

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the December 8, 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
December 8, 2017**

Call to Order

John McCauley, presiding, called the Kentucky Agricultural Finance Corporation Board (KAFRC) regular business meeting to order at 10:03 a.m. (EST).

Roll Call

The following members were present: Commissioner Quarles, John McCauley (designee for Commissioner Quarles), Westy Adams, Kenny Burdine, Wayne Hunt, Larry Jagers, Doug Lawson, Aaron Miller, Frank Penn, Tonya Phillips, Linda Rumpke and John Brady (designee for Secretary William M. Landrum III).

Members absent: Frank McAninch.

Notification of Media

Mr. McCauley received verification from Marielle Manning, Public Affairs Manager, that the media had been notified of the KAFRC board meeting.

Welcome

Mr. McCauley welcomed everyone to the meeting.

Approval of Minutes

Mr. McCauley entertained a motion to approve the minutes of the November 3, 2017 KAFRC board meeting.

Mr. Miller moved to approve the minutes; Ms. Rumpke seconded the motion.

VOTE: Motion Passed; Unanimous.

Executive Director's Report

Mr. McCauley yielded the chair to Commissioner Quarles at 10:04 a.m.

Commissioner Quarles yielded the floor to Warren Beeler, GOAP Executive Director, to report to the board.

Mr. Beeler commented on the North American International Livestock Expo in Louisville.

Mr. Beeler referenced the November 2017 Beeler Report (*on file*).

Mr. Beeler updated the board on his activities since the November 3, 2017 board meeting.

Mr. Beeler introduced Rep. Brandon Reed.

Rep. Reed thanked the board for their service to Kentucky agriculture.

Commissioner Quarles introduced Cary King, husband of Rep. Kim King.

Commissioner Quarles commented on the progress of the KDA Hunger Initiative.

Commissioner Quarles mentioned the NASS Ag Census and urged members to complete the survey to ensure accurate data for the upcoming Farm Bill.

Commissioner Quarles updated the board on activities of KDA since the November 3, 2017 board meeting.

Commissioner Quarles commented on the international trade agreement with China to allow for the export of Kentucky horses.

Commissioner Quarles discussed Kentucky Farm Bureau annual meeting.

Deputy Executive Director's Report

Commissioner Quarles called on 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 November 27, 2017.

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

Mr. McCloskey reviewed the KAFC Statement of Financial Position (*on file*) as of November 30, 2017.

Mr. McCloskey reviewed update on Category B Loans (*on file*) as of December 1, 2017.

KAFC Statement of Financial Position	
As of November 30, 2017	
Assets	
Cash KAFC Accounts	\$ 19,212,362
Loan Payments Due KAFC	
Category A	\$ 54,798,417
Category B	\$ 615,240
Category C	\$
	\$ 55,413,657
Total Assets	\$ 74,626,020
Liabilities	
KAFC loans approved not closed	\$ 11,757,149
Loans Outstanding	\$ 55,413,657
Total Liabilities	\$ 67,170,806
Unobligated Assets	\$ 7,455,213
Total Liabilities & Unobligated Assets	\$ 74,626,020

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

VOTE: Motion Passed; Unanimous.

New Business

Agricultural Infrastructure Loan Program (AILP)

AF17-0101 Huff, Robert

Applicants requested \$100,000 for the construction of two (2) Keystone broiler barns in Clinton County. Monticello Banking Company in Monticello, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

Agricultural Processing Loan Program (APLP)

AF17-0073 Father's Country Hams, Inc.

Applicant requested \$80,000 for the purchase of a commercial slicer and upgrades to a facility in Muhlenberg County. Sacramento Deposit Bank in Sacramento, KY is the participating lender.

Staff recommends approval.

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

VOTE: Motion Passed; Unanimous.

Beginning Farmer Loan Program (BFLP)

AF17-0072 Ladd, Chadley

Applicants requested \$55,000 for the purchase of breeding livestock in Hopkins County. Sacramento Deposit Bank in Sacramento, KY is the participating lender.

Staff recommends approval.

In response to a question from Dr. Burdine, GOAP staff clarified that the net worth was a combination of both applicants.

Ms. Rumpke cited the previously approved exception to the applicant's off-farm income AF17-0031, and requested the same exception to be applicable to this application.

Dr. Burdine moved to approve staff recommendation as presented, including the previous exception, pending availability of funds; Mr. Adams seconded the motion.

