

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the February 14, 2025, business meeting. This is provided in summary form; an official record of the meeting is available in the permanent records of the Kentucky Office of Agricultural Policy (KOAP), 107 Corporate Drive, Frankfort, Kentucky 40601.



**Kentucky Agricultural Finance Corporation Board
Summary Minutes of the Business Meeting
Franklin County Extension Office
101 Lakeview Court, Frankfort, KY
February 14, 2025**

Call to Order

Chief of Staff Mark Bowling 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: Mark Bowling (designee for Commissioner of Agriculture Jonathan Shell), Jonathan Noe, Linda Rumpke, Lori Noel, Wayne Hunt, Dr. Kenny Burdine, Michael Cochran and Larry Jagers.

Absent Members: Dan Flanagan, Wes King, Billy Aldridge (designee for Secretary Holly M. Johnson), and Frank Penn.

Notification of Media

Mr. Bowling received verification from Hannah Sharp-Johnson, Board Secretary, that the media had been notified of the KAFC board meeting.

Welcome

Mr. Bowling welcomed everyone to the KAFC meeting. Board members and guests participated in person.

Approval of Minutes

Mr. Bowling entertained a motion to approve the minutes of the January 17, 2025, board meeting.

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

VOTE: Motion Passed; Unanimous.

Kentucky Department of Agriculture Report

Mr. Bowling updated the board on activities of the Kentucky Department of Agriculture (KDA).

Executive Director's Report

Mr. Bowling called on Brandon Reed to give the Executive Director's Report. Mr. Reed gave an overview of office activities since the January board meeting.

Deputy Executive Director's Report

Mr. Bowling called on Bill McCloskey, KOAP Deputy Executive Director, to present the financial report to the board.

Mr. McCloskey referenced the Kentucky Agricultural Development Fund State Pool Tobacco Funds (on file) as of January 31, 2025.

Mr. McCloskey reviewed Kentucky Agricultural Development Fund County Balances (on file) as of January 24, 2025.

Mr. McCloskey reviewed the KAFC Statement of Financial Position (*on file*) as of January 31, 2025

KAFC Statement of Financial Position			
As of January 31, 2025			
Assets			
Cash KAFC Accounts		\$	24,835,824
Hold Account-Not Authorized for Distribution		\$	15,000,000
Loan Payments Due KAFC			
Category A		\$	121,688,270
Category B		\$	1,201,948
Category C		\$	122,890,218
Total Assets		\$	162,726,042
Hold Account-Not Authorized for Distribution		\$	15,000,000
Liabilities			
KAFC loans approved not closed		\$	18,397,844
Principal Outstanding		\$	122,890,218
Total Liabilities		\$	156,288,062
Unobligated Assets		\$	6,437,980
Total Liabilities & Unobligated Assets		\$	162,726,042

Mr. Noe moved to accept the KAFC financial report, as presented; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Unanimous.

KAFC Loan Review Committee Report

Mr. Bowling called on Ms. Rumpke to give the KAFC Loan Review Committee report. Ms. Rumpke stated the loans would be discussed in order of the agenda.

Ms. Rumpke moved to accept the committee report, as presented; Mr. Noe seconded the motion.

VOTE: Motion passed; Unanimous.

New Business

Mr. Bowling called on Mr. McCloskey, Mr. Jones, and Mr. Roberts to present the following applications:

Agricultural Infrastructure Loan Program (AILP)

AF24-0055 Hoover, Randall

Mr. McCloskey referenced the above application requesting \$250,000 for the purchase of 200 acres with six Tyson breeder barns and a residence in Todd County. Farm Credit in Hopkinsville, KY is the participating lender. This application was referred to the Loan Review Committee.

The Loan Review Committee recommends pending the application due to waiting on the intergrader CWT Farms, LLC to make a final presentation to the full board.

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

VOTE: Motion Passed; Unanimous.

AF25-0003 Collins, Melissa

Mr. Roberts referenced the above application requesting \$125,000 for the construction of fourteen stall horse barn in Marshall County. River Valley AgCredit in Mayfield, KY is the participating lender. This application was referred to the Loan Review Committee.

The Loan Review Committee recommends denying the application due to not meeting the guidelines.

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

VOTE: Motion Passed; Unanimous.

AF25-0007 Medley, Korey

Mr. McCloskey referenced the above application requesting \$29,000 for the construction of a Vital poultry barn in Meade County. Magnolia Bank in Elizabethtown, KY is the participating lender.

Staff recommends approval, with a combined loan-to-value no greater than 85%.

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

VOTE: Motion Passed; Unanimous.

AF25-0008 Beavin, Nathan

Mr. Roberts referenced the above application requesting \$27,000 for the purchase of one hundred and ninety acres with improvements in Meade County. The Cecilian Bank in Leitchfield, KY is the participating lender.

Staff recommends approval, with a combined loan-to-value no greater than 85%.

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

VOTE: Motion Passed; Unanimous.

