

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the July 17, 2015 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
Lake Barkley State Resort Park Conference Center
Cadiz, Kentucky
July 17, 2015**

Call to Order

Commissioner James Comer, presiding, called the Kentucky Agricultural Finance Corporation Board (KAFRC) regular business meeting to order at 9:10 a.m. (CDT).

Roll Call

The following members were present: Commissioner James R. Comer, Dr. Kenneth Burdine, Aaron Miller, Doug Lawson, Larry Jagers, Frank Penn, and John Brady (designee for Secretary Lori Flanery.)

Members absent: Frank McAninch, Linda Rumpke, Wayne Hunt, George Begley, and Westy Adams.

Notification of Media

Commissioner Comer received verification from Angela Blank, Director of Public Affairs/Public Relations, that the media has been notified of the KAFRC board meeting.

Welcome

Commissioner Comer welcomed everyone to the meeting.

Approval of Minutes

Commissioner Comer entertained a motion to approve the minutes of the June 5, 2015 KAFRC board meeting.

Mr. Jagers moved to approve the minutes, as presented; Dr. Burdine 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 report to the board.

Mr. Thomas reported on the activity of GOAP staff since the June KAFRC meeting.

Mr. Thomas asked Dean Cox to comment on the Interim Legislative Agriculture Committee meeting held on July 8, 2015 at the University of Kentucky Research and Education Center in Princeton, Kentucky.

Mr. Thomas called on John McCauley, USDA Farm Service Agency (FSA) State Executive Director to update the board regarding the activity of his organization since the last board meeting.

Mr. McCauley introduced Val Dolcini, FSA Administrator, to speak before the board.

Mr. Dolcini spoke about his visit to Kentucky, farm bill implementation, and the impact of the work done by FSA.

Mr. Thomas thanked Mr. Dolcini for the work done by FSA to help Kentucky farmers.

Director of Financial Services Report

Commissioner Comer 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 Boards Coordinator*) as of June 30, 2015.

KAFC Statement of Financial Position	
As of June 30, 2015	
Assets	
Cash KAFC Accounts	\$ 12,453,555
Loan Payments Due KAFC	
Category A	\$ 36,588,832
Category B	\$ 699,158
Category C	\$
	\$ 37,287,990
Total Assets	\$ 49,741,545
Liabilities	
KAFC loans approved not closed	\$ 7,686,176
Loans Outstanding	\$ 37,287,990
Total Liabilities	\$ 44,974,166
Unobligated Assets	\$ 4,767,379
Total Liabilities & Unobligated Assets	\$ 49,741,545

Commissioner Comer entertained a motion to approve the KAFC Statement of Financial Position.

Dr. Burdine moved to approve the KAFC Statement of Financial Position; Mr. Lawson seconded the motion.

VOTE: Motion Passed; Unanimous.

Loan Review Committee Report

Commissioner Comer yielded the floor to Mr. McCloskey to give the Loan Review Committee Report.

Mr. McCloskey stated the Loan Review Committee met at 8:00 a.m. (CDT) on July 17, 2015 to discuss the following loan:

AF15-0036 Werre, Daniel and Schenk, Charlena

Applicant requested \$150,755 for the purchase of 31.15 acres in Woodford County. Central Kentucky ACA in Lexington, Kentucky, is the participating lender.

The Loan Review Committee recommended loan approval.

Mr. Penn moved to approve the committee recommendation; Mr. Miller seconded the motion.

VOTE: Motion Passed; Unanimous.

New Business

Agricultural Infrastructure Loan Program (AILP)

AF15-0042 Futrell, Chase and Chelsea

Applicants requested \$34,600 for the construction of a tobacco barn in Calloway County. The Murray Bank in Murray, Kentucky, is the participating lender.

Staff recommended loan approval, contingent on C/LV being no worse than 85%.

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

VOTE: Motion Passed; Unanimous.

AF15-0043 Atherton, Phillip and Debra

Applicants requested \$150,000 for the construction of four (4) Tyson pullet houses in Ohio County. Farm Credit Mid-America in Owensboro, Kentucky, is the participating lender.

Staff recommended loan approval, contingent on maximum aggregate balance not to exceed \$150,000.

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

VOTE: Motion Passed; Unanimous.