VOTE: Motion Passed; Unanimous.

AF17-0102 Woolf, Earl

Applicant requested \$250,000 for the purchase of 15 acres and the construction of two (2) Tyson broiler barns in Graves County. First Community Bank of the Heartland in Clinton, KY is the participating lender.

Staff recommends approval, contingent on the approval and obligation of 90% FSA guarantees on FCB and KAFC funds and the C/LV being no worse than 85%.

In response to a question from Mr. Penn, GOAP staff clarified that the KAFC funds to be used only for the new construction and not for refinancing.

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

VOTE: Motion Passed; Unanimous.

AF17-0103 Bowen, Jason

Applicant requested \$250,000 for the construction of three (3) Tosh finishing barns in Graves County. First Community Bank of the Heartland in Clinton, KY is the participating lender.

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

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

In response to a question from Ms. Rumpke, GOAP staff clarified why the loan officer did not request a FSA guarantee on the KAFC loan.

VOTE: Motion Passed; Unanimous.

AF17-0104 Komar, Joshua

Applicants requested \$105,000 for the purchase of 100 acres in Barren County. Farm Credit Mid-America in Glasgow, KY is the participating lender.

Staff recommends approval.

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

VOTE: Motion Passed; Unanimous.

Old Business

Amendments

AF16-0110 The Cattle Group

Ms. Mobley presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested a disbursement exception to allow funds to be disbursed, such that the C/LV is no more than 68%. All other original approval contingencies will be unaltered.

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

VOTE: Motion Passed; Unanimous.

Extension Requests

AF16-0047 Beiler, Menno

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, all necessary equipment to be installed and permanent financing in place. The new expiration date would be March 10, 2018.

Mr. Lawson moved to approve staff recommendation, as presented; Mr. Adams seconded the motion.

VOTE: Motion Passed; Unanimous.

AF16-0058 Miller, Ryan

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 commence, be completed and permanent financing in place. The new expiration date would be April 15, 2018.

Mr. Miller moved to approve staff recommendation, as presented; Mr. Adams seconded the motion.

VOTE: Motion Passed; Unanimous.

AF16-0059 Miller, Robert

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 commence, be completed and permanent financing in place. The new expiration date would be April 15, 2018.

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

VOTE: Motion Passed; Unanimous.

AF16-0077 Miller, Ronnie

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 commence, be completed and permanent financing in place. The new expiration date would be May 15, 2018.

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

VOTE: Motion Passed; Unanimous.

AF16-0064 Riley, Catherine

Ms. Mobley presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested a 1-month extension to allow time for loans to close and KAFC funds disbursed. The new expiration date would be December 14, 2017.

Approved by Operations Committee on November 22, 2017.

AF16-0074 Clifford, Lincoln

Ms. Mobley presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested a 3-month extension to allow time for loans to close and KAFC funds disbursed. The new expiration date would be March 15, 2018.

Approved by Operations Committee on November 30, 2017.

AF17-0077 Davis, Korey

Ms. Mobley presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested a 2-month extension to allow time for loans to close and KAFC funds disbursed. The new expiration date would be February 15, 2018.

Approved by Operations Committee on November 22, 2017.

AF17-0079 Eshman, Clay

Ms. Mobley presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested a 3-month extension to allow time for negotiations to be completed and KAFC funds disbursed. The new expiration date would be March 15, 2018.

Approved by Operations Committee on November 30, 2017.

Withdrawn

AF17-0036	Hunter, Skyler	Graves	\$250,000	Withdrawn
AF17-0083	Winfield, Joseph	Daviess	\$35,000	Withdrawn
AF17-0087	Hancock, Travis	Union	\$250,000	Withdrawn

2018 Programmatic Changes

Ms. Mobley presented a memorandum (*on file*) regarding the Strategic Planning Committee recommendations.

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

VOTE: Motion Passed; Unanimous.

Adjournment

Commissioner Quarles commented on the NAFTA discussions and possible impact on Kentucky agriculture.


Commissioner Quarles entertained a motion to adjourn.

Ms. Rumpke moved to adjourn the KAFC board meeting; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Unanimous.

The KAFC board meeting adjourned at 11:17 a.m. (EST).

APPROVED DATE: 1-14-2018

PRESIDING OFFICER: 

BOARDS COORDINATOR: _____