Beginning Farmer Loan Program (BFLP)

AF24-0186 Elkins, Timothy

Mr. McCloskey referenced the above application requesting \$250,000 for the purchase of thirty-seven acres with two Perdue breeder houses in Warren County. Farm Credit in Glasgow, KY is the participating lender.

Staff recommends approval, contingent upon the approval and obligation of a 90% FSA guarantee on Farm Credit Mid-America and KAFC funds, with a combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

AF25-0001 Glass, Zachary

Mr. Roberts referenced the above application requesting \$71,250 for the purchase of thirty acres in Hart County. Farm Credit Mid-America in Glasgow, KY is the participating lender. This application was referred to the Loan Review Committee.

The Loan Review Committee recommends approving the applicant, a combined loan-to-value no greater than 85%.

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

VOTE: Motion Passed; Unanimous.

AF25-0002 Knoll, Andrew

Mr. Jones referenced the above application requesting \$152,000 for the purchase of seventy-four acres in Garrard County. Central Kentucky ACA in Danville, KY is the participating lender.

Staff recommends approval, contingent upon the approval and obligation of a 95% FSA guarantee on CKACA and KAFC funds, with a combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Mr. Noe Abstained.

AF25-0004 Hodges, Keaton

Mr. Roberts referenced the above application requesting \$187,500 for the purchase of sixty-one acres in Grayson County. The Cecilian Bank in Leitchfield, KY is the participating lender.

Staff recommends approval, contingent upon the approval and obligation of a 95% FSA guarantee on The Cecilian Bank and KAFC funds, with a combined loan-to-value no greater than 100%.

Ms. Noel moved to approve the staff recommendation, as presented; Mr. Noe seconded the motion

VOTE: Motion Passed; Unanimous.

AF25-0005 Meador, Treavor

Mr. McCloskey referenced the above application requesting \$81,250 for the purchase of fifty-two acres in Barren County. South Central Bank of Barren County in Glasgow, KY is the participating lender.

Staff recommends approval, contingent upon the approval and obligation of a 90% FSA guarantee on SCB and KAFC funds, with a combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

AF25-0009 Kirsch, Garren

Mr. Jones referenced the above application requesting \$188,010 for the purchase of twenty-seven acres in Washington County. Central Kentucky ACA in Lebanon, KY is the participating lender.

Staff recommends approval, with a combined loan-to-value no greater than 85%.

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

VOTE: Motion Passed; Mr. Noe Abstained.

Diversification through Entrepreneurship in Agribusiness Loan Program (DEALP)

AF25-0006 Loparo, Anthony

Mr. Roberts referenced the above application requesting \$250,000 for the purchase of a tiling business Willard Farmer & Sons Inc in Nelson County. Magnolia Bank in Elizabethtown, KY is the participating lender.

Staff recommends approval, with a combined loan-to-value no greater than 85%.

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

VOTE: Motion Passed; Unanimous.

Old Business:

Mr. Bowling called on Mr. Roberts to present the following time extensions and modifications.

Extension

AF24-0204 Thomas, Elijah

Mr. Roberts presented a memorandum (*on file*) regarding the above referenced loan. The loan officer indicated that there have been delays in the project due to some easement issues. The loan officer indicated that these issues have been reconciled, and that closing was in progress. This extension would allow for ample time to close the borrower's loans.

This request is for a three (3) month extension to allow time for closing. The new deadline would be May 8, 2025.

Mr. Cochran moved to approve staff recommendation, as presented; Ms. Noel seconded the motion.

VOTE: Motion Passed; Mr. Noe Abstained.

Modification

AF22-0102 Timbers, Joshua

Mr. Roberts presented a memorandum (*on file*) regarding the above referenced loan. The KAFC Board approved the request for \$250,000 to assist in the purchase of 138+/- acres in Hart County at the December 9, 2022 meeting. The project was approved with a 90% FSA guarantee on Farm Credit Mid-America and KAFC financing. To obtain the FSA guaranty, FSA required FCMA to file a blind mortgage on an additional 134+/- acre piece of property that Josh owned.

The borrower is now working with First Financial Bank on a different loan that will require use of the 134+/- acres as security. First Financial Bank has also agreed to finance an additional \$66,000 which will be paid down on the FCMA/KAFC to reduce Josh's balances to achieve a L/AV under 85% as follows. This application was referred to the Loan Review Committee.

FCMA	\$358,568.83
KAFC	<u>\$235,635.18</u>
Total Current Balance	\$594,204.01
Less Paydown	<u>\$66,000.00</u>
	\$528,204.01

Appraised Value – Rex Rd \$627,000.00

New L/AV \$528,204.01 / \$627,000 = 84.24% L/AV

The Loan Review Committee recommends pending the application until an updated cash flow is received.

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

VOTE: Motion Passed; Unanimous.

AF24-0117 Mefford, Benjamin

Mr. Roberts presented a memorandum (*on file*) regarding the above referenced loan. The loan officer has requested a modification for loan AF24-0117 on behalf of Benjamin Mefford. The KAFC Board approved Mr. Mefford's request for \$55,000 for the purchase of 20+/- acres in Franklin County at the June 14, 2024 meeting.