AF15-0044 Norsworthy, Christopher

Applicant requested \$19,000 for the construction of a 35' x 95' greenhouse and 30' x 32' farm shop in Calloway County. First Community Bank of Western Kentucky in Fancy Farm, Kentucky, is the participating lender.

The loan was approved by staff on 7/7/2015 based upon the loan size and credit score per Agricultural Infrastructure Loan Program policy adopted June 24, 2005. Loan is contingent on C/LV being no worse than 85% or Lender obtaining approval and obligation of a 90% FSA guarantee.

AF15-0047 Vincent, Huey and Amanda

Applicants requested \$150,000 for the construction of two (2) Perdue breeder houses in Edmonson County. Farm Credit Mid-America in Bowling Green, Kentucky, is the participating lender.

Staff recommended loan approval, contingent on the approval and obligation of a 90% FSA guarantee on FCMA and KAFC funds.

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

VOTE: Motion Passed; Unanimous.

AF15-0048 Skaggs, Tony and Stacy

Applicants requested \$150,000 for the construction of two (2) Equity mega houses in Green County. PBI Bank & Trust Company in Greensburg, Kentucky, is the participating lender.

Staff recommended loan approval.

Mr. Miller moved to approve the staff recommendation, as presented, pending fund availability; Mr. Penn seconded the motion.

VOTE: Motion Passed; Unanimous.

AF15-0051 Murphy, John and Marilouise

Applicants requested \$150,000 for the construction of a deep bedded hoop barn in Daviess County. Independence Bank in Livermore, Kentucky, is the participating lender.

Staff recommended loan approval, contingent on C/LV being no worse than 85%.

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

VOTE: Motion Passed; Unanimous.

Beginning Farmer Loan Program (BFLP)

AF15-0045 Anderson, Jesse

Applicant requested \$250,000 for the construction of two (2) Pilgrim Pride breeder barns in Carlisle County. FNB Bank, Inc. in Mayfield, Kentucky, is the participating lender.

Staff recommended loan approval, contingent on C/LV being no worse than 100% and the approval and obligation of a 90% FSA guarantee on both FNB and KAFC funds.

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

VOTE: Motion Passed; Unanimous.

AF15-0046 Rutherford, Blake and Ty

Applicants requested \$250,000 for the construction of two (2) Pilgrim Pride breeder barns in Graves County. FNB Bank, Inc. in Mayfield, Kentucky, is the participating lender.

Staff recommended loan approval, contingent on C/LV being no worse than 100% and the approval and obligation of a 90% FSA guarantee on both FNB and KAFC funds.

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

VOTE: Motion Passed; Unanimous.

AF15-0049 Glenn, Matthew and Brandon

Applicants requested \$250,000 for the construction of six (6) broiler houses in McLean County. Independence Bank in Owensboro, Kentucky, is the participating lender.

Staff recommended loan approval, contingent on the approval and obligation of a 90% FSA guarantee on IB and KAFC funds.

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

VOTE: Motion Passed; Unanimous.

AF15-0053 Downey, Brett and Loudon, Ashley

Applicants requested \$25,000 for the purchase of 19 acres in Henry County. PBI Bank in Eminence, Kentucky, is the participating lender.

Staff recommended loan approval.

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

VOTE: Motion Passed; Unanimous.

Pending Applications

AF15-0050 Hansford, John
AF15-0052 Millan, Javier
AF14-0054 Wheeldon, Martin

No action necessary.

Paid in Full

AF13-0026 Kauffman, Kore
AF08-0103 Martin, Chet

No action necessary.

Withdrawn Applications

AF14-0056 Coleman, Mark
AF15-0038 Attebury, Jason

No action necessary.

Closing Remarks

Commissioner Comer stated that the next KAFC Board meeting will be Friday, August 7, 2015, at 10:00 a.m. (EDT) at the Transportation Cabinet Office Building, 200 Mero Street, in room C-107.

Adjournment

Commissioner Comer entertained a motion to adjourn.

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

VOTE: Motion Passed; Unanimous.

The KAFC board meeting adjourned at 10:02 a.m. (CDT.)

APPROVED DATE:

8/7/15

PRESIDING OFFICER:

John Kelly

BOARD SECRETARY:

[Signature]

Ray Arnold