

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the August 9, 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  
101 Lakeview Court  
Frankfort, KY 40601**

**Call to Order**

Keith Rogers (designee for Commissioner Quarles) presiding, called the Kentucky Agricultural Finance Corporation Board (KAFC) regular business meeting to order at 10:20 a.m. (EDT).

**Roll Call**

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

Members absent: Westy Adams, Donald Mitchell, and Frank Penn.

**Notification of Media**

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

**Welcome**

Mr. Rogers welcomed everyone to the meeting.

Mr. Rogers mentioned the Kentucky State Fair begins next week and AgLand will have some changes from last year.

Mr. Rogers invited board members to the Commodity Breakfast on opening day of the fair on Thursday, August 15.

Mr. Rogers stated the Kentucky Ag Council meeting is on Thursday, August 15 at 11:30 a.m. at the fair.

Mr. Rogers updated the board on recent activities of the Kentucky Department of Agriculture (KDA) and the Commissioner.

Mr. Rogers stated the National Association of State Departments of Agriculture (NASDA) congressional tour will attend the Kentucky State Fair on Tuesday, August 20 and Wednesday, August 21, 2019.

Mr. Rogers estimated that roughly 22,000 to 23,000 acres of hemp will be planted in Kentucky this year. There is at least one licensed hemp grower in 102 of the 120 Kentucky counties. The UK Hemp Field Day will be hosted on Wednesday, August 21, 2019 at Spindletop Farm.

**Approval of Minutes**

Mr. Rogers entertained a motion to approve the minutes of the July 12, 2019 KAFC board meeting.

Mr. Hunt moved to approve the minutes; Ms. Amburgey seconded the motion.

VOTE: Motion Passed; Unanimous.

**Executive Director's Report**

Mr. Rogers yielded the floor to Warren Beeler, GOAP Executive Director, to report to the board.

Mr. Beeler welcomed everyone to the meeting.

Mr. Beeler called on Rep. Brandon Reed. Rep. Reed commented on his Farmer Suicide Prevention bill and invited board members to attend the Farmer Suicide Prevention Day at the Capitol on September 18, 2019.

Mr. Beeler stated that Donald Mitchell has been appointed to the KAFRC board, as well as, Doug Lawson and Wayne Hunt were reappointed to the board.

Mr. Beeler reviewed his schedule since the last meeting.

**Deputy Executive Director's Report**

Mr. Rogers called on Bill McCloskey, GOAP Deputy Executive Director, to report to the board.

Mr. McCloskey addressed the update packet.

Mr. McCloskey reviewed the Kentucky Agricultural Development Fund Cash Flow (*on file*) as of July 31, 2019.

Mr. McCloskey referenced the Kentucky Agricultural Development Fund State Pool Tobacco Funds (*on file*) as of July 31, 2019.

Mr. McCloskey reviewed Kentucky Agricultural Development Fund County Balances (*on file*) as of July 26, 2019.

Mr. McCloskey reviewed the KAFRC Statement of Financial Position (*on file*) as of July 31, 2019.

<b>KAFRC Statement of Financial Position</b>	
<b>As of July 31, 2019</b>	
<b>Assets</b>	
Cash KAFRC Accounts	\$ 16,709,707
Loan Payments Due KAFRC	
Category A	\$ 70,376,181
Category B	\$ 821,823 (Foothills, Monroe, Weekly Juicery, Ellis & Bevins)
Category C	\$ 0
	\$ 71,198,003
<b>Total Assets</b>	<b>\$ 87,907,711</b>
<b>Liabilities</b>	
KAFRC loans approved not closed	\$ 12,834,318
Principal Outstanding	\$ 71,198,003
<b>Total Liabilities</b>	<b>\$ 84,032,321</b>
<b>Unobligated Assets</b>	<b>\$ 3,875,389</b>
<b>Total Liabilities &amp; Unobligated Assets</b>	<b>\$ 87,907,711</b>

Ms. Rumpke moved to approve the KAFC Statement of Financial Position; Mr. Noe seconded the motion.

VOTE: Motion Passed; Unanimous.

#### **Loan Review Committee Report**

Mr. Rogers yielded the floor to Linda Rumpke to report to the board.

Ms. Rumpke stated that it would be helpful for KAFC to provide more structure and set minimum expectations specific to approving extensions to the participating lenders.

Ms. Rumpke stated all loans be reviewed in order of the agenda.

#### **Guidelines Committee Report**

Mr. Rogers yielded the floor to Wayne Hunt to report to the board.

Mr. Hunt stated the Guidelines Committee met on June 14, 2019. The committee recommended the following: raising the DEAL net worth limit to \$750,000, excluding define contribution plans; updating "borrower" language to "household or operation"; and refinancing seller-financed transactions only if the deed has not been transferred to the buyer.

Mr. Hunt moved to approve the Guidelines Committee recommendation; Mr. Brady seconded the motion.

VOTE: Motion Passed; Unanimous.

#### **New Business**

##### **Agricultural Infrastructure Loan Program (AILP)**

**AF19-0082 Shocklee, Roger**

Applicant requested \$75,000 for the purchase and installation of solar panels in McLean County. Independence Bank in Livermore, 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.

##### **AF19-0083 Puckett, Logan "Kyle"**

Applicants requested \$100,000 for the construction of two (2) Tyson pullet houses in McLean County. Farm Credit Mid-America in Owensboro, KY is the participating lender.

