

The actions delineated below were taken in open session of the Kentucky Agricultural Development Board at the May 17, 2013 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
Scott County Cooperative Extension Office
Georgetown, Kentucky
May 17, 2013**

Call to Order

Jamie Link, 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; Jim Mahan; Wayne Mattingly; Sam Moore; Troy Rankin; Dr. Teferi Tsegaye (designee for President Mary Sias); Jim Sidebottom; Dean M. Scott Smith; Warren Beeler (designee for James R. Comer) and Jamie Link (designee for Governor Steven L. Beshear).

Members absent: Sam Lawson

Notification of Media

Mr. Link received verification from Sandy Gardner, Director of Communications, that the media has been notified of the KADB monthly meeting.

Welcome

Mr. Link welcomed everyone to the meeting.

Approval of Minutes

Mr. Link entertained a motion to approve the minutes of April 19, 2013.

Sam Moore moved to approve the minutes as presented; Jim Mahan seconded the motion.

VOTE: Motion Passed; Unanimous

Executive Director's Report

Mr. Link yielded the floor to Roger Thomas, Executive Director, Governor's Office of Agricultural Policy (GOAP) to give his report to the board.

Mr. Thomas thanked Diane Napolitano and Jimmy Richardson, Vice Chairman, Scott County Conservation District, for inviting the board to Scott County, as well as providing refreshments. Mr. Thomas also thanked Troy Rankin, KADB Member from Scott County, for providing ham and biscuits this morning. Mr. Thomas called on Mr. Richardson to say a few words to the board.

Mr. Richardson welcomed everyone to Scott County and stated that he was pleased to have the opportunity to host the KADB. Mr. Richardson then introduced Steven Smith, Chairman, Scott County Agricultural Development Council and George Lusby, Scott County Judge Executive, to address the board.

Mr. Richardson invited board members to a tour of Triple J Farm (a KADB funded project) after the meeting.

Mr. Thomas introduced the following guests and invited each to speak to the board: Senator Damon Thayer, Senate Majority Floor Leader and past member of the Senate Agriculture Committee; Representative Ryan Quarles of Scott County, member of the Tobacco Settlement Agreement Fund Oversight Committee; and Representative Tom McKee of Harrison County, Chairman, House Standing Committee on Agriculture and Small Business, member of the Tobacco Settlement Agreement Fund Oversight Committee, and Co-sponsor of House Bill 611.

Mr. Thomas called on John McCauley, State Director, Farm Service Agency, to give an update to the board since the last meeting. In addition, Mr. McCauley stated that Michael T. Scuse has been named Deputy Secretary, United States Department of Agriculture (USDA), replacing Kathleen Merrigan.

Mr. Thomas called on Aleta Botts, Executive Director, Kentucky Center for Agriculture and Rural Development (KCARD), to give an update to the board since the last meeting.

Mr. Thomas gave an update outlining meetings and events attended since the last board meeting.

Mr. Thomas informed the board that he along with Joel Neaveill, Chief of Staff, and Angela Blank, Director of Public Affairs, will be in Chicago beginning Tuesday, May 21 to attend the Master Settlement Agreement (MSA) hearing for Kentucky. The panel of judges will be hearing claims regarding disputed payments withheld by participating manufacturers. The state of Kentucky is the last state to be heard by the panel. Upon conclusion of the hearings, the panel will make a decision regarding diligent enforcement for the states that are being challenged.

Mr. Thomas announced that he would be traveling to Vancouver, British Columbia in June to attend the 2013 Legislative Agriculture Chairs Summit to talk about the KADF.

Dean M. Scott Smith announced that the University of Kentucky moved the Small Business Development Center from the Gatton College of Business and Economics to the College of Agriculture and Cooperative Extension Service. Dean Smith stated that it will be a tremendous opportunity in creating partnerships with KCARD, Farm Business Management Service and others.

Mr. Link announced that the Marketing and Entrepreneurship Committee met this morning to discuss the Promotional Fund. Representatives from the Kentucky Pork Producers Association, Kentucky Cattlemen's Association and Kentucky Poultry Federation were in attendance. Mr. Link called on Wayne Hunt, Committee Chairman, to report to the board.

Mr. Hunt informed the board that the Kentucky Pork Producers offered to share a portion of their funds with the Kentucky Cattlemen's Association for use in the Kentucky Broadcaster's Association (KBA), Public Education Partnership Program (PEP) stating "We are all agriculture."

Mr. Thomas informed the board that the Energy Application Review Committee met on May 16, 2013 to consider 102 applications. The recommendations of the committee will be submitted to the board in June.

Mr. Thomas stated that the White Application Review Committee will meet following lunch to review the referred applications.

Mr. Thomas referenced a memo (on file with the board secretary) from Ms. Blank outlining the investment made in the KBA PEP program summarizing the value of commercial/radio air dates from August 2012 through March 2013 with a detail of March activity.

