

The actions delineated below were taken in open session of the Kentucky Agricultural Development Board at the September 21, 2012 regular 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 Development Board
Summary Minutes of the Regular Business Meeting
Franklin County Cooperative Extension Office
Frankfort, Kentucky
September 21, 2012**

Call to Order

James R. Comer, presiding, called the Kentucky Agricultural Development Board (KADB) regular business meeting to order at 10:09 a.m. (EDT).

Roll Call

The following members were present: Dr. Betty Bailey; Roy Collins; Karen Curtis; Don Goodin (designee for Secretary Larry Hayes); Pat Henderson; Wayne Hunt; Sam Lawson; Wayne Mattingly; Sam Moore; Troy Rankin; Dr. Teferi Tsegaye (designee for President Mary Sias); Jim Sidebottom; Dean M. Scott Smith; James R. Comer, Vice Chairman.

Members absent: Jim Mahan

Notification of Media

Commissioner Comer received verification from Sandra Gardner, Director of Communications, that the media has been notified of the KADB monthly meeting.

Welcome

Commissioner Comer welcomed everyone to the meeting.

Approval of Minutes

Dean M. Scott Smith moved to approve the minutes from the August 24, 2012 board meeting as presented; Dr. Betty Bailey seconded the motion.

VOTE: Motion Passed; Unanimous

Commissioner Comer called on Joel Neaveill, Chief of Staff, to give the Executive Director's Report.

Executive Director's Report

Mr. Neaveill acknowledged the following guests: Dave Adkisson, President and Chief Executive Officer, Kentucky Chamber of Commerce; Bruce Harper, Deputy Commissioner, Kentucky Department of Agriculture (KDA); and Whitney Meadows, Agriculture Liaison to Senator Rand Paul.

Mr. Neaveill congratulated board member Jim Sidebottom who will be in Moultrie, GA next month competing for the Swisher Sweets Sunbelt Expo Southeastern Farmer of the Year Award.

Mr. Neaveill announced the Board will hold a 2-Day Planning Session/Business Meeting on October 18-19, 2012 at Natural Bridge State Resort Park. The Planning Session will be devoted to reviewing requested board policy and program changes for 2013.

Mr. Neaveill announced that the Blue Application Review Committee will meet at 9:00 a.m. on Tuesday, October 2, 2012 at the Transportation Cabinet Office Building in Frankfort.

Mr. Neaveill called on Kylee Palmer, Director of Compliance, to review the Monitoring and Compliance Update 2012 – 3rd Quarter (on file with the Board Secretary).

Mr. Neaveill called on Bill McCloskey, Director of Financial Services, to review the Kentucky Agricultural Finance Corporation (KAFC) Statement of Financial Position (on file with the Board Secretary) as of August 31, 2012.

Troy Rankin moved to accept the KAFC Financial Report; Jim Sidebottom seconded the motion.

VOTE: Motion Passed; Unanimous

Mr. McCloskey announced the next KAFC Board meeting will be 10:00 a.m. on October 5, 2012 at the Transportation Cabinet Office Building in Frankfort.

Mr. McCloskey informed the board that the Governor's Office of Agricultural Policy (GOAP) is hosting the annual meeting of the National Council of State Agricultural Finance Programs (NCOSAFP) at the Hyatt Regency – Lexington, October 20-24, 2012. Forty participants, representing 15 states, will be in attendance. This meeting will allow KAFC to showcase Kentucky agriculture and what we are doing with Kentucky Agricultural Development Funds. Mr. McCloskey thanked Cyndi Hall, Loan Programs Manager, for her work in organizing event.

Presentations

Dr. Will Snell, Department of Agricultural Economics, University of Kentucky
Commissioner Comer introduced Dr. Will Snell, Department of Agricultural Economics, University of Kentucky (UK), to present to the board.

Dr. Snell presented the Kentucky Ag Export Study (on file with the Board Secretary) conducted for the KADB. Dr. Snell's findings include the importance of exports to Kentucky's agricultural economy; results from stakeholder interviews regarding support for a state export office; and feedback from various agencies, offices and departments that could offer insight or assistance.

Upon the conclusion of the presentation Wayne Mattingly moved to further discuss the issue of Kentucky Exports with the Red Application Review Committee with an open invitation for all board members; Sam Lawson seconded the motion.

VOTE: Motion Passed; Unanimous

Angie Crain, Kentucky Water Science Center, U.S. Geological Survey (USGS)

Mr. Neaveill introduced Angie Crain, Kentucky Water Science Center, U. S. Geological Survey (USGS) to present the board.

Ms. Crain presented the framework needed for Water-Quality Monitoring in identifying pollution sources in Kentucky (on file with the board secretary). Ms. Crain concluded that monitoring Kentucky waterways will provide insight about water nutrient sources and loads not known and/or that contradict current information known and will allow the source to be identified.

