

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the April 10, 2020 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 (GOAP), 404 Ann Street, Frankfort, Kentucky 40601.



**Kentucky Agricultural Finance Corporation Board
Summary Minutes of the Business Meeting
404 Ann Street
Frankfort, KY 40601**

Call to Order

Commissioner Quarles presiding, called the Kentucky Agricultural Finance Corporation Board (KAFC) regular business meeting to order at 10:04 a.m. (EDT).

Roll Call

The following members were present: Commissioner Quarles, presiding, Donna Amburgey, John Brady (designee for Secretary Holly M. Johnson), Dr. Kenneth Burdine, Wayne Hunt, Larry Jagers, Doug Lawson, Westy Adams, Jonathan Noe, Frank Penn.

Members absent: Linda Rumpke and Donald Mitchell.

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 teleconference meeting. Commissioner Quarles updated the board on activities of the Kentucky Department of Agriculture (KDA) and updates on COVID-19. KDA has a dedicated website now regarding COVID-19.

Approval of Minutes

Commissioner Quarles entertained a motion to approve the minutes of the March 19, 2020 KAFC board meeting.

Mr. Lawson moved to approve the minutes; Mr. Brady 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 teleconference meeting and thanked board members for their cooperation and patience.

Deputy Executive Director's Report

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

Mr. McCloskey reviewed the Kentucky Agricultural Development State Pool Status (*on file*) as of March 31, 2020.

Mr. McCloskey reviewed the K AFC Statement of Financial Position (*on file*) as of March 31, 2020.

K AFC Statement of Financial Position	
As of March 31, 2020	
Assets	
Cash K AFC Accounts	\$ 15,108,067
Loan Payments Due K AFC	
Category A	\$ 73,075,397
Category B	\$ 662,977 (Foothills, Weekly Juicery, Bevins, Sunstrand & Miracle)
Category C	\$ 301,500
	\$ 74,039,874
Total Assets	\$ 89,147,941
Liabilities	
K AFC loans approved not closed	\$ 11,129,339
Principal Outstanding	\$ 74,039,874
Total Liabilities	\$ 85,169,213
Unobligated Assets	\$ 3,978,728
Total Liabilities & Unobligated Assets	\$ 89,147,941

Mr. Noe moved to accept the K AFC financial report; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Unanimous

Loan Review Committee Report

Commissioner Quarles called on Mr. Noe to give the Loan Review Committee report.

Mr. Noe stated K AFC needs to put in place a policy giving GOAP staff authority to approve loan payment deferrals as requested by lenders to expedite such loans to have an extension up to six (6) months as a result of a pandemic.

Mr. Noe reported the Committee would address each loan in order of the K AFC agenda.

New Business

Agricultural Infrastructure Loan Program (AILP)

AF20-0029 On Tapp Dairy, LLC

Applicants requested \$65,000 for the construction of a milk processing plant in Washington County. Citizens Union Bank in Shelbyville, KY is the participating lender.

The Loan Review Committee recommends approving up to \$65,000, not to exceed 50% of the project cost in KADF and K AFC funds with C/LV no greater than 75%.

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

VOTE: Motion Passed; Unanimous.

Beginning Farmer Loan Program (BFLP)

AF20-0022 Nolt, Dennis

Applicant requested \$200,000 for the purchase of 98 acres in Todd County. Farm Credit Mid-America in Hopkinsville, KY is the participating lender.

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

Mr. Adams made a motion to approve the staff recommendation, as presented, pending availability of funds; Mr. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous.

AF20-0023 Brewick, Erik

Applicant requested \$250,000 for the purchase of 10 acres with four (4) Perdue broiler barns and upgrades in Daviess County. Independence Bank in Owensboro, KY is the participating lender.

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

Mr. Noe made a motion to approve the staff recommendation, as presented, pending availability of funds; Mr. Adams seconded the motion.

VOTE: Motion Passed; Unanimous.

AF20-0024 Miller, Andrew

Applicants requested \$250,000 for the construction of two (2) Tyson mega-broiler barns in Breckinridge County. Farm Credit Mid-America in Hardinsburg, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF20-0025 Bickett, John

Applicants requested \$250,000 for the purchase of 234 acres in Muhlenberg County. Farm Credit Mid-America in Owensboro, KY is the participating lender.

Staff recommended approval, with C/LV no greater than 65%.

Mr. Penn made a motion to approve the staff recommendation, as presented, pending availability of funds; Mr. Adams seconded the motion.

VOTE: Motion Passed; Unanimous.

AF20-0026 Crume, Charles

Applicant requested \$81,419 for the purchase of 36 acres in Mercer County. Central Kentucky Ag Credit Agency in Lexington, KY is the participating lender.

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

Mr. Adams made a motion to approve the staff recommendation, as presented, pending availability of funds; Mr. Lawson seconded the motion.

VOTE: Motion Passed; Mr. Noe abstained.