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 April 30, 2013.

Jim Sidebottom moved to accept the KAFC Financial Report; Dr. Teferi Tsegaye seconded the motion.

VOTE: Motion Passed; Unanimous

Mr. McCloskey announced the next KAFC Board meeting will be held 10:00 a.m. on Friday, June 7, 2013, at the Transportation Cabinet Office Building in Frankfort.

Reports – Recipient Review Committees

Mr. Link stated that the four Recipient Review Committees met on April 19, 2013, to review the 1st Quarter reports and called on each committee to give an update to the board.

Kentucky Dairy Development Council (KDDC)
Kentucky Beef Network (KBN)
Kentucky Horticulture Council (KHC)
Kentucky Department of Agriculture (KDA) – Ky Proud

Pat Henderson reporting
Don Goodin reporting
Troy Rankin reporting
Wayne Mattingly reporting

Presentation

Kentucky Vineyard Society, Inc. (KVS) (A2011-0124)

Kylee Palmer, Director of Compliance, informed the board that the KVS was approved in November 2011 for \$515,000 in state funds to provide growers and wine-makers with services that include site visits, consultations, planning, education, field days, publications and applied research projects. In January 2012 KVS received \$15,000. In fiscal year 2013 they received \$250,000. Per the legal agreement, a presentation to the board is required at this time in order to receive the remaining \$250,000 for fiscal year 2014.

Ms. Palmer introduced Patsy Wilson, State Viticulturalist, and Lowell Land, President, KVS, to present to the board.

Ms. Wilson and Mr. Land provided the board with an update on the activities of the KVS (presentation on file with the board secretary) since being funded in 2011.

Old Business

Memo Action Items

Mr. Link called on staff to present the following memo action items to the Board for consideration:

A2001-0565 Kentucky FFA Foundation, Inc.

Mr. Neaveill presented a memorandum (on file with the board secretary) regarding the above-referenced project. The Recipient requested a modification of the legal agreement to allow for a change in expenditures from an additional \$200,000 awarded by the KADB in September 2010.

The Red Application Review Committee recommended approval of this request and further recommends that the Recipient combine these funds with the endowment principle established in 2001, so long as programmatic activity and expenditures are reported to the board detailed by program.

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

VOTE: Motion Passed; Unanimous

A2006-0021 Lan Mark Farm, LLC

Biff Baker, Project Manager, presented a memorandum (on file with the Board Secretary) regarding the above-referenced project. The Recipient requested a modification of the legal agreement to add hay as a forgivable Kentucky product and to expand forgiveness to include training and consulting services to Kentucky fiber producers.

The Red Application Review Committee recommended to deny hay as a forgivable product, as well as the expansion of forgiveness for consulting services. The committee recommended forgiveness for classes at the rate of \$65 per attendee and for on-site educational sessions at the rate of \$2 per attendee.

Mr. Henderson moved to approve the committee recommendation as presented; Mr. Moore seconded the motion.

VOTE: Motion Passed; Unanimous

A2012-0013 Scott B. Shackelford

Mr. McCloskey presented a memorandum (on file with the Board Secretary) regarding the above-referenced project. The Recipient requested a reallocation of \$3,000 from the packing line category to be used to purchase rock, concrete and blacktop. The reallocated funds will allow the Recipient to improve the dirt floor of an existing storage building as well as driveways between the receiving, packing and storage buildings. In addition, the Recipient has requested a time extension in order to complete the flooring and driveways.

The Red Application Review Committee recommended approval of this request with a 3-month extension or until August 18, 2013.

Mr. Mahan moved to approve the committee recommendation as presented; Dr. Dr. Tsegaye seconded the motion.

VOTE: Motion Passed; Unanimous

A2012-0159 Pendleton County Extension District Board

Mr. Baker presented a memorandum (on file with the Board Secretary) regarding the above-referenced project. The Recipient requested a budget reallocation from the gravel category to the pole barn and rock categories, as the county government agreed to provide the gravel and spreading costs.

The Red Application Review Committee recommended approval of this request.

Karen Curtis moved to approve the committee recommendation as presented; Mr. Rankin seconded the motion.

VOTE: Motion Passed; Unanimous

New Business

New Applications for Referral¹

Mr. Link referenced three (3) applications for referral:

Dr. Betty Bailey moved to refer the submitted applications; Mr. Moore seconded the motion.

VOTE: Motion Passed; Unanimous

Programs Recommended for Approval²

Mr. Link referenced fifteen (15) County Agricultural Investment Program (CAIP) applications requesting county funds totaling \$2,128,257 and one Deceased Farm Animal Removal Program (DAR) application requesting county funds totaling \$9,510. Total program funding requested \$2,137,767.

Mr. Rankin moved to approve the program recommendations as presented; Dr. Bailey seconded the motion.

