

The actions delineated below were taken in open session of the Kentucky Agricultural Development Board at the December 14, 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  
Capitol  
Frankfort, Kentucky  
December 14, 2012**

**Call to Order**

Bruce Harper, presiding, called the Kentucky Agricultural Development Board (KADB) regular business meeting to order at 10:09 a.m. (EST).

**Roll Call**

The following members were present: Dr. Betty Bailey; Karen Curtis; Don Goodin (designee for Secretary Larry Hayes); Pat Henderson; Sam Lawson; Jim Mahan; Wayne Mattingly; Sam Moore; Troy Rankin; Dr. Teferi Tsegaye (designee for President Mary Sias); Jim Sidebottom; Drew Graham (designee for Dean M. Scott Smith) and Bruce Harper.

Members absent: Roy Collins; Wayne Hunt

**Notification of Media**

Mr. Harper received verification that the media has been notified of the KADB monthly meeting.

**Welcome**

Mr. Harper welcomed everyone to the meeting and informed the board that Commissioner Comer is not in attendance because he is wrapping up his visits to all 120 counties. Jim Mahan commended the Kentucky Department of Agriculture on their new Kentucky Proud magazine.

**Approval of Minutes**

Joel Neaveill, Chief of Staff, informed the board of a correction (underlined below) to the November 16, 2012 Minutes. Page 4, first paragraph should read:

Ms. Curtis moved to amend the proposed revision for the CAIP Producer Application to include the following language in response to the question, "Are you applying as a tenant farmer?" "If yes and approved, you may be required to provide a redacted copy of your Schedule F and written approval from the land owner or an FSA-578, giving you permission to use the owner's FSN and granting access to the cost-share item (a minimum of five years for capital improvements)." Dr. Tsegaye seconded the motion.

Sam Lawson moved to approve the November 16, 2012 Minutes as amended; Dr. Betty Bailey seconded the motion.

VOTE: Motion Passed; Unanimous

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

Roger Thomas, Executive Director, Governor's Office of Agricultural Policy (GOAP), having reached his five-year mark with GOAP, expressed his appreciation in working with the Kentucky Agricultural Development Board.

Mr. Thomas called on John McCauley, Executive Director, Kentucky Farm Service Agency, to report to the board. Mr. McCauley stated that talks have stalled between the Senate and House regarding the Farm Bill. He informed the board that if a Farm Bill is not in place by December 31, 2012, federal farm budget policies will revert to what they were in the late 1940's.

Mr. Thomas called on Larry Snell, Executive Director, Kentucky Center for Agricultural and Rural Development. Mr. Snell stated that in the last ten days new projects and business ideas have been received by his office indicating that even at year end, agriculture endeavors continue to progress in the state of Kentucky. Mr. Snell informed the board that he will be retiring and expressed his gratitude to the KADB, GOAP, the University of Kentucky and others for their support during his tenure.

Mr. Thomas reported to the board regarding various meetings/events held and attended over the past month.

Mr. Thomas yielded the floor to Angela Blank, Director of Public Affairs who recently hosted along with Sandra Gardner, Director of Communications, to report on a "Partnerships in Public Relations" meeting hosted by GOAP and KDA on December 11, 2012 at the Kentucky Chamber of Commerce. Ms. Blank informed the board that the intent of the meeting was to bring agricultural public relations and communications personnel together to discuss their communication efforts and priorities for 2013. Approximately 40 were in attendance. Joe Lilly, Executive Vice President, New West LLC facilitated the meeting with Kristen Branscum, Kentucky Department of Agriculture (KDA) presenting as well. A Kentucky Proud lunch was catered by the Governor's Mansion chefs. Feedback was received that this group would like to meet quarterly.

Mr. Thomas announced that the next KADB Meeting will be held on Friday, January 18, 2013 at the Kentucky Chamber of Commerce. In addition, the GOAP Conference will be held October 29 and 30, 2013 at Holiday Inn University Plaza in Bowling Green, Kentucky.

Mr. Thomas 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 November 30, 2012.

Mr. McCloskey reviewed with the board a memo which outlines a draft proposal of guidelines for the "New Agriculture Enterprise Loan Program" to be offered by KAFC. Mr. McCloskey noted that at the December 7, 2012 KAFC Board meeting a change was made to number 9 of the Terms: "consent" was changed to "notification." The term should read, "No future debt can be incurred on mortgaged property without notification to KAFC." Mr. McCloskey asked the KADB to provide input noting that KAFC will review the proposed guidelines again at their February 2013 board meeting for a vote.

Jim Sidebottom moved to accept the KAFC Financial Report; Betty Bailey seconded the motion.

VOTE: Motion Passed; Unanimous

## Old Business

### Memo Action Item

Mr. Harper called on Biff Baker, Project Manager, to present the following memo action item to the Board for consideration:

#### **A2010-0112            Kentucky Department of Agriculture – Kentucky Proud**

Mr. Baker presented a memorandum (on file with the Board Secretary) regarding the above-referenced project. The Recipient requested that a portion of its 2012 funding be reallocated to its Restaurant Rewards program. The funds would come from the categories of Retail & Point of Purchase, Tradeshow, USDA Meat Grader and Distribution Coordinator. KDA states that no more than \$61,875 will be reallocated to Restaurant Rewards and that no funds will carry over to 2013. Currently there is about \$51,000 in qualifying rewards to be disbursed by December 31, 2012. Per the agreement, any funds that have not been encumbered as of December 31, 2012 will be returned to the Kentucky Agricultural Development Fund.

