

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the April 7, 2017 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
Franklin County Extension Office
Frankfort, Kentucky
April 7, 2017**

Call to Order

Commissioner Quarles, presiding, called the Kentucky Agricultural Finance Corporation Board (KAFC) regular business meeting to order at 10:05 a.m. (EDT).

Roll Call

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

Members absent: Doug Lawson and Aaron Miller.

Notification of Media

Commissioner Quarles received verification from Emily Milam, GOAP Public Relations Officer, that the media had been notified of the KAFC board meeting.

Welcome

Commissioner Quarles welcomed everyone to the meeting.

Commissioner Quarles updated the board on avian influenza in the state. He commended the Office of the State Veterinarian for their prompt response and continued surveillance.

After discussion of potential implications of outbreaks for poultry producers, Commissioner Quarles suggested having Dr. Robert Stout, State Veterinarian, and Jamie Guffey, Executive Director of the Kentucky Poultry Federation, attend a KAFC meeting for further discussion.

Commissioner Quarles announced that the Murray State University Breathitt Veterinary Center will have an open house on May 11, 2017.

Commissioner Quarles stated that applications for community organizations to host Kentucky Proud dinners through the Farm to Fork Program are open through the fall of 2017.

Commissioner Quarles discussed his recent visits to Washington D.C., including moderating a discussion with Scott Pruitt, U.S. Environmental Protection Agency Administrator.

Commissioner Quarles referenced the Kentucky agribusiness recruiting booklet, created by KDA and the Kentucky Cabinet for Economic Development. Additional copies can be requested through KDA.

Commissioner Quarles introduced John Hughes, former KDA intern, and announced that he will be interning for Senator McConnell over the summer of 2017.

Commissioner Quarles announced that KDA will be hosting delegates and veterinarians from China.

Commissioner Quarles announced that Angela Blank, KDA Director, Division of Public Relations, accepted a position with Kentucky Tourism, Arts and Heritage Cabinet. Commissioner Quarles expressed his appreciation for her service to KDA and agriculture. Ms. Blank was presented with a plaque and was named an Honorary Commissioner of Agriculture to commemorate her service.

John McCauley, KDA Director of Agriculture Policy, will be the Commissioner's proxy for KAFC meetings.

Commissioner Quarles discussed upcoming tax reformation and encouraged board members to contact their legislators about the importance of agriculture.

Approval of Minutes

Commissioner Quarles entertained a motion to approve the minutes of the March 17, 2017 KAFC board meeting.

Mr. Penn moved to approve the minutes; Dr. Burdine 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 updated the board on his activities since the March 17, 2017 board meeting.

Deputy Executive Director's Report

Commissioner Quarles yielded the floor to Bill McCloskey, GOAP Deputy Executive Director, to report to the board.

Mr. McCloskey referenced the KY Agricultural Development Board State Pool Tobacco Funds (*on file*) as of April 6, 2017.

Mr. McCloskey reviewed KADF County Balances (*on file*) as of March 20, 2017.

Mr. McCloskey reviewed the KAFC Statement of Financial Position (*on file*) as of March 31, 2017.

KAFC Statement of Financial Position	
As of March 31, 2017	
Assets	
Cash KAFC Accounts	\$ 16,882,470
Loan Payments Due KAFC	
Category A	\$ 46,404,496
Category B	\$ 586,443
Category C	\$
	\$ 46,990,939
Total Assets	\$ 63,873,409
Liabilities	
KAFC loans approved not closed	\$ 13,987,067
Loans Outstanding	\$ 46,990,939
Total Liabilities	\$ 60,978,006
Unobligated Assets	\$ 2,895,403
Total Liabilities & Unobligated Assets	\$ 63,873,409

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

VOTE: Motion Passed; Unanimous.

Loan Review Committee Report

AF17-0027 Mullins, John “JD”

Applicants requested \$150,000 for the construction of two Equity mega broiler barns in Clinton County. Farm Credit Mid-America in Somerset, KY is the participating lender.

The Loan Review Committee recommended loan approval contingent on 2017 taxes being filed and meeting program specifications and requirements, a \$150,000 life insurance policy be taken out as collateral and the C/LV being no worse than 85%.

Ms. Rumpke moved to approve the committee recommendation, as presented; Mr. Jagers seconded the motion.