The loan has been disbursed. The borrowers are now wanting to build a house on the purchased property. The property has an updated as-will-be appraisal valued at \$480,000. The construction note will be for \$270,000. The loan officer is requesting that KAFC subordinate to the new construction note. KAFC's new LTV position will be as follows. This application was referred to the Loan Review Committee.

CKACA	\$270,000.00
CKACA	\$55,000.00
KAFC	<u>\$54,361.00</u>
Total Debt:	\$379,361.00
Appraised Value:	\$480,000.00

C/LTV: (379,361/\$480,000) 79%

The Loan Review Committee recommends pending the application for additional information.

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

VOTE: Motion Passed; Mr. Noe Abstained.

Closing Remarks

Mr. Bowling informed the board the next KAFC meeting will be at Franklin County Extension Office on Friday, March 14, 2025, at 10:00 a.m. (EST).

Adjournment

There being no further business, Mr. Bowling entertained a motion to adjourn the meeting at 10:46 a.m. (EST).

Mr. Hunt moved to adjourn the February KAFC board meeting; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Unanimous.

APPROVED DATE:

March 14, 2025

PRESIDING OFFICER:

Cen *Burkett Sharp*

[Signature]
Kentucky Agricultural Finance Corporation, Chair

BOARDS COORDINATOR:

[Signature]
Hannah Sharp-Johnson, Board Secretary

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1. A copy of the Loan Review Committee meeting minutes is attached as Appendix A.

APPENDIX A: Loan Review Committee Meeting Minutes



Meeting Date:	February 14, 2025
Meeting Location:	Franklin County Extension Office
Meeting Chair:	Linda Rumpke
Attendees:	<p>Committee Members: Linda Rumpke, Larry Jagers, Jonathan Noe, Lori Noel, Kenny Burdine, Wayne Hunt, Michael Cochran, Mark Bowling</p> <p>Staff: Bill McCloskey, Tera Roberts, Hunter Jones, Brian Murphy, Brandon Reed</p> <p>Guests: Jamie Guffy, Jacob Estis, Sarah Adams</p>
Minutes Issued By:	Hunter Jones, Loan Programs Manager
Meeting Call to Order:	9:05 AM EDT
Meeting Adjourned:	9:57 AM EDT

Agenda Items

New Business

1. Review of AF24-0055: Randall Hoover:
 - a. On behalf of Randall Hoover, loan officer Becky Marlowe with Farm Credit Mid America is requesting KAFC Agriculture Infrastructure Loan Program funding in the amount of \$250,000. The Loan Review Committee requested information on the integrator and updated financials.
 - b. The Loan Review Committee recommended to pend the application until the integrator was able to give a presentation and the lender provided updated financials.
2. Review of AF25-0003: Mellissa Collins:
 - a. On behalf of Mellisa Collins, loan officer Jesse Clark with River Valey Ag Credit requested KAFC Ag Infrastructure Loan Program funding in the amount of \$125,000. The Loan Review Committee met to discuss eligibility.
 - b. The Loan Review Committee recommends denying the application based on the project not meeting guidelines.
3. Review of AF25-0001: Zackary Glass:
 - a. On behalf of Zackary Glass, loan officer Sarah Adams with Farm Credit Mid America is requesting KAFC Beginning Farmer Loan Program funding in the amount of \$71,250. The Loan Review Committee met to discuss the cash flow of the operation.
 - b. The Loan Review Committee recommends approving the application contingent upon C/LTV 85%.

Old News:

4. Review of AF20-0037: Pennington Stave and Cooperage:

APPENDIX A: Loan Review Committee Meeting Minutes



- a. On behalf of Pennington Stave and Cooperage, loan officer Todd Lockett of South-Central Bank of Barren Co requested the KAFC Board approve a six-month interest only period in repaying their KAFC loan. The Loan Review Committee met to review the request.
 - b. As requested by the Loan Review Committee Brian Murphy gave a monthly update regarding the status of the business.
5. Review of AF22-0102: Joshua Timbers:
 - c. On behalf of Joshua Timbers, loan officer Emily Duckworth with Farm Credit Mid America requests the removal of the 90% FSA guarantee on KAFC and FCMA with First Financial Bank agreed to finance an additional \$66,000 to reduce the C/LTV under 85%.
 - d. The Loan Review Committee recommends pending the request needing more documentation.
6. Review of AF24-0117: Benjamin Mefford:
 - e. On behalf of Benjamin Mefford, loan officer TJ Drury with Central Kentucky Ag Credit requests the KAFC Board approve the subordination request to go from a second position on 20+/- acres to a third position on the 20+/- acres so the applicant can finance construction on a house on the 20+/- acres.
 - f. The Loan Review Committee recommends pending the request to take the third position due to needing more information on agricultural production and updated financials for the applicant.