Staff recommends approval contingent upon the approval of a 90% FSA guarantee on FCMA and KAFC funds and upon AF13-0073 being paid in full with a C/LV no greater than 80%.

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

VOTE: Motion Passed; Unanimous.

##### **Beginning Farmer Loan Program (BFLP)**

**AF19-0085 Judd, Clinton**

Applicants requested \$148,750 for the purchase of 94 acres in Grayson County. Citizens Bank in Hartford, KY is the participating lender.

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

In response to a question from Ms. Rumpke, staff verified that the applicant is paying on his commercial debt.

In response to a question from Dr. Burdine, staff stated currently neither applicant has off-farm income.

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

VOTE: Motion Passed; Unanimous.

**AF19-0086 Williams, Brandon**

Applicant requested \$142,500 for the purchase of 76 acres in Barren County. Limestone Bank in Glasgow, 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. Noe seconded the motion.

VOTE: Motion Passed; Unanimous.

**AF19-0087 Troyer, Adrian**

Applicants requested \$131,250 for the purchase of four (4) Perdue broiler houses in Christian County. Farm Credit Mid-America in Hopkinsville, KY is the participating lender.

Staff recommends approval, with documentation of Kentucky residence and a C/LV no greater than 65%.

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

VOTE: Motion Passed; Unanimous.

**AF19-0088 Logsdon, Paul "Jake"**

Applicant requested \$117,584 for the purchase of 75 acres in McLean County. Farm Credit Mid-America in Owensboro, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

**AF19-0090 Parker, Sydney**

Applicant requested \$50,000 for the purchase of 25 acres in Laurel County. Central Kentucky ACA in Richmond, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

**Old Business:**

**Extensions**

**AF17-0086           Nightingale, Tyson**

This request is for a 3-month extension to allow time for construction and closing to be completed. The new expiration date will be November 6, 2019.

Staff recommends approval.

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

VOTE: Motion Passed; Unanimous.

**AF17-0103           Bowen, Jason**

This request is for a 3-month extension to allow time for construction to be completed. The new expiration date will be December 8, 2019.

Staff recommends approval.

Dr. Burdine moved to approve a 6-month extension, pending availability of funds; Mr. Noe seconded the motion.

VOTE: Motion Passed; Unanimous.

**AF18-0133           Leonard, Abraham**

This request is for a 3-month extension to allow time for construction and closing to be completed. The new expiration date will be December 14, 2019.

Staff recommends approval.

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

VOTE: Motion Passed; Unanimous.

**AF19-0049           Smith, Christopher**

This request is for a 6-month extension to allow time for upgrades to be completed. The new expiration date will be February 10, 2020.

Approved by Operations Committee.

**AF19-0062           Sheffield, Matthew**

This request is for a 30-day extension to allow time the title and appraisal to be completed. The new expiration date will be October 14, 2019.

Approved by Operations Committee.

**AF19-0064           Hearld, Shane**

This request is for a 3-month extension to allow time for the purchase to be made. The new expiration date will be December 14, 2019.

Approved by Operations Committee.

**AF19-0065           Snider, Jason**

This request is for a 3-month extension to allow time for closing to be completed. The new expiration date will be December 14, 2019.

Approved by Operations Committee.

**AF19-0067 S&S Poultry (Shemwell)**

This request is for a 3-month extension to allow time for closing to be completed. The new expiration date will be December 14, 2019.

Approved by Operations Committee.

**Modifications**

**AF18-0017 McClain, Dustin**

This request is to remove the requirement for a title opinion and add the requirement for a UCC/fixture filing.

Staff recommends approval.

Mr. Lawson stated that the Guidelines Committee should meet to establish protocol for updating requirements for extension requests and construction disbursements.

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

VOTE: Motion Passed; Unanimous.

**AF18-0068 Tri County Milk Products**

This request is to amend the KAFC loan approval from \$150,000 to \$283,500 under the APLP.

Ms. Rumpke stated the Loan Review Committee recommends approval.

Ms. Rumpke moved to approve committee recommendation, as presented, pending availability of funds; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Unanimous.

**AF19-0063 Isaacs, Matthew**

This request is to increase the C/LV from 85% to 90% for disbursement of funds.

Ms. Rumpke stated the Loan Review Committee recommends approval and requested that staff explain the rare exception of the request with the loan officer.

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

VOTE: Motion Passed; Unanimous.

**Closing Remarks**

Mr. Beeler brought to the board's attention the potential for a beef processing plant in Kentucky.

Mr. Rogers stated the next KAFC meeting will be on Friday, September 20, 2019 at the UK Grain and Forage Center of Excellence in Princeton, KY.

**Adjournment**

Mr. Rogers entertained a motion to adjourn.

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


VOTE: Motion Passed; Unanimous.

The KAFC board meeting adjourned at 11:22 a.m. (EDT)

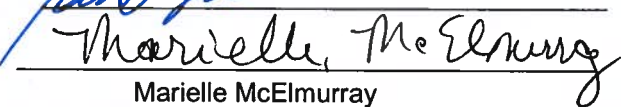
APPROVED DATE:

 9-20-19

PRESIDING OFFICER:



BOARDS COORDINATOR:

  
Marielle McElmurray