

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the September 20, 2019 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 Business Meeting
1205 Hopkinsville Street
Princeton, KY**

Call to Order

Commissioner Quarles presiding, called the Kentucky Agricultural Finance Corporation Board (KAFC) regular business meeting to order at 9:00 a.m. (CDT).

Roll Call

The following members were present: Commissioner Quarles, Donna Amburgey, John Brady (designee for Secretary William M. Landrum III), Dr. Kenny Burdine, Wayne Hunt, Larry Jagers, Doug Lawson, Donald Mitchell and Jonathan Noe.

Members absent: Westy Adams, Frank Penn and Linda Rumpke

Notification of Media

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

Welcome

Commissioner Quarles welcomed everyone to the meeting.

Commissioner Quarles yielded the floor to Dean Cox to give an update of the prior evening, ribbon cutting ceremony at the UK Grain and Forage Center of Excellence.

Commissioner Quarles yielded the floor to Dr. Chad Lee to address the board regarding the UK Grain and Forage Center of Excellence facility.

Commissioner Quarles discussed harvest season and the drought that Kentucky is experiencing and if needed will discuss with the Governor regarding state of emergency.

Commissioner Quarles reported that the hemp harvest has been affected by the drought.

Commissioner Quarles stated the Kentucky State Fair was a success.

Commissioner Quarles reported on the recent National Suicide Awareness Day that was commissioned this week. An effort of Representative Brandon Reed.

Commissioner Quarles discussed the international trade deals that are being discussed right now in agriculture.

Commissioner Quarles updated the board on other recent activities of the Kentucky Department of Agriculture.

Commissioner Quarles introduced, and yielded the floor to new KAFC board member Donald Mitchell to introduce himself to the board.

Approval of Minutes

Commissioner Quarles entertained a motion to approve the minutes of the August 9, 2019 KAFC board meeting.

Mr. Brady 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 welcomed everyone to the meeting.

Mr. Beeler recognized Marielle McElmurray for her efforts on the 2018-2019 GOAP annual report.

Mr. Beeler yielded the floor to Aleta Botts, Executive Director of Kentucky

Mr. Beeler yielded the floor to David Embry to give the monthly agent report to the board.

Mr. Beeler reviewed his schedule since the last 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 Kentucky Agricultural Development Fund State Pool Tobacco Funds (*on file*) as of August 27, 2019.

Mr. McCloskey reviewed the Kentucky Agricultural Development Fund Cash Flow (*on file*) as of August 27, 2019.

Mr. McCloskey reviewed Kentucky Agricultural Development Fund County Balances (*on file*) as of August 21, 2019.

Mr. McCloskey reviewed the K AFC Statement of Financial Position (*on file*) as of August 27, 2019.

K AFC Statement of Financial Position	
As of August 31, 2019	
Assets	
Cash K AFC Accounts	\$ 16,382,970
Loan Payments Due K AFC	
Category A	\$ 70,956,002
Category B	\$ 813,900 (Foothills, Monroe, Weekly Juicery, Ellis & Bevins)
Category C	\$
	\$ 71,769,902
Total Assets	\$ 88,152,872
Liabilities	
K AFC loans approved not closed	\$ 12,339,203
Principal Outstanding	\$ 71,769,902
Total Liabilities	\$ 84,109,105
Unobligated Assets	\$ 4,043,767
Total Liabilities & Unobligated Assets	\$ 88,152,872

Mr. Noe moved to approve the K AFC Statement of Financial Position; Ms. Amburgey seconded the motion.
 VOTE: Motion Passed; Unanimous.

Loan Review Committee Report

Commissioner Quarles yielded the floor to Doug Lawson to report to the board.

Mr. Lawson stated that the Committee reviewed two approved loans and would address them in sequence.

New Business

Agricultural Processing Loan Program (APLP)

AF19-0102 Kimberly Bradley (Buckhorn Creek Vineyard & Winery, LLC)

Applicants requested \$65,000 for the construction of a winery and purchase of equipment in Marshall County. Community Financial Services Bank in Mayfield, KY is the participating lender.

Staff recommends approval with a C/LV no greater than 75%.

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

VOTE: Motion Passed; Unanimous.

Beginning Farmer Loan Program (BFLP)

AF19-0091 Utz, Rebecca

Applicant requested \$125,000 for the purchase of 10 acres in Boone County. Farm Credit Mid-America in Lexington, KY is the participating lender.

Staff recommends approval, with a C/LV no greater than 85%.

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

VOTE: Motion Passed; Unanimous.

AF19-0092 Ward, Dylan

Applicant requested \$40,300 for the purchase of 25 acres in Daviess County. Farm Credit Mid-America in Owensboro, KY is the participating lender.

Staff recommends approval with a C/LV no greater than 85%.

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

VOTE: Motion Passed; Unanimous.

AF19-0094 Jackson, James Adam

Applicant requested \$60,000 for the purchase of 55 acres in Daviess County. Farm Credit Mid-America in Owensboro, KY is the participating lender.

The Loan Review Committee recommends approving, with an exception to the net worth guideline, with a C/LV no greater than 65%.

Mr. Lawson moved to approve Committee recommendation, as presented, pending availability of funds; Mr. Mitchell seconded the motion.

VOTE: Motion Passed; Unanimous.

AF19-0095 Sheffield, Alexis

Applicants requested \$117,000 for the purchase of 56 acres with improvements in Washington County. Central Kentucky ACA in Danville, KY is the participating lender.