AF20-0027 Logsdon, Thomas

Applicant requested \$250,000 for the construction of two (2) Perdue breeder barns in Edmonson County. Farm Credit Mid-America in Glasgow, KY is the participating lender.

The Loan Review Committee recommended approval with a C/LV no greater than 85%.

Mr. Penn made a motion to approve the committee recommendation, as presented, pending availability of funds; Mr. Adams seconded the motion.

VOTE: Motion Passed; Unanimous.

AF20-0028 Meador, Trace

Applicants requested \$250,000 for the purchase of 223 acres in Hart County. South Central Bank in Glasgow, Kentucky is the participating lender.

Staff recommends approval, contingent upon the approval and obligation of a 90% FSA guarantee on South Central Bank and KAFRC funds, with a C/LV no greater than 100%. Staff also recommends the applicants have the parents co-sign.

Ms. Amburgey made a motion to approve the staff recommendation, as presented, pending availability of funds; Mr. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous.

Mr. Noe noted the cash flow issues facing many farmers and processors due to the COVID-19 pandemic.

Mr. Noe made a motion to grant staff authority to approve loan deferrals and modifications to postpone payments of principal and interest for up to (6) six months; Mr. Jagers seconded the motion.

VOTE: Motion Passed, Unanimous.

Old Business:

Extensions/Modifications

AF16-0001 Chaney, Carl

Applicant requested a six (6) month loan payment deferral until October 1, 2020.

The Loan Review Committee recommended approval.

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

VOTE: Motion Passed; Unanimous.

AF13-0046 Igleheart, Christopher

This request is for a sixty (60) day extension to allow time for documents to be finalized. The new expiration date would be May 8, 2020.

Staff recommends approval.

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

VOTE: Motion Passed; Unanimous.

AF19-0135 Yoder, Nathan

This request is for a sixty (60) day extension to allow time for documents to be finalized. The new expiration date would be June 10, 2020.

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

VOTE: Motion Passed; Unanimous.

Closing Remarks

Commissioner Quarles mentioned that Kentucky Proud lamb was now for sale in Kentucky area Kroger stores.

Commissioner Quarles informed the board the next meeting will be Friday, May 8 at a location to be determined.

Adjournment

Commissioner Quarles entertained a motion to adjourn.

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

VOTE: Motion Passed; Unanimous.

The KAFC board meeting adjourned at 10:48 a.m. (EDT)

APPROVED DATE: 5/8/20

PRESIDING OFFICER: *Don Zank*

BOARDS COORDINATOR: *Maricelli McCluney*
Tracey Park

Loan Review Committee

Meeting Minutes



Meeting Date:	March 19, 2020
Meeting Location:	Franklin County Extension Office, Frankfort, KY
Meeting Chair:	Linda Rumpke
Attendees:	Jonathan Noe, John Brady, Larry Jagers, Linda Rumpke, Kenny Burdine, Wayne Hunt, Keith Rogers Staff: Shelby Wade, Ali Hulett, Bill McCloskey, Warren Beeler, Rob Goff, Sandy Gardner, Bill Hearn, Stefanie Osterman, Lindsay Bates, Marielle McElmurray, Danielle Milbern, Renee Carrico Guests: Debra Riggs
Minutes Issued By:	Ali Hulett, Loan Programs Manager
Meeting Call to Order:	2:02 PM
Meeting Adjourned:	2:54 PM

Agenda Items:	
Old Business	
1.	Review of AF14-0039—Conrad, Trent <ul style="list-style-type: none"> a. On behalf of Mr. Conrad, the loan officer requested the loan be re-amortized, reset existing debt back to \$250,000, and transferred to First United Bank and Trust in Madisonville for loan servicing. b. Recommend approval.
2.	Review of AF14-0049—Spurrier, Wesley <ul style="list-style-type: none"> a. On behalf of Mr. Spurrier, the loan officer requested the loan be converted to an interest only obligation for three months. b. Recommend approval of a six (6) month interest only obligation. c. Recommend moving loan to Category B. Six (6) months of principal and interest payments must be made before being removed from Category B.
New Business	
3.	Review of AF20-0010—Wray, James <ul style="list-style-type: none"> a. On behalf of Mr. Wray, the loan officer requested the loan be considered for approval with purchase price as the collateral value. b. Recommend approval, with a C/LV on equipment no greater than 75% and total C/LV not to exceed 85%.
4.	Review of AF20-0015—Miller, James <ul style="list-style-type: none"> a. On behalf of Mr. Miller, the loan officer requested the loan be considered for approval with purchase price as the collateral value. b. Recommend approval, contingent on the borrowers obtaining no less than 75% guarantee by SBA or FSA. Prior to closing, greater specificity on the markets they plan to use and sell to and contracts.
5.	Review of AF20-0020—Ramsey, Adam <ul style="list-style-type: none"> a. On behalf of Mr. Ramsey, the loan officer requested the loan be considered for restructure and remove the FSA guarantee in place. b. Recommend approval, contingent upon home property be deeded off separately and C/LV no greater than 85%.