VOTE: Motion Passed; Mr. McAninch opposed.

New Business

Agricultural Infrastructure Loan Program (AILP)

AF17-0027 Mullins, John “JD”

Applicants requested \$150,000 for the construction of two Equity mega broiler barns in Clinton County. Farm Credit Mid-America in Somerset, KY is the participating lender.

The application was approved under the Loan Review Committee Report.

Beginning Farmer Loan Program (BFLP)

AF17-0019 Diller, Burton

Applicants requested \$250,000 for the purchase of 70 acres with four Equity broiler barns and other improvements in Barren County. Hancock Bank and Trust Company in Bowling Green, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF17-0020 Baldwin, James

Applicants requested \$250,000 for the purchase and upgrading of four Tyson breeder barns and other improvements on 52 acres in Webster County. First United Bank and Trust in Madisonville, KY is the participating lender.

Staff recommended loan approval contingent on the approval and obligation of 90% FSA guarantees on the FUB and KAFC funds and the C/LV being no worse than 100%.

Mr. Hunt moved to approve the staff recommendation, as presented; Mr. Brady seconded the motion.

VOTE: Motion Passed; Unanimous.

AF17-0021 Smith, Christopher

Applicant requested \$250,000 for the purchase of 30 acres with six Tyson broiler barns and other improvements in Hickman County. River Valley AgCredit in Clinton, KY is the participating lender.

Staff recommended loan approval contingent on the approval and obligation of 90% FSA guarantees on the RVACA and KAFC funds and the C/LV being no worse than 100%.

Mr. Penn moved to approve staff recommendation, as presented; Mr. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous.

Dr. Burdine suggested a comprehensive discussion of the KAFC loan portfolio in the future.

AF17-0022 Ebelhar, Charles

Applicants requested \$250,000 for the purchase of 98 acres in Henderson County. Independence Bank in Livermore, KY is the participating lender.

Staff recommended loan approval.

Mr. Penn moved to approve staff recommendation, as presented; Mr. Jaggars seconded the motion.

VOTE: Motion Passed; Mr. McAninch opposed.

AF17-0023 Hagan, Dustin

Applicants requested \$109,225 for the purchase of 44 acres in Daviess County. Farm Credit Mid-America in Owensboro, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF17-0026 Eadens, Phillip

Applicants requested \$250,000 for the purchase of 115 acres with improvements and the construction of two Perdue breeder barns in Warren County. Farm Credit Mid-America in Bowling Green, KY is the participating lender.

Staff recommended loan approval contingent on the approval and obligation of 90% FSA guarantees on the FCMA and KAFC funds and the C/LV being no worse than 100%.

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

VOTE: Motion Passed; Unanimous.

Old Business

Extension Requests

AF15-0015 Bray, Derick

Ms. Mobley presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested a 3-month extension to allow time for remaining equipment to be installed and permanent financing in place. The new expiration date would be July 10, 2017.

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

VOTE: Motion Passed; Unanimous.

AF15-0091 Mehr, Joseph

Ms. Mobley presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested a 3-month extension to allow time for construction to be completed and permanent financing in place. The new expiration date would be June 4, 2017.

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

VOTE: Motion Passed; Unanimous.

AF16-0001 Chaney, Carl

Ms. Mobley presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested a 3-month extension to allow time for remaining documents to be processed and permanent financing in place. The new expiration date would be July 8, 2017.

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

VOTE: Motion Passed; Unanimous.

AF16-0028 Pirtle, Carl "Dillon"

Ms. Mobley presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested a 3-month extension to allow time for construction to be completed and permanent financing in place. The new expiration date would be July 8, 2017.

Approved by the Operations Committee on March 31, 2017.

No action necessary.

Closing Remarks

Mr. McCloskey stated that the next KAFC Board meeting will be on Friday, May 12, 2017 beginning at 10:00 a.m. (EDT) at the Franklin County Extension Office in Frankfort.

Adjournment

Commissioner Quarles entertained a motion to adjourn.

Commissioner Quarles moved to adjourn the KAFC board meeting; Mr. McAninch seconded the motion.

VOTE: Motion Passed; Unanimous.

The KAFC board meeting adjourned at 11:41 a.m. (EDT).

APPROVED DATE:

PRESIDING OFFICER:

BOARDS COORDINATOR:

5-12-17

