

Kentucky Agricultural Finance Corporation

Minutes of the June 15, 2012 Meeting

The meeting of the Kentucky Agricultural Finance Corporation Board of Directors was held Friday, June 15, 2012 at The Springs Conference Center, 2200 E, Parrish Avenue, Owensboro, KY. Bruce Harper, designee for Commissioner James Comer, called the meeting to order at 9:00 a.m. CDT.

Notification of Press

Bruce 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 Comer), Dr. Kenny Burdine, Wayne Hunt, Larry Jagers, Doug Lawson, Frank McAninch, Tom Midkiff (designee for Secretary Flanery), Joel Oney, Frank Penn, Peggy Peterson

Members Absent – Westy Adams, George Begley

Kentucky Agricultural Development Board (KADB) Members Present – Dr. Betty Bailey, Karen Curtis, Pat Henderson, Sam Lawson, Wayne Mattingly, Troy Rankin, Jim Sidebottom, Dean Scott Smith, Dr. Teferi Tsegaye

Others Present

Staff – Roger Thomas, Biff Baker, Tammy Brookshier, Sandra Gardner, Cyndi Hall, Will Hearn, Angie Justice, Bill McCloskey, Shannon Morgan, Joel Neaveill, Kylee Palmer, Teresa Spreitzer, Bryan Thomas

Guests – Representative Tommy Thompson; Representative Jim Glenn; Suzanne White, Cecil Farms; Clint Hardy, Daviess County Cooperative Extension Agent; Will Stallard, Casey County Extension Agent; Joan Hayden, Daviess County Lyons Club; Ellen McGeeney and Courtney McCoy, Grasshopper Distributors; Martin Hayden, Hayden Farms; Brent Lackey and Rich Laing, Kentucky Center for Agricultural and Rural Development (KCARD); Maury Cox, Kentucky Dairy Development Council (KDDC) Steve Kelly, Kentucky Department of Agriculture (KDA); Diane Napolitano, Scott County Conservation District; Jimmy Richardson, Scott County Agricultural Development Council; Jessica McQuade, Triple J Farms; Jean Marie Lawson; Josh Morgan; John Murphy, Brent Woodrum

Welcome/Introduction of Guests

Bruce Harper welcomed the Board and guests to the KAFC Board meeting.

Review and Approval of Minutes

Larry Jagers moved to approve the minutes of the May 11, 2012 KAFC Board of Directors meeting; Kenny Burdine 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. Thomas welcomed the guests.

Mr. Thomas thanked Wayne Mattingly from Independence Bank for hosting the Joint Board Meetings in Owensboro.

Mr. Thomas gave a brief update on Jim Mahan.

Mr. Thomas called on Representative Tommy Thompson to make a few remarks.

Mr. Thomas updated the board on the activities and meetings of the Governor's Office of Agricultural Policy (GOAP) staff since the May meeting.

The Director of Financial Services Report

Mr. Harper called on Bill McCloskey to give the Director of Financial Services Report. Mr. McCloskey reviewed the financial position report (below) of KAFC.

KAFC Statement of Financial Position	
ASSETS (as of 05/31/2012):	
Interest Earned from Loans	\$ 3,020,574
Interest Earned from State Investment Commission	1,078,711
Interest Fund (2802 Acct.)	4,099,285
Principal/Loan Fund (2803 Acct.)	3,641,947
Loan Funds Disbursed	28,578,609
KADB Approved Loans not Transferred	0
Funds Held by State & not transferred to KAFC	2,000,000
Total Assets	\$38,319,842

Frank Penn moved to approve the financial report; Frank McAninch seconded the motion. *The motion passed without dissent.*

New Business

The following applications were received between April 20, 2012 and May 25, 2012.

Agricultural Infrastructure Loan Program - Discussion and Action

AF12-0020 Myatt, Charles and Deena / Myatt Farms- Applicants requested \$150,000 for the construction of two (2) poultry houses in Ballard County. First Community Bank of Western Kentucky in Fancy Farm is the participating lender. Staff recommended loan approval. **Wayne Hunt moved to approve AF12-0020, based on staff's recommendation, pending fund availability;** Joel Oney seconded the motion. *The motion passed without dissent.*

AF12-0021 Wade, Gerald, Bonie and Wesley / Wade and Wade Farms, LLC - Applicants requested \$46,500 for construction of two (2) tobacco barns, one in Harrison County and one in Bourbon County. Central Kentucky ACA in Paris is the participating lender. This loan was approved by staff (June 11, 2012), based upon loan size and credit score per Agricultural Infrastructure Loan Program policy adopted June 24, 2005.

AF12-0022 Porter, Chad and Jennifer; Walter and Carolyn / Porter Grain Farms, LLC - Applicants requested \$75,000 for the construction of a 90,000 bushel grain storage bin in Ohio County. Bank of Ohio County in Beaver Dam is the participating lender. Staff recommended loan approval. **Dr. Burdine moved to approve AF12-0022, based on staff's recommendation, pending fund availability;** Peggy Peterson seconded the motion. *The motion passed without dissent.*

Beginning Farmer Loan Program - Discussion and Action

AF12-0023 Welty, Lee - Applicant requested \$110,000 for the purchase of 57 acres in Boyle County. Central Kentucky ACA in Lebanon is the participating lender. Staff recommended loan approval contingent on. **Dr. Burdine moved to approve AF12-0023, based on staff's recommendation, pending fund availability;** Mr. Oney seconded the motion. *The motion passed without dissent.*

Old Business

Agricultural Infrastructure Loan Program - Discussion and Action

AF12-0012 Hardin, William "Todd" and Jill - Applicants requested \$40,000 for the construction of a 50,000 bushel grain bin in Marion County. Central Kentucky ACA in Lebanon is the participating lender. This loan was approved by staff (June 11, 2012), based upon loan size and credit score per Agricultural Infrastructure Loan Program policy adopted June 24, 2005.

Extensions—Discussion and Action

AF11-0020 Quiggens, Tim - Applicant requested an extension on the expiration date of this loan. He was approved for \$100,000 for construction of a meeting hall, sale barn and holding barn at the June 3, 2011 board meeting. The construction is almost complete. Staff recommended the KAFC loan approval be extended to September 3, 2012. **Mr. Penn moved to extend the expiration date of AF11-0020, based on staff's recommendation, pending fund availability;** Mr. Hunt seconded the motion.

Paid in Full—No Action Necessary
AF08-0107 Smith, Joshua

Closing Remarks

The next meeting of the KAFC Board is scheduled for August 3, 2012 (location to be announced). The regular business meeting of KAFC will begin at 10:00 a.m. EDT.

Ms. Peterson moved to adjourn. The meeting adjourned at 9:30 a.m. CDT.

APPROVED: 9-7-2012

PRESIDING OFFICER: James Comer
James Comer

SECRETARY: Cyndi Hall
Cyndi Hall