

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the April 11, 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
April 11, 2025**

Call to Order

Brandon Reed, designee for Commissioner of Agriculture Jonathan Shell, called the Kentucky Agricultural Finance Corporation Board (KAFC) regular business meeting to order at 10:04 a.m. (EDT).

Roll Call

The following members were present: Brandon Reed (designee for Commissioner of Agriculture Jonathan Shell), Billy Aldridge (designee for Secretary Holly M. Johnson), Jonathan Noe, Dr. Kenny Burdine, Michael Cochran, Dan Flanagan, Frank Penn, Lori Noel, Wayne Hunt, and Larry Jagers.

Absent Members: Linda Rumpke and Wes King.

Notification of Media

Mr. Reed received verification from Hannah Sharp-Johnson, Board and Special Events Manager; that the media had been notified of the KAFC board meeting.

Welcome

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

Approval of Minutes

Mr. Reed entertained a motion to approve the minutes of the March 14, 2025, board meeting.

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

VOTE: Motion Passed; Unanimous.

Kentucky Department of Agriculture Report

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

Executive Director's Report

Mr. Reed gave an overview of office activities since the March board meeting. Mr. Reed referenced the Kentucky Center for Agriculture and Rural Development KADF application.

Deputy Executive Director's Report

Mr. Reed 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 March 25, 2025.

Mr. McCloskey reviewed Kentucky Agricultural Development Fund County Balances (on file) as of March 25, 2025.

Mr. McCloskey reviewed the KAFC Statement of Financial Position (*on file*) as of March 25, 2025

KAFC Statement of Financial Position			
As of March 31, 2025			
Assets			
Cash KAFC Accounts		\$	22,207,121
Hold Account-Not Authorized for Distribution		\$	15,000,000
Loan Payments Due KAFC			
Category A		\$	125,593,189
Category B		\$	1,190,973
Category C		\$	126,784,162
Total Assets		\$	163,991,283
Hold Account-Not Authorized for Distribution		\$	15,000,000
Liabilities			
KAFC loans approved not closed		\$	15,905,843
Principal Outstanding		\$	126,784,162
Total Liabilities		\$	157,690,005
Unobligated Assets		\$	6,301,278
Total Liabilities & Unobligated Assets		\$	163,991,283

Mr. Aldridge moved to accept the KAFC financial report, as presented; Mr. Cochran seconded the motion.

VOTE: Motion Passed; Unanimous.

KAFC Loan Review Committee Report

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

Ms. Noel moved to accept the committee report, as presented; Mr. Cochran seconded the motion.

VOTE: Motion passed; Unanimous.

New Business

Mr. Reed called on Mr. McCloskey, Hunter Jones, and Tera Roberts to present the following applications:

Agricultural Infrastructure Loan Program (AILP)**AF24-0229 Wedel, Taylor**

Mr. Roberts referenced the above application requesting \$250,000 for the conversion of four Tyson barns into two Stagecouch Trail Organic pullet barns and two Fairfield Specialty egg barns in Graves County. River Valley AgCredit in Mayfield, KY is the participating lender. This application was referred to the Loan Review Committee.

Rocky Egtsi, representative from Fairfield Specialty Eggs, presented to the Board.

Upon completing of the presentation from Fairfield, the Loan Review Committee recommends approving the application contingent upon the approval and obligation of 90% FSA guarantee on RVACA and KAFC with combined loan to value no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

AF25-0033 Kough, Adam

Mr. Jones referenced the above application requesting \$94,500 for the construction of a Vital Egg Barns in Calloway County. The Murray Bank in Murray, 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. Flanagan seconded the motion.

VOTE: Motion Passed; Unanimous.

AF25-0034 Napier Sr, Stanley

Mr. Roberts referenced the above application requesting \$250,000 for the retrofit pullet barns into The Farmers Hen layer barns in Graves County. River Valley Ag Credit in Mayfield, KY is the participating lender.

Staff recommends approval, contingent upon the approval and obligation of a 90% FSA guarantee on River Valley Ag Credit and KAFC funds, with KAFC aggregate balance no greater than \$250,000 at disbursement, with a combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

AF25-0036 Sipes, Fred

Mr. McCloskey referenced the above application requesting \$72,000 for the construction of cattle facilities in Meade County. Cecilian Bank in Hardinsburg, 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. Noe seconded the motion.

VOTE: Motion Passed; Unanimous.

AF25-0041 Medley, John

Mr. Jones referenced the above application requesting \$75,000 for the construction of a barn in Washington County. Farm Credit Mid-America in Campbellsville, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

Beginning Farmer Loan Program (BFLP)

AF25-0032 Cowley, Reece

Mr. Roberts referenced the above application requesting \$85,000 for the purchase of thirty-five acres in Hart County. Wilson & Muir Bank & Trust Co. in Leitchfield, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF25-0035 Haycraft, Jeffery

Mr. McCloskey referenced the above application requesting \$250,000 for the purchase of one hundred and fifty four acres in Grayson County. Farm Credit Mid-America in Hardinsburg, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF25-0037 Mays, Brent

Mr. Jones referenced the above application requesting \$250,000 for the purchase of fifty acres with improvements 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 South Central Bank and KAFC funds, with a combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

AF25-0040 Troyer, David

Mr. Roberts referenced the above application requesting \$250,000 for the construction of four Perdue hen houses in Grayson County. Farm Credit Mid-America in Elizabethtown, 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%.