Mr. Neaveill inquired of the Blue Application Review Committee members if they had any questions and/or if their questions were answered from Ms. Crain's report with regard to the two (2) pending applications that deal with Water Quality issues (i.e., Nutrient monitoring and Pollution sources in the Little River Basin).

After discussion, Mr. Neaveill summarized for the Blue Application Review Committee members, the two applications in pending status. Mr. Neaveill stated that if it is the pleasure of the board, staff can work with USGS to see how that project might be enhanced by incorporating these options.

Commissioner Comer announced at 12:11 p.m. that the KADB recess for lunch.

The KADB reconvened at 1:05 p.m.

Presentations continued

Kristen Branscum, Executive Director of Marketing, Kentucky Department of Agriculture

Commissioner Comer asked Ms. Branscum to present on behalf of the Kentucky Department of Agriculture – Kentucky Proud Program.

Ms. Branscum presented a video to the board that the Kentucky Department of Agriculture will share across the state to highlight and promote the Kentucky Proud Program. In addition, Ms. Branscum shared with the board an addendum to the

Kentucky Proud 2012 Grant Application (on file with the board secretary) outlining KDA's response to the Recipient Review Committee questions posed on September 20, 2012.

Ms. Branscum recognized Professor David Faulds, University of Louisville. Professor Faulds teaches a social media course, the first of its kind in the United States. KDA is looking at supporting this entrepreneurial program.

Commissioner Comer informed the board that there would not be a vote today on the KDA-Kentucky Proud program application and that it will be further reviewed by Committee.

Bruce Harper, designee for Commissioner Comer, assumed the Chair.

Todd Ryan, President, Kentucky Horticulture Council

Mr. Harper introduced Todd Ryan, to present to the board on behalf of the Kentucky Horticulture Council (KHC).

Mr. Ryan informed the board that the Kentucky Agricultural Development Funds (KADF) received by KHC go toward cooperative extension in working with farmers to increase productivity and quality. Cooperative's knowledge is vital to the growth of horticulture as a whole. Mr. Ryan further stated that agricultural development funds received impact consumers throughout the state.

Jeff Hall, Director, Kentucky Horticulture Council

Mr. Ryan introduced Jeff Hall to also present to the board on behalf of the KHC.

Mr. Hall presented to the board a 2012 Report of the Kentucky Horticulture Council (on file with the board secretary). Mr. Hall informed the board that the On-Farm Demonstration Projects (consultations, field days, workshops and farm tours) are the cornerstone of their work and have reached 2,130 farmers throughout the state.

Mr. Hall also noted for the board a report (on file with the board secretary) by Tim Woods, Matt Ernst and Kevin Heidermann of the University of Kentucky, Ag Economics Department which measures the current produce planting and marketing practices of Kentucky fruit and vegetable growers.

Mr. Hall informed the board that the cost-share programs (Advertising, Market Development and Market Sustainability) have reached 92 counties. Recipients of these funds must be members of the Kentucky Proud program.

Mr. Harper informed the board that there would not be a vote today on the Kentucky Horticulture Council application and that it will be further reviewed by Committee.

Old Business

Memo Action Item

Mr. Harper called on staff to present the following memo action item to the Board for consideration:

A2010-0046 Fayette County 4-H Council Inc.

Biff Baker, Project Manager, presented a memorandum (on file with the Board Secretary) regarding the above-referenced project. The Recipient requested a second extension of time, until April 1, 2013 to complete construction of the livestock barn.

The Blue Application Review Committee recommended approval of this request.

Sam Moore moved to approve the Committee recommendation; Dr. Tsegaye seconded the motion.

VOTE: Motion Passed; Unanimous

New Business

New Applications for Referral¹

Mr. Harper referenced two (2) applications for referral:

Mr. Mattingly moved to refer the submitted applications; Mr. Rankin seconded the motion.

VOTE: Motion Passed; Unanimous

Programs Recommended for Approval²

Mr. Harper referenced ten (10) County Agricultural Investment Program (CAIP) applications requesting county funds totaling \$1,839,063; three (3) Deceased Farm Animal Removal Program (DAR) applications requesting county funds totaling \$22,500; and two (2) Shared-use Equipment applications requesting county funds totaling \$11,557. Total program funding requested \$1,873,120.

Mr. Sidebottom moved to approve the program recommendations as presented; Karen Curtis seconded the motion.

VOTE: Motion Passed; Unanimous

Requested Program Amendments³

Mr. Harper referenced three (3) County Agricultural Investment Program Amendments requesting county funds totaling \$244,700.