Staff recommends approval, contingent upon the approval and obligation of a 90% FSA guarantee on CKACA and KAFC funds, with C/LV no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

AF19-0097 Shearn, Robert (River Bottom Tobacco, LLC)

Applicant requested \$250,000 for the purchase of 336 acres in Hancock County. Independence Bank in Owensboro, KY is the participating lender.

Staff recommends approval, contingent upon the approval and obligation of a 90% FSA guarantee on Independence Bank and KAFC funds, with C/LV no greater than 100%.

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

VOTE: Motion Passed; Mr. Lawson abstained.

AF19-0098 Fulks, William

Applicants requested \$211,000 for the purchase of 122 acres in Clark County. Farm Credit Mid-America in Lexington, KY is the participating lender.

Staff recommends approval, with C/LV no greater than 85%.

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

VOTE: Motion Passed; Unanimous.

AF19-0099 Armstrong, Fawn

Applicants requested \$103,550 for the purchase of 47 acres in Mercer County. Farm Credit Mid-America in Lexington, KY is the participating lender.

Staff recommends approval, with C/LV no greater than 85%.

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

VOTE: Motion Passed; Unanimous.

AF19-0100 Phelps, Barry (Phelps Farm)

Applicants requested \$60,000 for the purchase of 32 acres in Marshall County. Community Financial Services Bank in Mayfield, KY is the participating lender.

Staff recommends approval, with C/LV no greater than 50%.

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

VOTE: Motion Passed; Unanimous.

AF19-0101 Maddox, Lisa (Lazy Acres Farms, LLC)

Applicant requested \$250,000 for the purchase of 123 acres in Shelby County. Citizens Union Bank in Shelbyville, KY is the participating lender.

The Loan Review Committee recommends approving as presented; with C/LV no greater than 75%.

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

VOTE: Motion Passed; Unanimous.

AF19-0103 Cash, Nicholas

Applicants requested \$250,000 for the purchase of 200 acres in Graves County. Community Financial Services Bank in Mayfield, KY is the participating lender.

Staff recommends approval, with C/LV no greater than 50%.

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

VOTE: Motion Passed; Unanimous.

Diversification through Entrepreneurship Agribusiness Loan Program (DEAL)

AF19-0093 Lewis, Travis

Applicant requested \$5,000 for the purchase of five (5) seed tenders for seed business in Wayne County. Monticello Banking Company in Monticello, KY is the participating lender.

Staff recommends approval, with C/LV no greater than 85%.

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

VOTE: Motion Passed; Unanimous.

AF19-0096 Parker, Benjamin

Applicants requested \$100,000 for the purchase of a farm supply store in Henry County. United Citizens Bank and Trust in Campbellsburg, KY is the participating lender.

Staff recommends approval, with C/LV no greater than 85%.

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

VOTE: Motion Passed; Unanimous.

Old Business:

Extensions

AF19-0039 Ebelhar, Scott and Laura

This request is for a thirty (30)- day extension to ensure adequate time for the loan to be closed. The new expiration date will be November 12, 2019.

Staff recommends approval.

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

VOTE: Motion Passed; Unanimous.

AF18-0023 Smith, Roger

This request is for a sixty (60)-day extension to allow time for construction to be completed. The new expiration date will be November 15, 2019.

Approved by Operations Committee.

AF18-0056 Brockman, Brent

This request is for a six (6) month extension to allow time for the construction to be completed. The new expiration date will be April 13, 2020.

Approved by Operations Committee.

AF19-0075 Holland, Alexander

This request is for a three (3) month extension to allow time for the flock to arrive and buy a truck. The new expiration date will be January 12, 2020.

Approved by Operations Committee.

AF19-0078 Nelson, Cole

This request is for a three (3) month extension to allow time for the FSA documents to be finalized. The new expiration date will be January 12, 2020.

Approved by Operations Committee.

Closing Remarks

Commissioner Quarles yielded the floor to Dean Cox.

APPENDIX A: Loan Review Committee Meeting Minutes



Meeting Date:	September 20, 2019
Meeting Location:	UK Grain and Forage Center of Excellence, Princeton, KY
Meeting Chair:	Doug Lawson
Attendees:	Larry Jagers, Kenny Burdine, John Brady, Jonathan Noe, Wayne Hunt Staff: Warren Beeler, Bill McCloskey, Ali Hulett, Shelby Wade, Rob Goff Guests: Brandon Gilles (FCMA)
Minutes Issued By:	Ali Hulett, Loan Programs Manager
Meeting Call to Order:	8:00 AM CST
Meeting Adjourned:	8:43 AM CST

Agenda Items:	
New Business	
1.	Review of AF19-0094—Jackson, James “Adam”
a.	Discussion of equipment values and accuracy
b.	Recommend approval, as presented.
c.	Recommend guidelines committee meet in November to discuss net worth guidelines.
2.	Review of AF19-0101—Maddox, Lisa
a.	Discussion of farm acreage clarification
b.	Recommend approval, as presented.
Adjourn	

Dean Cox recognized Collette Laurent for all her hard work preceding the ribbon cutting ceremony.

Adjournment

Commissioner Quarles entertained a motion to adjourn.

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

VOTE: Motion Passed; Unanimous.

The KAFC board meeting adjourned at 10:12 a.m. (CDT)

APPROVED DATE: 10-11-2019

PRESIDING OFFICER: 

BOARDS COORDINATOR: 

Tracey Park