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

VOTE: Motion Passed; Unanimous.

AF25-0042 Smith, Taylor

Mr. Jones referenced the above application requesting \$106,250 for the purchase of twenty-five acres in Washington County. Farm Credit Mid-America in Campbellsville, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF25-0043 Stoltzfus, Joseph

Mr. McCloskey referenced the above application requesting \$120,000 for the purchase of nineteen acres in Trigg County. Farmers Bank in Princeton, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF25-0044 Vejendla, Babji

Mr. Jones referenced the above application requesting \$162,500 for the purchase of eighty-one acres with improvements in Madison County. Central Kentucky AgCredit in Richmond, KY is the participating lender.

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

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

VOTE: Motion Passed; Mr. Noe Abstained.

AF25-0045 Ghazawi, Nadia

Mr. McCloskey referenced the above application requesting \$150,000 for the purchase of seventy-nine acres in Gallatin County. Farm Credit Mid-America in Lexington, 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; Mr. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous.

Kentucky Department of Agriculture

Mr. Reed gave an overview of Senate Bill 28 that establishes the Kentucky Agricultural Economic Development Board which allows two members from the Kentucky Agricultural Finance Corporation Board to serve on.

Mr. Reed entertain a motion per Senate Bill 28 of the 2025 General Assembly to submit the roster of the Kentucky Agricultural Finance Corporation. To the Commissioner of Agriculture to choose two names, from that list to serve on the Kentucky Agricultural Economic Development Board.

Mr. Penn moved to approve Senate Bill 28 recommendation, as presented; Mr. Flanagan seconded the motion.

VOTE: Motion Passed; Unanimous.

Old Business:

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

Extension

AF23-0157 Smith, Gary

Mr. Roberts presented a memorandum (*on file*) regarding the above referenced loan. The loan officer indicated that there have been delays in closing due to construction delays. Staff has been in contact with the loan officer and the borrower is working to have his first flock by the beginning of May. The loan officer has

requested an extension to allow for completion and closing. This request is for a three (3) month extension to allow for closing. The new deadline would be July 11, 2025.

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

VOTE: Motion Passed; Unanimous.

AF24-0236 Houchens, Kelsey

Mr. Roberts presented a memorandum (*on file*) regarding the above referenced loan. The loan officer indicated that there have been delays in closing due to incomplete title work and needing an appraisal. In addition, FSA has had some delays in closing their portion of the project financing. This request is for a three (3) month extension to allow for closing. The new deadline would be July 11, 2025.

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

VOTE: Motion Passed; Unanimous.

AF25-0004 Hodges, Keaton

Mr. Roberts presented a memorandum (*on file*) regarding the above referenced loan. The loan officer indicated that there have been delays in closing due to an incomplete survey of the property to be purchased. This has delayed the appraisal of the property and closing the loan. The loan officer has requested an extension to allow for completion of the appraisal and final closing. This request is for a three (3) month extension to allow for closing. The new deadline would be August 14, 2025.

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

VOTE: Motion Passed; Unanimous.

Modification

AF21-0046 Totman, Nathan

Mr. Roberts presented a memorandum (*on file*) regarding the above referenced loan. The loan officer is requesting approval modification for loan AF21-0046 on behalf of Mr. Nathan Totman. The KAFC Board approved Mr. Totman's request for \$130,000 for the purchase of 105+/- acres in Mercer County contingent on the approval and obligation of a 90% FSA guarantee on CKACA and KAFC funds with a combined loan-to-value of no greater than 100% at the June 11, 2021, meeting.

Mr. Totman has been approved by the KAFC Board for a subordination in 2024 to purchase an adjoining 123+/- acres to their home farm. (See Loan Summary Sheet "2024 Subordination") The loan officer is now requesting that KAFC subordinate to a re-amortized bridge loan on CKACA's master mortgage. This application was referred to the Loan Review Committee.

The Loan Review Committee recommends approval

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

VOTE: Motion Passed; Mr. Noe Abstained.

AF25-0019 Clements, Brian

Mr. Jones presented a memorandum (*on file*) regarding the above referenced loan. The loan officer has requested a modification for loan AF25-0019 on behalf of Brian Clements. The KAFC Board approved Brian's request for \$157,954 for the construction of a 42,000-bushel grain bin in Union County at the March 14, 2025, meeting. At the time of approval, Farm Credit Mid America proposed collateral to be 60+/- acres. This collateral had a proposed value of \$600,000 and had a prior lien on the property. Mr. Clements has offered a 37+/- acre farm as collateral instead. At the time of approval, KAFC LTV was 66% secured by a 3rd mortgage on 60+/- acres. This request is for KAFC to take a 2nd mortgage on the new collateral being offered. This application was referred to the Loan Review Committee.

