

The actions delineated below were taken in open session of the Kentucky Agricultural Development Board at the November 22, 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
Kentucky Chamber of Commerce
Frankfort, Kentucky
Friday, November 22, 2013**

Call to Order

James R. Comer, presiding, called the Kentucky Agricultural Development Board (KADB) regular business meeting to order at 10:08 a.m. (EST).

Roll Call

The following members were present: Dr. Betty Bailey; Pat Henderson; Sam Lawson; Jim Mahan; 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 and Jamie Link (designee for Governor Steven L. Beshear).

Members absent: Roy Collins, Karen Curtis, Don Goodin and Wayne Hunt

Notification of Media

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

Approval of Minutes

Commissioner Comer entertained a motion to approve the minutes of October 29, 2013.

Dean M. Scott Smith moved to approve the minutes as presented; Sam Lawson seconded the motion.

VOTE: Motion Passed; Unanimous

Welcome

Commissioner Comer welcomed everyone to the meeting.

Commissioner Comer stated that the North American International Livestock Exposition (NAILE) is going on at the Kentucky Exposition Center in Louisville and thanked the Kentucky Fair Board for their in-house programs showcasing the Kentucky State Fair, Kentucky Farm Machinery Show and NAILE.

Commissioner Comer informed the board that on Veteran's Day an announcement was made that the Homegrown by Heroes initiative, which started at the Kentucky Department of Agriculture (KDA), will become a national initiative and that KDA will share the trademark with all 50 states to showcase veteran farmers products. In addition, the Farm Credit System made a \$250,000 donation to the Farmer Veteran Coalition to help administer the national program.

Commissioner Comer stated that in 2004 the budget earmarked \$1.65M to purchase equipment for the Motor Fuel and Pesticide Testing Lab. Earlier this year, with the outsourcing of testing and decommissioning this facility, the equipment was auctioned allowing for the KDA to return a check to the state for \$1.65M.

Commissioner Comer thanked the KADB for their support of the Kentucky Proud program and other programs that are making a difference to farmers across the state.

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

Executive Director's Report

Mr. Thomas congratulated Commissioner Comer on taking the Homegrown for Heroes initiative to the national level and for the return of \$1.65M back to the taxpayers.

Mr. Thomas announced that the GOAP Conference was a success with nearly 250 attendees. Mr. Thomas thanked Wayne Mattingly and Sam Moore for their participation in the Legislative Tobacco Oversight Committee panel discussion held during the conference.

Mr. Thomas informed the board that he was invited to travel to Taiwan November 4-11 (paid for by the Taiwanese government) along with Peter Chiou of the Taiwan Economic and Cultural Affairs Office in Atlanta and 3 legislators each from Georgia and South Carolina. Mr. Thomas stated that Taiwan is a beacon of democracy in that part of the world and that they value visits by and interactions with anyone from the United States. Mr. Thomas stated that he will provide the board with a summary of the trip including the places visited and a list of the ministries that hosted the visit.

Mr. Thomas also noted that Joel Neaveill, Chief of Staff, visited Taiwan two years ago, as well as other Kentucky legislators.

Mr. Thomas stated that he was informed that Jim Mahan, KADB member, will be officially inducted in the University of Kentucky College of Agriculture's Hall of Fame in February 2014. Mr. Thomas, Dean Smith and the board congratulated Mr. Mahan on a well deserved recognition.

Mr. Thomas announced that Angela Blank, Director of Public Affairs, gave birth to Henry James Blank on November 5.

Mr. Thomas called on Biff Baker, Project Manager, to give an update (on file with the board secretary) regarding the Kentucky Association of Food Banks, Inc. (KAFB) A2013-0035.

Mr. Baker informed the board that the KAFB received an additional commitment of \$5,000 from Bourbon County to be matched with \$5,000 in state funds per the board's decision on April 19, 2013. Mr. Baker further stated that the KAFB has until July 15, 2014 to secure additional county funds with a limit of an additional \$30,500 in matching state funds.

Mr. Thomas referenced a memo (on file with the board secretary) from Ms. Blank summarizing the value of the Kentucky Broadcaster's Association (KBA), Public Education Partnership (PEP) program commercial/radio air dates from August 2012 through September 2013 with a detail of August and September 2013 activity. The month of September 2013 was free at a value of \$182,240. This is the final report for 2013. Total investment made was \$150,000. Total value of commercials was \$1,800,949. The contract has been renewed (\$150,000) for October 2013 – October 2014.

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 October 31, 2013.

After the review, Mr. McCloskey announced that the next scheduled KAFC Board meeting will be held on Friday, December 6, 2013 at 10:00 a.m. at the Transportation Cabinet Office Building in Frankfort.

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

VOTE: Motion Passed; Unanimous

Mr. Thomas informed the board that Kylee Palmer, Director of Compliance, coordinated the effort of raising GOAP donations for the Kentucky Employees Charitable Campaign (KECC) to help those that are less fortunate. Mr. Thomas stated that GOAP's goal was to raise \$3,600 in donations within our 15 person office and that, through Kylee's leadership, as coordinator and the 100% participation of our office, \$6,306.87 was raised to be added to the Governor's Office donations.

Mr. Thomas stated that on December 9, Governor Beshear along with Congressman Hal Rogers, will host the summit "SOAR: Shaping Our Appalachian Region" at the Eastern Kentucky Exposition Center in Pikeville. The summit will bring together Senate President Robert Stivers, House Speaker Greg Stumbo, members of the General Assembly, local and civic leaders as well as the citizens of the region.

