

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the April 4, 2014 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
Paul Sawyer Public Library
Frankfort, Kentucky
April 4, 2014**

Call to Order

James R. Comer, presiding, called the Kentucky Agricultural Finance Corporation Board regular business meeting to order at 10:18 a.m. (EDT).

Notification of Media

Commissioner Comer received verification from Sandy Gardner, Director of Communications, that the media has been notified of the KAFC board meeting.

Roll Call

The following members were present: George Begley; Kenny Burdine; Larry Jagers; Frank McAninch; Linda Rumpke; Tom Midkiff (designee for Secretary Lori Flanery); and Commissioner James R. Comer.

Members absent: Westy Adams; Wayne Hunt; Doug Lawson; Joel Oney; and Frank Penn

Welcome

Commissioner Comer welcomed everyone to the meeting.

Commissioner Comer informed the board that the Lexington Legends signed a contract with the Chop Shop, a KADF supported project. The contract calls for all hamburgers sold at the Lexington Legends ballpark to come from the Chop Shop meat processing plant in Lee City, Kentucky. Another KADF project, The Weekly Juicery, has signed contracts with Kentucky growers to supply produce to new stores in Cincinnati and Louisville.

Approval of Minutes

Commissioner Comer entertained a motion to approve the minutes of the March 7, 2014 KAFC board meeting.

Linda Rumpke moved to approve the minutes, as presented; Frank McAninch seconded the motion.

VOTE: Motion Passed; Unanimous

Executive Director's Report

Commissioner Comer yielded the floor to Roger Thomas, Executive Director, Governor's Office of Agricultural Policy (GOAP) to give his report to the board.

Mr. Thomas welcomed new board member, Linda Rumpke, to the KAFC Board.

Mr. Thomas updated the board on the 2014-2016 Budget.

Director of Financial Services Report

Mr. Thomas called on Bill McCloskey, Director of Financial Services, to give his report to the board.

Mr. McCloskey reviewed the KAFC Statement of Financial Position (on file with the Board Secretary) as of March 31, 2014.

KAFC Statement of Financial Position	
As of March 31, 2014	
Assets	
Cash KAFC Accounts	\$ 10,686,847
Loan Payments Due KAFC	
Category A	\$30,113,573
Category B	\$ 187,500
Category C	-
	\$ 30,301,073
Total Assets	\$ 40,987,920
Liabilities	
FC loans approved not closed	\$ 8,597,403
ans Outstanding	\$ 30,301,073
Total Liabilities	\$ 38,898,476
Unobligated Assets	\$ 2,089,444
Total Liabilities & Unobligated Assets	\$ 40,987,920

Dr. Kenneth Burdine moved to approve the KAFC Statement of Financial Position; Larry Jagers seconded the motion.

VOTE: Motion Passed; Unanimous

Loan Review Committee Report

Commissioner Comer yielded the floor to Dr. Burdine to give the Loan Committee Report.

Dr. Burdine stated the Loan Review Committee met at 9:00 a.m. to review the following three loans and reported the committee's recommendations.

AF14-0015 Williams, Michael "Jason" and Michael L. / JW Livestock LLC

The committee recommended pending this application.

AF14-0019 Grant, Devon “Matthew” and Jessica

The applicants requested to lower the loan amount from \$140,000 to \$119,000. The Committee recommended approval contingent on FSA guarantee approved and obligated or no higher than 80% loan to appraised value.

AF14-0028 Gelato Gilberto LLC

The committee approved a \$32,500 loan for Gelato Gilberto LLC from the Louisville Agribusiness Loan Program via Louisville METCO.

New Business

Agricultural Infrastructure Loan Program

AF14-0013 Dunn, Warren and Diana

Applicants requested \$100,000 for the construction of a farm shop in Carlisle County. First Community Bank of Western Kentucky in LaCenter, Kentucky is the participating lender.

Staff recommends approval of this loan contingent upon FSA guarantee approved and obligated.

Mr. McAninch moved to approve the staff recommendation, as presented, pending fund availability; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Unanimous

Mr. McAninch stated that he opposes loans for tobacco barn projects. Mr. McCloskey stated that this topic can be discussed at the joint KADB/KAFC planning meeting in October.

AF14-0014 Falwell, Andrew; Pittman, Danny; and Falwell, Jacob / FPS Farms

Applicants requested \$25,900 for the construction of a tobacco barn in Calloway County. The Murray Bank in Murray, Kentucky is the participating lender.

This loan was approved by staff on March 25, 2014 based upon loan size and credit score per Agricultural Infrastructure Loan Program policy adopted June 24, 2005.

