056 Lyons, Loretta (Hade's Triple K Dairy)

Applicants requested \$95,000 for the construction of a 108,000-bushel grain bin in Monroe County. Farm Credit Mid-America in Bowling Green, KY is the participating lender.

Staff recommends approval with a C/LV no greater than 75%.

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

VOTE: Motion Passed; Unanimous.

Beginning Farmer Loan Program (BFLP)

AF19-0048 Glenn, Austin

Applicant requested \$250,000 for the purchase of 80 acres in Daviess County. Independence Bank in Owensboro, KY is the participating lender.

Staff recommends approval with a C/LV no greater than 65%.

Ms. Amburgey asked about the absence of a credit score.

Sadie Middleton responded the applicant does not have a credit score.

Mr. Noe moved to approve staff recommendation, as presented, pending availability of funds; Ms. Amburgey seconded the motion.

VOTE: Motion Passed; Unanimous.

AF19-0049 Smith, Christopher

Applicant requested \$150,000 for upgrades to six (6) Tyson broiler barns in Hickman County. Clinton Bank in Clinton, KY is the participating lender.

Staff recommends approval contingent upon the approval and obligation of a 90% FSA guarantee on Clinton Bank and KAFC funds with a C/LV no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

AF19-0050 Minninger, Calvin

Applicant requested \$100,000 for the purchase of 64 acres in Barren County. South Central Bank in Glasgow, KY is the participating lender.

Staff recommends approval contingent upon the approval and obligation of a 90% FSA guarantee on South Central Bank and KAFC funds with a C/LV no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

AF19-0054 Burlew, Ethan

Applicants requested \$160,000 for the purchase of 153 acres in Gallatin County. Farm Credit Mid-America in Lexington, KY is the participating lender.

Staff recommends approval, with a C/LV no greater than 85%.

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

VOTE: Motion Passed; Unanimous.

AF19-0055 Marksbury, Brett

Applicants requested \$250,000 for the purchase of 95 acres in Nelson County. Farm Credit Mid-America in Elizabethtown, KY is the participating lender.

Staff recommends approval with a C/LV no greater than 85%.

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

VOTE: Motion Passed; Unanimous.

AF19-0057 Mattingly, Wm. Cole

Applicant requested \$190,000 for the purchase of 157 acres in Marion County. Central Kentucky AgCredit in Lebanon, KY is the participating lender.

Staff recommends approval with a C/LV no greater than 85%.

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

VOTE: Motion Passed; Mr. Noe abstained.

AF19-0058 Ladd, Chadley and Coleman (2 CL Feeders, LLC)

Applicants requested \$50,000 for the renovation of an existing cattle barn in Hopkins County. Sacramento Deposit Bank in Sacramento, KY is the participating lender.

Staff recommends approval with a C/LV no greater than 85%.

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

VOTE: Motion Passed; Unanimous.

Diversification through Entrepreneurship in Agribusiness (DEAL)

AF19-0051 Lellie, Joshua (Agrigro Farm Center)

Applicants requested \$100,000 for the purchase of 22.5% interest (90 shares) in Agrigro Farm Center, Inc. in Ohio County. Farm Credit Mid-America in Owensboro, KY is the participating lender.

The Loan Review Committee recommends approval, as presented, with an exception to the DEAL program net worth guideline. The Committee recommends the Guidelines Committee convene in June to review the net worth guideline across all programs.

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

VOTE: Motion Passed; Unanimous.

AF19-0052 Milligan, Brianne (Agrigro Farm Center)

Applicants requested \$100,000 for the purchase of 22.5% interest (90 shares) in Agrigro Farm Center, Inc. in Ohio County. Farm Credit Mid-America in Owensboro, KY is the participating lender.

Staff recommends approval with a C/LV no greater than 75%.

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

VOTE: Motion Passed; Unanimous.

