

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the January 8, 2016 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  
Transportation Cabinet Office Building  
Frankfort, Kentucky  
January 8, 2016**

**Call to Order**

Commissioner Ryan Quarles, presiding, called the Kentucky Agricultural Finance Corporation Board (KAFC) regular business meeting to order at 10:06 a.m. (EST)

**Roll Call**

The following members were present: Westy Adams, Wayne Hunt, George Begley, Doug Lawson, Frank McAninch, Linda Rumpke, Dr. Kenneth Burdine, Larry Jagers, John Brady (designee for Secretary William M. Landrum III,) and Commissioner Ryan Quarles.

Members absent: Frank Penn, Aaron Miller.

**Notification of Media**

Commissioner Quarles received verification from Ray Arnold, GOAP Boards Coordinator, that the media had been notified of the KAFC board meeting.

**Welcome**

Commissioner Quarles welcomed everyone to the meeting.

Commissioner Quarles introduced new members of the Kentucky Department of Agriculture Staff; Keith Rogers, Chief of Staff and Angela Blank, Director of Public Relations.

Commissioner Quarles outlined his agricultural background and stated that he looked forward to working with the board to benefit Kentucky agriculture.

**Approval of Minutes**

Commissioner Quarles entertained a motion to approve the minutes of the December 4, 2015 KAFC board meeting.

Mr. Jagers moved to approve the minutes, as presented; Mr. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous.

**Governor's Office of Agricultural Policy and Director of Financial Services Reports**

Commissioner Quarles yielded the floor to Bill McCloskey, GOAP Director of Financial Services, to report to the board.

Mr. McCloskey outlined the contents of the board members' update packets (*on file with the Boards Coordinator*). Included were an updated meeting agenda, committee lists, policy proposals from the Guidelines Committee, and articles regarding a project funded by the Kentucky Agricultural

Development Fund, Atalo Holdings, Inc of Winchester, and a recipient of a KAFC loan, Kentucky BioProcessing of Owensboro.

Mr. McCloskey reviewed the KAFC Statement of Financial Position *(on file with the Boards Coordinator)* as of December 31, 2015.

<b>KAFC Statement of Financial Position</b>	
<b>As of December 31, 2015</b>	
<b>Assets</b>	
Cash KAFC Accounts	\$ 15,283,510
Loan Payments Due KAFC	
Category A	\$ 39,396,996
Category B	\$ 650,138
Category C	\$
	\$ 40,047,134
<b>Total Assets</b>	<b>\$ 55,330,644</b>
<b>Liabilities</b>	
KAFC loans approved not closed	\$ 8,816,429
Loans Outstanding	\$ 40,047,134
<b>Total Liabilities</b>	<b>\$ 48,863,563</b>
<b>Unobligated Assets</b>	<b>\$ 6,467,081</b>
<b>Total Liabilities &amp; Unobligated Assets</b>	<b>\$ 55,330,644</b>

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

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

VOTE: Motion Passed; Unanimous.

**Guidelines Committee Report**

Commissioner Quarles called on Wayne Hunt to give the Guidelines Committee report to the board.

Mr. Hunt reported that the Guidelines Committee met earlier in the morning, at 9:00 a.m. in the downstairs conference room of the Governor's Office of Agricultural Policy, to discuss KAFC loan transfer policies and loan performance categorization.

Mr. Hunt presented a policy proposal, *(on file with the Boards Coordinator)* regarding KAFC loan transfers, recommended to the board for adoption by the Guidelines Committee.

Mr. Adams moved to approve the KAFC Transfer Policies, as presented, Mr. McAninch seconded the motion.

VOTE: Motion Passed; Unanimous.

Mr. Hunt presented a policy proposal, *(on file with the Boards Coordinator)* regarding loan performance categorization, recommended to the board for adoption by the Guidelines Committee.

Mr. Lawson moved to approve the KAFC Loan Performance policy, as presented, Ms. Rumpke seconded the motion.

VOTE: Motion Passed; Unanimous.

**New Business**

**Agricultural Infrastructure Loan Program (AILP)**

**AF16-0001 Chaney, Carl and Debra**

Applicants requested \$150,000 for the purchase and installation of a robotic milker and construction of a dairy parlor and free stall barn in Warren County. Farm Credit Mid-America in Bowling Green, Kentucky is the participating lender.

Staff recommended loan approval.

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

VOTE: Motion Passed; Unanimous.

**AF16-0002 Taylor, Christopher "CW" and Michelle**

Applicants requested \$100,000 for the construction of one (1) Perdue mega pullet house in Butler 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 Perdue Guarantee.

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

VOTE: Motion Passed; Unanimous.

**AF16-0003 Jackson, William and Shirley**

Applicants requested \$100,000 for the purchase and installation of solar panels in Warren County. Farm Credit Mid-America in Bowling Green, Kentucky is the participating lender.

Staff recommended loan approval.

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

VOTE: Motion Passed; Unanimous.

**Beginning Farmer Loan Program (BFLP)**

**AF16-0004 Davis, Adrian "Ross" and Carrie**

Applicants requested \$125,875 for the purchase of 85 acres in Lincoln County. Farm Credit Mid-America in Danville, Kentucky is the participating lender.

Staff recommended loan approval, contingent on CL/V being no worse than 85%.

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

VOTE: Motion Passed; Unanimous.

**AF16-0006 Davis, Adam**

Applicant requested \$250,000 for the purchase of 80 acres and the construction of four (4) Equity broiler houses in Green County. Farm Credit Mid-America in Campbellsville, 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.

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

VOTE: Motion Passed; Unanimous.

**AF16-0007 Ragland, Joshua and Lauren**

Applicants requested \$250,000 for the construction of swine facilities on 50.75 acres in LaRue County. Magnolia Bank in Elizabethtown, Kentucky is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

**Old Business**

**Paid in Full**

AF08-0076	Ragland, Caleb
AF09-0001	Perkins, Andy
AF09-0043	Strode, Richard
AF11-0009	Galloway, Bobby

No action necessary.

**Withdrawn Applications**

AF15-0027	Tanner, Franklin
AF15-0069	Millan Ortiz, Javier

No action necessary.

**Pending Applications**

AF16-0005	Hicks, Daniel
AF16-0018	Hunt, Michael

No action necessary.

**Closing Remarks**

Commissioner Quarles stated that the next KAFC Board meeting will be Friday, February 12, 2016 at 10:00 a.m. (EST) at the Kentucky Transportation Cabinet Office Building in Frankfort, Kentucky in room C117.

**Adjournment**

Commissioner Quarles entertained a motion to adjourn.

Mr. Adams moved to adjourn the KAFC board meeting; Mr. Lawson seconded the motion.

VOTE: Motion Passed; Unanimous.

The KAFC board meeting adjourned at 10:41 a.m. (EST).

APPROVED DATE: 2-12-16

PRESIDING OFFICER: *Quarles*

BOARD SECRETARY: *[Signature]*