New LTV positions would be as follows:

FCMA	\$78,977
KAFC	\$78,977
Total Debt:	\$157,954
Appraised Value:	\$284,000

C/LTV: (\$157,954/\$284,000) 56%.

Staff recommends approval.

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

VOTE: Motion Passed; Unanimous.

AF24-0146 Gardner, Chase

Mr. Jones presented a memorandum (*on file*) regarding the above referenced loan. The loan officer has requested a modification for loan AF24-0146 on behalf of Chase Gardner. The KAFC Board approved Chase's request for \$250,000 as part of a \$500,000 project for the purchase of 119+/- acres in Metcalfe County at the August 9, 2024, meeting.

At the time of approval, South Central Bank proposed collateral be 119+/- acres with both loans being secured by an FSA guarantee. Since then, there has been a problem getting the FSA guarantee due to needing a permit through the Division of Water. The borrower is not able to get this permit due to the farm not being in his name.

Lindsey proposes that KAFC take a 2nd position on an addition 50+/- acres valued at \$158,000 allowing the C/LTV to be below 85%. Then coming back in the future getting an FSA guarantee and releasing the 50+/- acres. This request is for KAFC to take a 2nd on additional collateral in place of an FSA guarantee. This application was referred to the Loan Review Committee.

New LTV position would be as follows;

South Central Bank	\$250,000 - 1 st on 119+/- acres
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South Central Bank \$58,000 - 1st on the 50+/- acres
KAFC \$250,000 - 2nd on 119+/- acres and 2nd on 50+/- acres

Total Debt: \$558,000
Appraised Value: \$688,000

C/LTV: (558,000/\$688,000) 81%.

The Loan Review Committee recommends approval.

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

VOTE: Motion Passed; Unanimous.

Closing Remarks

Mr. Reed informed the board the next KAFC meeting will be at Franklin County Extension Office on Friday, May 9, 2025, at 10:00 a.m. (EDT).

Adjournment

There being no further business, Mr. Reed entertained a motion to adjourn the meeting at 11:08 a.m. (EDT).

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

VOTE: Motion Passed; Unanimous.

APPROVED DATE: May 9, 2025

PRESIDING OFFICER: Warner Beuth
Kentucky Agricultural Finance Corporation, Chair

BOARDS COORDINATOR: Hannah Sharp-Johnson
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/Compliance Committee Meeting Minutes



Meeting Date:	April 11, 2025
Meeting Location:	Franklin County Extension Office
Meeting Chair:	Lori Noel
Attendees:	<p>Committee Members: Larry Jaggers, Jonathan Noe, Lori Noel, Kenny Burdine, Michael Cochran, Wayne Hunt</p> <p>Staff: Bill McCloskey, Tera Roberts, Hunter Jones, Brian Murphy, Brandon Reed, Chelsea Smither, Landon Peach</p> <p>Guests:</p>
Minutes Issued By:	Hunter Jones, Loan Programs Manager
Meeting Call to Order:	9:00 AM EDT
Meeting Adjourned:	9:40 AM EDT

Agenda Items

New Business

1. Review of AF24-0229: Taylor Wedel:
 - a. On behalf of Taylor Wedel, loan officer Jesse Clark with River Valley Ag Credit is requesting KAFC Ag Infrastructure Loan Program funding in the amount of \$250,000. The Loan Review Committee met to discuss the poultry integrator.
 - b. The Loan Review Committee recommended pending the application until the poultry integrator gave a presentation to the board.

Old News:

2. Review of AF20-0037: Pennington Stave and Cooperage:
 - 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.
3. Review of AF21-0046: Nathan Totman:
 - a. On behalf of Nathan Totman, loan officer Beth Mobley with Central Kentucky Ag Credit requests KAFC subordinate to a re-amortized bridge loan on CKACA's master mortgage.
 - b. The Loan Review Committee recommended approval of the subordination request.
 - c. Jonathan Noe Abstained.

APPENDIX A: Loan Review/Compliance Committee Meeting Minutes



4. Review of AF24-0146: Chase Gardner:

- a. On behalf of Chase Gardner, loan officer Lindsey Reynolds with South Central Bank requests an additional 50+/- acres of collateral be used for security and the removal of the 90% FSA guarantee on KAFC and SCB with the C/LTV being below 85%.
- b. The Loan Review Committee recommended approval of the additional collateral and the removal of the FSA guarantee.

Compliance Committee:

1. Review of Loan Disbursements:
 - a. 42 Loans Closed October – December 2024
 - b. 59 Loans Closed January – March 2025
2. Report on 10 Reviewed Loans
 - a. Jonathan Noe reported that KAFC was all in compliance.
3. Next Compliance meeting will be July 2025