Old Business:

Extensions

AF16-0074 Hill, Virginia "Carol"

This request is for a three (3) month extension to allow adequate time for the project to be completed. The new expiration date will be August 12, 2019.

Mr. Lawson recommends approval to extend to November 12, 2019

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

VOTE: Motion Passed; Unanimous.

AF17-0042 Gross, David "Brent"

This request is for a three (3) month extension to ensure adequate time for project to be completed. The new expiration date will be August 25, 2019.

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.

AF17-0051 Pirtle, Dalton

This request is for a three (3) month extension to ensure adequate time for the project to be completed. The new expiration date will be September 9, 2019.

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

VOTE: Motion Passed; Unanimous.

AF19-0022 Rogers, Benjamin

This request is for a thirty (30) day extension to ensure adequate time for the FSA loan to close. The new expiration date will be July 8, 2019.

Approved by the Operations Committee.

No action necessary.

AF19-0023 Drury, Hunter

This request is for a six (6) month extension to ensure adequate time for the FSA loan to close. The new expiration date will be December 8, 2019.

Approved by the Operations Committee.

No action necessary.

Withdrawals

AF19-0011 Byrne, Michael
No Action Needed.

AF18-0075 Decker, Bradley
No Action Needed.

Closing Remarks

Adjournment

Commissioner Quarles entertained a motion to adjourn.

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

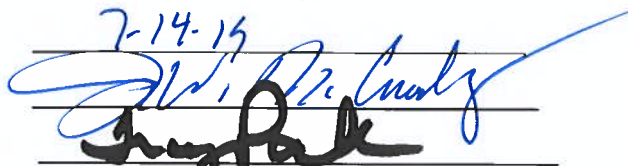
VOTE: Motion Passed; Unanimous.

The KAFC board meeting adjourned at 11:03 a.m. (CDT)

APPROVED DATE:

PRESIDING OFFICER:

BOARDS COORDINATOR:

7-14-19

Tracey Park

APPENDIX A: Guidelines Committee Meeting Minutes



Meeting Date:	April 12, 2019
Meeting Location:	Franklin Co. Extension Office, Room C, Frankfort
Meeting Chair:	Wayne Hunt
Attendees:	Wayne Hunt, Frank Penn, Donna Amburgey, Kenny Burdine, Doug Lawson, Larry Jagers. Staff: Sadie Middleton, Ali Hulett, Grace Ragain, Steve Doan, Bill McCloskey, Warren Beeler.
Minutes Issued By:	Sadie Middleton, Loan Programs Manager
Meeting Call to Order:	9:34 AM
Meeting Adjourned:	9:44 AM

Agenda Items:
<ol style="list-style-type: none">1. Review current net worth guidelines for BFLP, DEAL, and VET programs.2. Discussion of KAFC purpose, and identification of needs, market state, and program history.3. Discussion of defined contribution plans.4. The Committee recommends discounting defined contribution plans from net worth calculations for BFLP, DEAL, and VET loan programs.5. Motion to Adjourn

APPENDIX B: Loan Review Committee Meeting Minutes



Meeting Date:	May 10, 2019
Meeting Location:	Daviess County Extension Office, Owensboro, KY
Meeting Chair:	Doug Lawson
Attendees:	Doug Lawson, Wayne Hunt, Larry Jagers, Jonathan Noe, Kenny Burdine, John Brady Staff: Sadie Middleton, Warren Beeler, Bill McCloskey, Ali Hulett Guest: Josh Renaker
Minutes Issued By:	Sadie Middleton, Loan Programs Manager
Meeting Call to Order:	9:28 AM CDT
Meeting Adjourned:	9:52 AM CDT

Agenda Items:
Applications
1. Review of AF19-0058—Lellie, Joshua and Jonica
a. Loan officer requests an exception to the net worth limits, under the DEAL program.
b. Committee recommends approval, as presented.
c. Committee recommends the Guidelines Committee meet in June to review net worth guidelines under all programs.