Wayne Mattingly moved to approve the reallocation request; Mr. Mahan seconded the motion.

VOTE: Motion Passed; Unanimous

## **New Business**

### **New Application for Referral<sup>1</sup>**

Mr. Harper referenced one (1) application for referral:

Don Goodin moved to refer the submitted application; Troy Rankin seconded the motion.

VOTE: Motion Passed; Unanimous

### **Programs Recommended for Approval<sup>2</sup>**

Mr. Harper referenced three (3) County Agricultural Investment Program (CAIP) applications requesting county funds totaling \$430,842; two (2) Deceased Farm Animal Removal Program (DAR) applications requesting county funds totaling \$15,000; and two (2) Shared-use Equipment applications requesting county funds totaling \$28,326. Total program funding requested \$474,168.

Pat Henderson moved to approve the program recommendations as presented; Mr. Rankin seconded the motion.

VOTE: Motion Passed; Unanimous

### **Requested Program Amendments<sup>3</sup>**

Mr. Harper referenced three (3) County Agricultural Investment Program Amendments requesting county funds totaling \$308,237.

Mr. Neaveill noted a typographical correction to CAIP Amendment Request A2012-0172 by the Franklin County Cattlemen's Association, Inc. stating that the program total should read \$38,969 rather than \$138,969.

Mr. Lawson moved to approve the Program Amendments as corrected; Dr. Teferi Tsegaye seconded the motion.

VOTE: Motion Passed; Unanimous

### **Recommendations for Funding**

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

#### **A2012-0194            Kentucky Horticulture Council, Inc.**

Mr. Baker, presented the above-referenced project from the Kentucky Horticulture Council, Inc. requesting \$1,325,000 in state funds to continue the

---

<sup>1</sup> A detailed list of Applications for Referral is attached as Appendix A.

<sup>2</sup> 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.

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

expansion and profitability of horticulture crop producers in Kentucky for calendar years 2013 and 2014.

The Recipient Review Committee recommended funding this request for \$675,000 in state funds for 2013 and \$650,000 in state funds for 2014 for a total allocation of \$1,325,000.

Mr. Mahan moved to approve the committee recommendation; Mr. Rankin seconded the motion.

VOTE: Motion Passed; Drew Graham abstained

**A2012-0285 Kentucky Beef Network, LLC**

Mr. Baker presented the above-referenced project from the Kentucky Beef Network, LLC requesting \$1,494,097 in state funds to continue training beef cattlemen to produce and market a quality product at a reasonable and sustainable profit for calendar years 2013 and 2014.

The Recipient Review Committee recommended funding this request in the amount of \$796,835 in state funds for 2013 and \$784,112 in state funds for 2014 for a total amended allocation of \$1,580,947.

Pat Henderson moved to approve the committee recommendation; Mr. Rankin seconded the motion.

VOTE: Motion Passed; Mr. Graham abstained

**A2012-0286 Kentucky Specialty Grains, LLC**

Mr. Baker presented the above-referenced project from Kentucky Specialty Grains, LLC requesting \$33,850 in State funds to conduct a Chia Seed Market Development & Business Feasibility Study. The study will be developed by Ascendant Partners with technical support provided by Verdant Agribusiness Consultants.

The Blue Application Review Committee recommended funding this request for \$33,850 in State funds.

Sam Moore moved to approve the committee recommendation; Karen Curtis seconded the motion.

VOTE: Motion Passed; Unanimous

**A2012-0288 Kentucky Dairy Development Council, Inc.**

Mr. Baker presented the above-referenced project from the Kentucky Dairy Development Council, Inc. (KDDC) requesting \$1,863,900 in State funds for calendar years 2013 and 2014 to continue educating, representing and

promoting Kentucky's dairy producers and the dairy industry as a whole. The request includes \$1,000,000 for the Market Incentive Leadership for Kentucky (MILK) Program and \$863,900 for KDDC and Kentucky Dairy Improvement Program (KDIP) administrative costs.

The Recipient Review Committee recommended funding this request for \$931,300 in State funds for 2013 and \$932,600 in state funds for 2014 for a total allocation of \$1,863,900.

Mr. Lawson moved to approve the committee recommendation;  
Mr. Goodin seconded the motion.

VOTE: Motion Passed; Unanimous

### 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
A2012-0152	Meat Hook, LLC

No action necessary.

### Closing Remarks

Mr. Thomas informed the Board that the Fiscal Policy Committee will meet at 11:15 a.m. in Room 110 of the Capitol and that the Blue Application Review Committee will meet at 1:00 p.m. in Room 169 of the Capitol Annex.

### Adjournment

Ms. Curtis moved to adjourn the December 14, 2012 KADB meeting; Mr. Rankin seconded the motion.

VOTE: Motion Passed; Unanimous

The KADB meeting adjourned at 11:07 a.m. (EST).

APPROVED DATE:

1-18-13

PRESIDING OFFICER:

James Comer  
James Comer

BOARD SECRETARY:

Teresa Spreitzer  
Teresa Spreitzer