VOTE: Motion Passed; Unanimous

Mr. Neaveill informed the board that the Jessamine County CAIP is \$200,000 rather than what was listed in the mailed board packet and that the figures mentioned for approval were correct.

Requested Program Amendments³

Mr. Link noted that the Morgan County request for a CAIP amendment had been withdrawn on May 14, 2013.

No action necessary.

Mr. Link referenced four (4) CAIP Amendments requesting county funds totaling \$562,688.

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 and Deceased Farm Animal Removal Program is attached as Appendix B.

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

Mr. Goodin moved to approve the program amendments as presented; Dr. Tsegaye seconded the motion.

VOTE: Motion Passed; Unanimous

Project Recommendations for Funding

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

A2013-0043 Green County Cattlemen's Association, Inc.

Mr. Baker presented the above-referenced project from Green County Cattlemen's Association, Inc., requesting \$20,000 in Green County funds to implement a youth heifer chain program for beef and dairy cattle.

The Red Application Review Committee recommended funding this request for \$20,000 in Green County funds.

Mr. Moore moved to approve the committee recommendation; Ms. Curtis seconded the motion.

VOTE: Motion Passed; Unanimous

A2013-0044 Buffalo Trace Area Development District, Inc.

Mr. Baker presented the above-referenced project from Buffalo Trace Area Development District, Inc. requesting \$20,000 in Bracken County funds to implement a hillside reclamation project.

The Red Application Review Committee recommended funding this request for \$20,000 in Bracken County funds.

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

VOTE: Motion Passed; Unanimous

A2013-0052 Daviess County Lions Club Fair, Inc.

Mr. Baker presented the above-referenced project from Daviess County Lions Club Fair, Inc. requesting \$28,976 in Daviess County funds to continue making improvements to the 120'x120' county agricultural multi-purpose building.

The Red Application Review Committee recommended funding this request for \$28,976 in Daviess funds.

Mr. Hunt moved to approve the committee recommendation; Mr. Mattingly seconded the motion.

VOTE: Motion Passed; Unanimous

A2013-0053 Daviess County High School

Mr. Baker presented the above-referenced project from Daviess County High School requesting \$4,500 in Daviess County funds to renovate the high school's greenhouse.

The Red Application Review Committee recommended funding this request for \$4,500 in Daviess County funds.

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

VOTE: Motion Passed; Unanimous

A2013-0054 Green River Area Beef Improvement Group, Inc.

Mr. Baker presented the above-referenced project from the Green River Area Beef Improvement Group, Inc., requesting \$20,000 in Daviess County funds to establish a 50% cost-share program for Daviess County students to develop successful agricultural production enterprises.

The Red Application Review Committee recommended funding this request for \$20,000 in Daviess County funds.

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

VOTE: Motion Passed; Unanimous

Recommendation for No Funding

Mr. Link called on staff to reference the Recommendation for No Funding.

A2013-0107 Green County Conservation District

Tammy Brookshier, Program Coordinator, presented the above-referenced CAIP application from the Green County Conservation District requesting \$271,000 in Green County funds.

Staff recommended to no fund this application due to low priority from the Green County Agricultural Development Council.

Mr. Goodin moved to approve the staff recommendation; Dr. Bailey seconded the motion.

VOTE: Motion Passed; Unanimous

Pending Applications

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

- A2012-0004 Kentucky World Trade Center, Inc.
- A2012-0152 Meat Hook LLC
- A2013-0024 Barren County Board of Education
- A2013-0049 Oldham County Fiscal Court
- A2013-0063 Kentucky School for the Deaf Charitable Foundation, Inc.
- A2013-0102 Washington County Fiscal Court

No action necessary.

Closing Remarks

Mr. Rankin announced that the University of Kentucky, College of Agriculture will hold its 6th Annual Farm and Facilities Expo on his farm in Scott County on Wednesday, June 19, 2013 from 4:00-8:00 p.m. and invited all to attend. Mr. Rankin also stated that he was proud to have held today's meeting in his home county.

Adjournment

Mr. Link entertained a motion to adjourn.

Mr. Mahan moved to adjourn the May KADB meeting; Mr. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous

The KADB meeting adjourned at 11:42 a.m. (EDT).

