

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the February 9, 2018 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, KY 40601**

Call to Order

Commissioner Ryan Quarles, presiding, called the Kentucky Agricultural Finance Corporation Board (KAFC) regular business meeting to order at 10:07 a.m. (EST).

Roll Call

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

Members absent: Kenny Burdine, Aaron Miller, Frank Penn and Linda Rumpke.

Notification of Media

Commissioner Quarles received verification from Marielle Manning, Public Affairs Manager, that the media had been notified of the KAFC board meeting.

Welcome

Commissioner Quarles welcomed everyone to the meeting.

The Commissioner discussed the 2018 Kentucky legislative session.

The Commissioner provided an update on the North American State Departments of Agriculture (NASDA) meeting with Mike Pence, Vice President; Scott Pruitt, Administrator of the Environmental Protection Agency and Sonny Perdue, Secretary of USDA.

The Commissioner commented on the roll out for the rural infrastructure bill.

The Commissioner provided clarification on Electronic Logging Devices (ELD's).

The Commissioner mentioned the National Farm Machinery Show in Louisville.

The Commissioner introduced Hilda Legg, Kentucky State Director for USDA Rural Development.

Ms. Legg discussed her priorities for Kentucky agriculture.

Approval of Minutes

Commissioner Quarles entertained a motion to approve the minutes of the January 19, 2018 KAFC board meeting.

Mr. Jagers moved to approve the minutes; Mr. Hunt 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 announced Hannah Forte, as the new GOAP Director of Loans Program.

Mr. Beeler introduced Sadie Middleton, GOAP Compliance intern.

Mr. Beeler updated the board on his activities since the January 19, 2018 board meeting.

Mr. Beeler discussed his meeting with the Tobacco Research Board.

Mr. Beeler mentioned legislation regarding truck weight variance.

Mr. McAninch commented on grain and forage research and agricultural conservation opportunities.

Commissioner Quarles commented on the importance of supporting State Veterinary Diagnostic Labs and regulatory services by educating legislators.

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 February 2, 2018.

Mr. McCloskey reviewed KADF County Balances (*on file*) as of January 25, 2018.

Mr. McCloskey reviewed the KAFC Statement of Financial Position (*on file*) as of January 31, 2018.

Mr. McCloskey reviewed update on Category B Loans (*on file*) as of January 31, 2018.

K AFC Statement of Financial Position	
As of January 31, 2018	
Assets	
Cash KAFC Accounts	\$ 18,605,443
Loan Payments Due KAFC	
Category A	\$ 55,772,570
Category B	\$ 529,723
Category C	\$
	\$ 56,302,293
Total Assets	\$ 74,907,736
Liabilities	
KAFC loans approved not closed	\$ 11,716,495
Loans Outstanding	\$ 56,302,293
Total Liabilities	\$ 68,048,788
Unobligated Assets	\$ 6,858,948
Total Liabilities & Unobligated Assets	\$ 74,907,736

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

VOTE: Motion Passed; Unanimous.

Commissioner Quarles yielded the floor to John McCauley.

New Business

Agricultural Infrastructure Loan Program (AILP)

AF18-0012 Brinkman, Heather

Applicants requested \$25,000 for the construction of an outdoor riding arena in Scott County. Kentucky Bank in Georgetown, KY is the participating lender.

Staff approved on 1/29/18.

No Action Necessary.

AF18-0014 Sykes, Joshua

Applicants requested \$46,250 for the construction and furnishing of new migrant worker housing in Calloway County. The Murray Bank in Murray, KY is the participating lender.

Staff approved on 1/29/18.

No Action Necessary.

Beginning Farmer Loan Program (BFLP)

AF18-0011 Hagan, Michael

Applicants requested \$97,500 for the purchase of 48 acres with improvements in Daviess County. Farm Credit Mid-America in Owensboro, KY is the participating lender.

Staff recommends approval.