¹ A detailed list of Applications for Referral is attached as Appendix A.

² A detailed list of projects funded under the County Agricultural Investment Program, Deceased Farm Animal Removal Program and Shared-use Equipment Program is attached as Appendix B.

³ A detailed list of County Agricultural Investment Program amendments is attached as Appendix C.

Mr. Henderson moved to approve the Program Amendments as presented; Don Goodin seconded the motion.

VOTE: Motion Passed; Unanimous

Recommendations for Funding

Mr. Harper called on staff to present the following project recommendations for funding:

Tammy Brookshier, Program Coordinator, stated that the KADB earmarked \$250,000 in state funds for the 2012 Farmers' Market Infrastructure Competitive Grant Program. Applications were accepted until the June 29, 2012 deadline. Eligible items for this program consisted of components solely for the construction of a new farmers' market and/or an expansion of an existing market. A total of seven (7) applications were received. The following four (4) applications met the requirements and intent of the Farmers' Market Program and were given a score of 75 points or higher to meet the program scoring requirement.

A2012-0091 Lincoln County Farmers' Market

Ms. Brookshire presented the above-referenced project from the Lincoln County Farmers' Market requesting \$12,000 in Lincoln County funds and \$22,000 in state funds to construct a new farmers' market.

The White Application Review Committee recommended funding this request for \$12,000 in Lincoln County funds and \$21,255 in state funds.

Mr. Goodin moved to approve the Committee recommendation; Dr. Tsegaye seconded the motion.

VOTE: Motion Passed; Unanimous

A2012-0204 University of Kentucky Research Foundation

Ms. Brookshier presented the above-referenced project from University of Kentucky Research Foundation (UK Robinson Center Farmers' Market) requesting \$20,000 in Breathitt County funds and \$20,000 in state funds to construct a new farmers' market.

The White Application Review Committee recommended funding this request for \$20,000 in Breathitt County funds and \$20,000 in state funds.

Mr. Sidebottom moved to approve the Committee recommendation; Mr. Goodin seconded the motion.

VOTE: Motion Passed; Unanimous

A2012-0205 Muhlenberg County Fiscal Court

Ms. Brookshier presented the above-referenced project from Muhlenberg County Fiscal Court requesting \$25,000 in state funds to construct a new farmers' market.

The White Application Review Committee recommended funding this request for \$25,000 in state funds.

Mr. Hunt moved to approve the Committee recommendation; Mr. Rankin seconded the motion.

VOTE: Motion Passed; Unanimous

A2012-0206 Owsley County Board of Education

Ms. Brookshier presented the above-referenced project from Owsley County Board of Education requesting \$20,488.72 in state funds to construct a new farmers' market.

The White Application Review Committee recommended funding this request for \$20,489 in state funds.

Roy Collins moved to approve the Committee recommendation; Dr. Bailey seconded the motion.

VOTE: Motion Passed; Unanimous

Mr. Neaveill noted for the board that discussion will be held at the October planning session to discuss the future of the Farmers' Market Infrastructure Competitive Grant Program 2013.

A2012-0229 Green River Area Beef Improvement Group, Inc.

Mr. Baker presented the above-referenced project from Green River Area Beef Improvement Group, Inc. requesting \$14,600 in Daviess County funds to establish a 50% cost-share program for Daviess County youth to develop successful agricultural production enterprises.

The Blue Application Review Committee recommended funding this request for \$14,600 in Daviess County funds.

Mr. Moore moved to approve the Committee recommendation; Dr. Tsegaye seconded the motion.

VOTE: Motion Passed; Unanimous

Recommendations for No Funding

Mr. Harper called on staff to reference the Project Recommendations for No Funding.

A2012-0208 Kentucky Hydro Farm, LLC

Ms. Brookshier presented the above-referenced project from KY Hydro Farm, LLC requesting \$25,000 in state funds to expand their current on-farm market.

The White Application Review Committee recommended no funding this request due to not meeting eligible requirements for a community-based farmers' market. Specifically, the expansion does not show community-based impact. In addition, match information was not provided.

A2012-0210 Nathan Erickson / Courtenay Kunnecke

Ms. Brookshier presented the above-referenced project from Nathan Erickson / Courtenay Kunnecke requesting \$25,000 in state funds to renovate a downtown location in Jefferson County for the purpose of a farmers' market/flea market.

The White Application Review Committee recommended no funding this request due to not meeting the overall intent of the Farmers' Market Infrastructure Competitive Grant Program. This application also did not provide adequate confirmed match information.

Mr. Rankin moved to approve the Committee recommendations for no funding both Farmers' Market applications; Mr. Henderson seconded the motion.