APPROVED DATE: June 21, 2013

PRESIDING OFFICER: James R. Comer
James R. Comer

BOARD SECRETARY: Teresa Spreitzer
Teresa Spreitzer

Appendix A: Applications for Referral

APP #	APPLICANT	COUNTY
A2013-0114	Washington County Cattlemen Association, Inc. <i>Beginning Farmer Program</i>	Washington
A2013-0115	University of Kentucky Research Foundation <i>Center for Crop Diversification</i>	Fayette
A2013-0125	Hollison Technologies <i>Bioelectronic Detector</i>	Daviess

Appendix B: Program Lists

CAIP			
<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2013-0042	Meade County Cattlemen's Association, Inc.	Meade	\$64,184.00
A2013-0048	Green River Area Beef Improvement Group, Inc.	Webster	\$17,652.00
A2013-0058	Green River Area Beef Improvement Group, Inc.	Daviess	\$111,814.00
A2013-0066	Hancock County Conservation District	Hancock	\$97,934.00
A2013-0098	Marion County Extension District Building Foundation, Inc.	Marion	\$176,411.00
A2013-0099	Oldham County Farm Bureau of Oldham County, Kentucky	Oldham	\$900.00
A2013-0100	Trimble County Cattleman's Association, Inc.	Trimble	\$166,174.00
A2013-0101	Harlan County Soil Conservation District	Harlan	\$4,975.00
A2013-0103	Washington County Cattlemen Association, Inc.	Washington	\$174,254.00
A2013-0104	Grayson County Cattlemens Association Inc.	Grayson	\$175,000.00
A2013-0105	Mercer County Farm Bureau, Inc.	Mercer	\$180,000.00
A2013-0106	Green County Cattlemen's Association, Inc.	Green	\$475,000.00
A2013-0112	Clinton/Cumberland Cattlemen's Assoc., Inc.	Cumberland	\$125,000.00
A2013-0120	Jessamine County FFA Alumni Association Inc.	Jessamine	\$200,000.00
A2013-0126	Morgan County Fiscal Court	Morgan	\$158,959.00
			\$2,128,257.00

Shared-use Equipment			
<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2013-0097	Bracken County Agriculture Advancement Council, Inc.	Bracken	\$9,510.00
			\$9,510.00

Total County Funds Recommended for Approval in Programs: **\$2,137,767.00**

Appendix C: Program Amendments

App# A2012-0264
Applicant Name Rockcastle County Conservation District
Original Amount Approved \$147,998
Execution Date 10/04/2012
Requested Change The applicant requests an additional \$126,194 in Rockcastle County funds for the CAIP program. The request received a high priority from the Rockcastle 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 \$274,192.

Recommend Approval

App# A2013-0012
Applicant Name County Agriculture Investment Program Council, Inc.
Original Amount Approved \$99,750
Execution Date 01/30/2013
Requested Change The applicant requests an additional \$142,418 in Russell County funds for the CAIP program. The request received a high priority from the Russell County Council.
 This is the second request for an amendment to this application number. The first request for an amendment was approved on 04/19/2013 for an additional \$27,000 in Russell County Funds.
 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 \$269,168.

Recommend Approval

App # A2013-0014
Applicant Name Muhlenberg County Cattlemen's Association, Inc.
Original Amount Approved \$44,539
Execution Date 02/04/2013
Requested Change The applicant requests an additional \$40,401 in Muhlenberg County funds for the CAIP program. The request received a high priority from the Muhlenberg County Council.
 This is the second request for an amendment to this application number. The first request for an amendment was approved on 04/19/2013 for an additional \$2,362 in Muhlenberg County funds.
 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 \$87,302.

Recommend Approval

Appendix C: Program Amendments



App#	A2013-0031
Applicant Name	Henry County Cattlemen's Association, Inc.
Original Amount Approved	\$2,500
Execution Date	03/28/2013
Requested Change	<p>The applicant requests an <u>additional</u> \$253,675 in Henry County funds for the CAIP program. The request received a <u>high</u> priority from the Henry County Council.</p> <p>This is the first request for an amendment to this application number.</p> <p>The term of the program shall remain 12-months from the execution date of the original agreement.</p> <p>Approval of this request would bring the program total to \$256,175.</p> <p>Recommend Approval</p>

Kentucky Agricultural Development Board Meeting
MEETING AGENDA



Scott County Cooperative Extension Office
1130 Cincinnati Road
Georgetown, Kentucky 40324

Friday, May 17, 2013
10:00 a.m. (EDT)

Call to Order

Roll Call

Notification of Media

Welcome

Review and Approval of Meeting Minutes for April 19, 2013

Executive Director's Report

Roger Thomas, Executive Director

Reports

Recipient Review Committees

Presentation

Kentucky Vineyard Society, Inc. A2011-0124

Patsy Wilson, State Viticulturalist

Old Business

Memo Action Items

A2001-0565 Kentucky FFA Foundation, Inc.
Modification of Legal Agreement

A2006-0021 Lan Mark Farm, LLC
Modification of Legal Agreement

A2012-0013 Scott B. Shackelford
Time Extension and Budget Reallocation

A2012-0159 Pendleton County Extension District Board
Budget Reallocation

New Business

New Applications for Referral
Programs Recommended for Approval
Requested Program Amendments
Recommendations for Funding
Recommendation for No Funding
Pending Applications

Adjournment