

# Kentucky Agricultural Finance Corporation

Minutes of the June 4, 2010 Meeting

The meeting of the Kentucky Agricultural Finance Corporation Board of Directors was held Friday, June 4, 2010 at the Hart County Extension Office, 505 A.A. Whitman Lane, Munfordville, KY. Bruce Harper, designee for Commissioner Richie Farmer, presiding, called the meeting to order at 9:00 a.m. CDT (10:00 a.m. EDT).

## **Notification of Press**

Mr. Harper received verification that the media had been notified regarding the Kentucky Agricultural Finance Corporation (KAFC) monthly meeting.

## **Roll Call**

### ***Members Present***

Bruce Harper (designee for Commissioner Farmer), Westy Adams, George Begley, Kenneth Burdine, Bob Gaslin, Wayne Hunt, Larry Jagers, Tom Midkiff (designee for Secretary Miller), Peggy Peterson

### ***Members Absent***

Doug Lawson, Frank Penn, Bob Proffitt

### ***Others Present***

**Staff** –Roger Thomas, Angela Blank, Sandra Gardner, Cyndi Hall, Tim Hughes, Christi Marksbury, Bill McCloskey

**Guests** –Senator Carroll Gibson; Terry Martin, Judge Executive for Hart County; Chris Clark, Hart County Extension Agent for Agriculture/Natural Resources; Mac Stone, Kentucky Department of Agriculture (KDA); Tom Middleton (Intern), Lowell Atchley and Biff Baker, Legislative Research Commission; Gabe and Allison Heatherly, Beginning Farmer Applicants

## **Welcome/Introduction of Guests**

Mr. Harper welcomed the Board and guests to the meeting.

## **Review and Approval of Minutes**

Westy Adams moved to approve the minutes of the May 7, 2010 KAFC Board of Directors meeting, with the following corrections: the date of the financial position should be “as of 4/30/2010” and the applications for New Business were taken between “March 21, 2010 and April 16, 2010”; Bob Gaslin seconded the motion. *The motion passed without dissent.*

## **Reports**

### **Executive Director's Report**

Mr. Harper called on Roger Thomas to give the Executive Director's Report.

- Mr. Rogers announced the marriage of Bill McCloskey to Linda Gibson on May 28, 2010
- May 12, 2010, Mr. Thomas, Angela Blank, Commissioner Richie Farmer, Kentucky Department of Agriculture (KDA), Mr. Harper and several legislators attended The Beef Proclamation Signing on Taylor Cattle Farm in Oldham County.
- May 13, 2010, Ms. Blank attended The Kentucky Agriculture Leadership Advisory Council which met in Frankfort at Kentucky State University (KSU).
- May 17, 2010, Several Governor's Office of Agricultural Policy (GOAP) staff including Todd Harp, Christi Marksbury, Mike Tobin, Jennifer Hudnall, Michael Judge, Tim Hughes and Joel Neaveill attended The Alltech Symposium in Lexington.
- May 19, 2010, Mr. Thomas spoke to Leadership Bowling Green.
- May 21, 2010, the Kentucky Agricultural Development Board (KADB) Meeting was held in Frankfort, KY.
- May 24, 2010, Ms. Blank and Mac Stone (KDA) attended the James Beard Foundation Cookin' in the Bluegrass kickoff in New York, NY promoting Kentucky Proud. Others who were in attendance include the First Lady, Jane Beshear, Alltech FEI World Equestrian Games CEO Jamie Link, and the Executive Director of the Kentucky Horse Park, John Nicholson.
- June 1, 2010, The second Farm Service Agency (FSA) and GOAP Collaborative Meeting was in Frankfort.
- June 2, 2010, The Tobacco Settlement Agreement Fund Oversight Committee Meeting.
- June 2, 2010, Mr. Thomas attended the Asset Conference at Western Kentucky University.
- June 3, 2010, Mr. Neaveill attended The National Summit of Rural America: A Dialogue for Renewing Promise on the campus of Jefferson College in Hillsboro, Missouri.

Mr. Thomas called on Mr. Neaveill who gave an overview of the budget and a brief summary of the National Summit of Rural America.

Mr. Thomas noted that the GOAP staff has already begun planning for 2011 GOAP Conference which will be held February 10, 2011 with a Joint Board Meeting and individual Board Meetings on February 11, 2011 in Bowling Green, KY.

Mr. Thomas recognized KAFC Board Member Bob Gaslin for his service and presented him with a plaque.

Mr. Harper called on Ms. Blank and Mr. Stone to give the board a short presentation on the Alltech FEI World Equestrian Games.

### **The Director of Financial Services Report**

Mr. Harper called on Mr. McCloskey to give the Director of Financial Services Report.

Mr. McCloskey noted that Mitch Whittle with USDA has been sharing our successful Beginning Farmer Loan Program with others and has had other states request information about our program.

Mr. McCloskey reviewed the financial position report (below) of KAFC, which reflected activity since the last meeting.

<b>K AFC Statement of Financial Position</b>	
<b>ASSETS (as of 05/31/2010):</b>	
Interest Earned from Loans	\$ 1,688,490
Interest Earned from State Investment Commission	1,054,390
Interest Fund (2802 Acct.)	2,742,880
Principal/Loan Fund (2803 Acct.)	3,353,757
Loan Funds Disbursed	29,104,984
KADB Approved Loans not Transferred	236,470
Funds Held by State & not transferred to KAFC	2,000,000
<b>Total Assets</b>	<b>\$ 37,438,092</b>

### **New Business**

The following applications were received between April 17, 2010 and May 14, 2010.

#### **Agricultural Infrastructure Loan Program - Discussion and Action**

**AF10-0024**                      **Hancock Crop Production LLC** -- Applicant requested \$75,000 for the construction of a grain bin facility in Hickman County. Jackson Purchase ACA in Clinton is the participating lender. **Wayne Hunt moved to approve AF10-0024, based on staff's recommendation, pending fund availability;** Mr. Gaslin seconded the motion. *The motion passed without dissent.*

Mr. Harper introduced Senator Carroll Gibson and Judge Executive, Terry Martin.

#### **Beginning Farmer Loan Program - Discussion and Action**

**AF10-0022**                      **Heatherly, Franklin "Gabe" and Allison** -- Applicants requested \$250,000 for the purchase of 30 acres and poultry facilities in Wayne County. Farm Credit Services in Somerset is the participating lender. **Mr. Hunt moved to approve AF10-0022, based on staff's recommendation, pending fund availability;** Mr. Gaslin seconded the motion. *The motion passed without dissent.*

**AF10-0023**                      **Slayden, Jordan** -- Applicant requested \$75,000 for the construction of a grain bin facility in Hickman County. Jackson Purchase ACA in Clinton is the participating lender. **Larry Jagers moved to approve AF10-0023, based on staff's recommendation, pending fund availability;** Peggy Peterson seconded the motion. *The motion passed without dissent.*

### **Old Business**

#### **Agricultural Processing Loan Program - Discussion and Action**