VOTE: Motion Passed; Unanimous

Withdrawn Application

Mr. Harper referenced the expiration of the following application:

A2012-0207 Henderson Settlement Corporation

No action necessary.

Pending Applications

Mr. Harper referenced the following pending applications and invited the board to ask questions of any:

A2012-0004	Kentucky World Trade Center, Inc.
A2012-0010	Marksbury Farm Foods, LLC
A2012-0025	The University of Kentucky Research Foundation
A2012-0152	Meat Hook LLC
A2012-0194	Kentucky Horticulture Council, Inc.
A2012-0230	U.S. Geological Survey, Kentucky Water Source
A2012-0231	Kentucky Department of Agriculture
A2012-0246	Hopkinsville Surface & Stormwater Utility

No action necessary.

Closing Remarks

Mr. Neaveill further informed the board of issues to be discussed at the October Planning Session will be program recommendation changes for 2013 (no decisions at that time); policy issues in going forward with the Farmers' Market Competitive Grant Program; the On-Farm Energy Efficiency and Production Incentives Program and

possible presentations from the Kentucky Beef Network and Kentucky Dairy Development Council.

Adjournment

Mr. Goodin moved to adjourn the KADB meeting; Dr. Bailey seconded the motion.

VOTE: Motion Passed; Unanimous

The KADB meeting adjourned at 2:50 p.m. (EDT).

APPROVED DATE: Oct 19, 2012

PRESIDING OFFICER: James R. Comer
James R. Comer

BOARD SECRETARY: Teresa Spreitzer
Teresa Spreitzer

Appendix A: Applications for Referral

APP #	APPLICANT	COUNTY
A2012-0251	Henderson County Fiscal Court <i>Farmers Market Structure</i>	Henderson
A2012-0260	Madison County Fiscal Court <i>Deceased animal removal truck purchase</i>	Madison

Appendix B: Program List

CAIP			
<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2012-0252	Laurel County Cattlemen's Association, Inc.	Laurel	\$158,425.00
A2012-0254	Christian County Conservation District	Christian	\$171,657.00
A2012-0256	Metcalfe County Conservation District	Metcalfe	\$270,323.00
A2012-0257	Robertson County Soil Conservation District	Robertson	\$255,850.00
A2012-0259	Warren County Conservation District	Warren	\$200,786.00
A2012-0261	Adair County Cattlemen's Association, Inc.	Adair	\$195,000.00
A2012-0263	Magoffin County Agriculture Investment Program Incorporated	Magoffin	\$93,274.00
A2012-0264	Rockcastle County Conservation District	Rockcastle	\$147,998.00
A2012-0266	Pulaski County Conservation District	Pulaski	\$284,000.00
A2012-0267	Trigg County Soil Conservation District	Trigg	\$61,750.00
			\$1,839,063.00

Deceased Farm Animal Removal Program			
<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2012-0253	Nicholas County Conservation District	Nicholas	\$7,500.00
A2012-0258	Christian County Fiscal Court	Christian	\$7,500.00
A2012-0262	Casey County Conservation District	Casey	\$7,500.00
			\$22,500.00

Shared-use Equipment			
<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2012-0255	Christian County Extension District Board	Christian	\$5,000.00
A2012-0265	Pulaski County Conservation District	Pulaski	\$6,557.00
			\$11,557.00

Total County Funds Recommended for Approval in Programs: \$1,873,120.00

Appendix C: Program Amendments

App # A2012-0141
Applicant Name Jessamine County FFA Alumni Association Inc.
Original Amount Approved \$230,000
Execution Date 05/30/2012
Requested Change The applicant requests an additional \$170,000 in Jessamine County funds for the CAIP. The request received a high priority from the Jessamine County Council.
 This is the first request for an amendment to this application number. The term of the program shall remain 12-months from the execution date of the original agreement.
 Approval of this request would bring the program total to \$400,000.
Recommend Approval

App# A2012-0146
Applicant Name Casey County Conservation District
Original Amount Approved \$250,000
Execution Date 6/25/2012
Requested Change The applicant requests an additional \$24,700 in Casey County funds for the CAIP. The request received a high priority from the Casey County Council.
 This is the first request for an amendment to this application number. The term of the program shall remain 12-months from the execution date of the original agreement.
 Approval of this request would bring the program total to \$274,700.
Recommend Approval

App# A2012-0158
Applicant Name Garrard County Farm Bureau, Inc.
Original Amount Approved \$250,000
Execution Date 6/29/12
Requested Change The applicant requests an additional \$50,000 in Garrard County funds for the CAIP. The request received a high priority from the Garrard County Council.
 This is the first request for an amendment to this application number. The term of the program shall remain 12-months from the execution date of the original agreement.
 Approval of this request would bring the program total to \$300,000.
Recommend Approval