No action necessary.

AF14-0018 Ward, James “Eddie” and Jana

Applicants requested \$41,750 for the construction of two tobacco barns in Calloway County. The Murray Bank in Murray, Kentucky is the participating lender.

This loan was approved by staff on March 25, 2014 based upon loan size and credit score per Agricultural Infrastructure Loan Program policy adopted June 24, 2005.

No action necessary.

AF14-0020 Rodgers, James and Amber

Applicants requested \$18,375 for the construction of a tobacco barn in Graves County. FNB Bank, Inc. in Mayfield, Kentucky is the participating lender.

This loan was approved by staff on March 25, 2014 based upon loan size and credit score per Agricultural Infrastructure Loan Program policy adopted June 24, 2005.

No action necessary.

Beginning Farmer Loan Program

AF14-0012 Wilson, Nathan L.

Applicant requested \$53,000 for the purchase of manure application equipment in Fulton County. First Community Bank of Western Kentucky in Clinton, Kentucky is the participating lender.

Staff recommends approval of this loan.

Mr. McAninch moved to approve the staff recommendation, as presented, pending fund availability; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Unanimous

AF14-0015 Williams, Michael "Jason" and Michael L. / JW Livestock LLC

Pending. No action necessary.

AF14-0016 Woods, Jesse "Clint" and Alica

Applicants requested \$175,000 for the purchase of 96.22 acres in Henry County. Farm Credit Mid-America in Shelbyville, Kentucky is the participating lender.

Staff recommends approval of this loan.

Ms. Rumpke moved to approve the staff recommendation, as presented; pending fund availability; Mr. Jagers seconded the motion.

VOTE: Motion Passed, Unanimous

AF14-0017 Tyler, Brian "Matthew" and Kelly

Applicants requested \$130,000 for the purchase of 100 acres in Mercer County. Farm Credit Mid-America in Danville, Kentucky is the participating lender.

The Loan Review Committee recommended approval of this loan contingent FSA guarantee approved and obligated.

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

VOTE: Motion Passed; Unanimous

AF14-0019 Grant, Devon “Matthew” and Jessica

Applicants requested \$140,000 for the purchase of 64.5 acres at auction in Madison County. Since submitting this application, the applicants requested to lower the loan amount to \$119,000. Central Kentucky ACA in Richmond, Kentucky is the participating lender.

Staff recommends approval of this loan contingent on FSA guarantee approved and obligated or no higher than 80% loan to appraised value.

Ms. Rumpke moved to approve the staff recommendation, as presented; pending fund availability; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Unanimous

Old Business

Agricultural Infrastructure Loan Program

AF13-0077 Dame, Charles “Kevin” and Jo Ann

Applicants requested \$150,000 for the construction of a grain bin with leg in McLean County. Sacramento Deposit Bank in Sacramento, Kentucky is the participating lender.

Staff recommends approval of this loan.

Mr. McAninch moved to approve the staff recommendation, as presented; pending fund availability; Ms. Rumpke seconded the motion.

VOTE: Motion Passed; Unanimous

Memo Action Item

AF13-0010 Smotherman, Richard and Sharlisa

Mr. McCloskey presented a memorandum (on file with the Board Secretary) stating that Lori Noel, Loan Officer, FNB Bank, requested an extension on the expiration date of this loan on behalf of Richard and Sharlisa Smotherman.

The Applicants were approved for \$125,000 for the installation of a center pivot irrigation system at the April 5, 2013 KAFC Board meeting. The extension will allow the applicant time to complete the project. This request is for a four (4) month extension making the date the application will expire, August 5, 2014.

Staff recommends approval of this request.

Tom Midkiff moved to approve the staff recommendation, as presented; Mr. Begley seconded the motion.

VOTE: Motion Passed; Unanimous

Paid in Full

AF08-0104 James Martin
AF10-0039 Jason Elliott

No action necessary.

Withdrawn

AF13-0042 Gary Rock

No action necessary.

Closing Remarks

Mr. McCloskey stated that the next KAFC Board meeting will be Friday, May 9, 2014 at the Transportation Cabinet Office Building, 200 Mero Street, Room C-107 in Frankfort. The meeting will convene at 10:00 a.m. EDT.

Adjournment

Commissioner Comer entertained a motion to adjourn.

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

VOTE: Motion Passed; Unanimous

The KAFC board meeting adjourned at 11:34 a.m. (EDT).

APPROVED DATE:

5-9-14

PRESIDING OFFICER:

James R. Comer
James R. Comer

BOARD SECRETARY:

Teresa Spreitzer
Teresa Spreitzer