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

VOTE: Motion Passed; Unanimous.

AF18-0013 Schlabach, Nathan

Applicants requested \$250,000 for the purchase of 371 acres and the construction of one (1) Handsome Brook pasture poultry barn in Hopkins County. The Citizens Bank of Hickman in Hickman, KY is the participating lender.

Staff recommends approval, contingent on the approval and obligation of 90% FSA guarantee on The Citizens Union Bank and KAFC funds.

In response to a question from Mr. Lawson, GOAP staff clarified, that KAFC would be in 4th position.

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

VOTE: Motion Passed; Unanimous.

AF18-0015 Hancock, Travis

Applicants requested \$250,000 for the purchase of 290 acres in Union County. Farm Credit Mid America in Henderson, KY is the participating lender.

Staff recommends approval contingent on the approval and obligation of 90% FSA guarantee on Farm Credit Mid America and KAFC funds.

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

VOTE: Motion Passed; Unanimous.

AF18-0016 Howard, Brent

Applicant requested \$120,000 for the purchase of 40 acres in Nelson County. Magnolia Bank in Elizabethtown, KY is the participating lender.

Staff recommends approval, contingent on the approval and obligation of 90% FSA guarantee on the Magnolia Bank and KAFC funds.

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

VOTE: Motion Passed; Unanimous.

AF18-0017 McLain, Dustin

Applicants requested \$250,000 for the purchase of 41 acres and construction of four (4) Pilgrim's Pride pullet houses in Graves County. Community Financial Services Bank in Paducah, KY is the participating lender.

Staff recommends approval contingent on the approval and obligation of 100% FSA guarantee on the Community Financial Services Bank and KAFC funds.

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

VOTE: Motion Passed; Unanimous.

**Old Business
Amendments**

AF18-0040 Guinn, Dennis

Ms. Forte presented a memorandum (*on file*) regarding the above referenced loan. The loan officer has requested a disbursement exception for this loan. The Farm Service Agency has determined that the applicant does not qualify for the Beginning Young Farmer Loan Program due to the acreage requirement. The loan officer requested an exception to the approval, to allow funds to be disbursed without the 90% FSA guarantee.

Staff recommends approving this request.

Mr. Jagers moved to approve staff recommendation; Mr. Brady seconded the motion.

VOTE: Motion Passed; Unanimous

Extension Requests

AF16-0040 Beasley, Benjamin

Ms. Forte presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested a 6-month extension to allow time for construction to be completed and permanent financing in place. The new expiration date would be May 31, 2018.

Staff recommends approving this request.

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

VOTE: Motion Passed; Unanimous

AF16-0047 Beiler, Menno

Ms. Forte presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested a 3-month extension. The new expiration date would be June 10, 2018.

Staff recommends approving this request.

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

VOTE: Motion Passed; Unanimous

AF16-0087 Kough, Adam

Ms. Forte 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 9, 2018.

Staff recommends approving this request.

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

VOTE: Motion Passed; Unanimous

AF17-0077 Davis, Korey

Ms. Forte 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 April 15, 2018.

Staff recommends approving this request.

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

VOTE: Motion Passed; Unanimous

AF17-0097 Crum IV, Manford "MD"

Ms. Forte presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested a 6-month extension to allow time for construction to be completed and KAFC funds disbursed. The new expiration date would be August 3, 2018

Approved by the operations committee 1/31/18.

No Action Necessary.

Closing Remarks

John McCauley stated the next KAFC Board meeting would be on March 16, 2018 beginning at 9:00 a.m. at the Christian County Extension Office in Hopkinsville, KY.

Adjournment

Mr. McCauley entertained a motion to adjourn.

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

VOTE: Motion Passed; Unanimous.

The KAFC board meeting adjourned at 11:20 a.m. (EST).

APPROVED DATE: 3-16-2018

PRESIDING OFFICER: 

BOARDS COORDINATOR: 
Tracey Park