Mr. Thomas yielded the floor to Jamie Link for comment. Mr. Link stated that the intention is in placing emphasis on input, collaboration, involvement and direction from citizens as well as local, business and civic leaders of the area in order to help facilitate

the diversification of eastern Kentucky. To date, over 1,000 are pre-registered for the conference.

Mr. Thomas stated that the next KADB meeting will be at 10:00 a.m., Friday, December 20, at the Franklin County Cooperative Extension Office followed by the Blue Application Review Committee meeting at 1:00 p.m.

Mr. Thomas called on Dr. Teferi Tsegaye to give an update to the board.

Dr. Tsegaye announced that Dr. Marion Simon, Kentucky State University (KSU), was one of five recipients of the Regional Award for Excellence in Extension from the Association of Public and Land-grant Universities (APLU) and the National Institute of Food and Agriculture (NIFA). KSU also gained national attention from USDA Secretary Tom Vilsack, having received a grant to further KSU's Third Thursday Thing program. Dr. Tsegaye stated that the national attention is a great achievement for the university.

Kentucky State University's College of Agriculture, Food and Sustainable Systems hosted their Small Farm Conference with 160 participants from 69 counties and 11 states. Dr. Tsegaye thanked Commissioner Comer and Mr. Neaveill for speaking at the conference.

Old Business

Presentations

Kentucky Horticulture Council (A2012-0194)

The Kentucky Horticulture Council (KHC) was approved in 2012 for \$1,325,000 in state funds to continue expansion and profitability of horticulture crop producers in Kentucky for calendar years 2013 and 2014. Per the legal agreement, the Recipient is to make a presentation to the board detailing the progress made toward achieving its benchmarks, goals and objectives.

Commissioner Comer introduced Jeff Hall, Executive Director, KHC, to present to the board.

Upon conclusion of Mr. Hall's presentation, Mr. Thomas stated that the KHC has fulfilled the requirement in the legal agreement to receive second year funding.

Kentucky Department of Agriculture (A2012-0231)

The Kentucky Department of Agriculture (KDA) was approved in 2012 for \$2,830,000 in state funds to promote the Kentucky Proud program for calendar years 2013 and 2014. Per the legal agreement, the Recipient is to make a presentation to the board detailing the progress made toward achieving its benchmarks, goals and objectives.

Commissioner Comer introduced Kristen Branscum, Executive Director, Office of Ag Marketing and Product Promotion, KDA, to present to the board. A video presentation (on file with the board secretary) was provided.

Upon conclusion of the presentation a memo from Mr. Baker (on file with the board secretary) regarding a request to reallocate funds was reviewed and considered by the Board. KDA requested that \$118,000 of encumbered, yet unspent funds in its Point of Purchase (POP) program from project A2010-0112 be reallocated to project A2012-0231 for its POP and Restaurant Rewards programs in 2014.

The KDA Recipient Review Committee recommended approval of this request.

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

VOTE: Motion Passed; Unanimous

Kentucky Beef Network (A2012-0285)

The Kentucky Beef Network (KBN) was approved in 2012 for \$1,580,947 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. Per the legal agreement, the Recipient is to make a presentation to the board detailing the progress made toward achieving its benchmarks, goals and objectives.

Commissioner Comer introduced Becky Thompson, Director, KBN, to present to the board. A PowerPoint presentation (on file with the board secretary) was provided.

Upon conclusion of the presentation, a memo along with amended goals for 2014 (on file with the board secretary) requesting to repurpose \$19,000 left over from the 2013 budget to the 2014 Graze 300 Enhancement Program category was reviewed and considered by the Board. Ms. Thompson stated that the Graze 300 Enhancement Program will allow for on-farm demonstrations that improve grazing management practices.

The KBN Recipient Review Committee recommended approval of this request along with the amended goals for 2014.

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

VOTE: Motion Passed; Unanimous

Kentucky Dairy Development Council (A2012-0288)

The Kentucky Dairy Development Council (KDDC) was approved in 2012 for \$1,863,900 in state funds to continue educating, representing and promoting Kentucky's dairy producers and the dairy industry as a whole. Per the legal agreement, the Recipient is to make a presentation to the board detailing the progress made toward achieving its benchmarks, goals and objectives.

Commissioner Comer introduced Maury Cox, Executive Director, KDDC, to present to the board. A PowerPoint presentation (on file with the board secretary) was provided.

Upon conclusion, Mr. Thomas stated that the presentation by Mr. Cox fulfills KDDC's requirement for second year funding.

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

Ms. Botts stated that KACARD received a \$200,000 grant from the USDA. KCARD was one of 34 organizations across the US selected for a Rural Cooperative Development grant to provide technical and business development assistance in rural areas.

Memo Action Items

Commissioner Comer called on staff to present the following memo action items to the Board for consideration:

A2007-0421 J.D. Country Milk, L.L.C.

Mr. Murphy presented a memorandum (on file with the Board Secretary) regarding the above-referenced project. The Recipient requested an amendment to the Legal Agreement contingent upon J.D. Country Milk, L.L.C. obtaining approval of refinancing of other existing debt.

The J.D. Country Milk Committee recommended approval of this request.

Mr. Mattingly moved to approve with the contingency that JD Country Milk, L.L.C. obtain refinancing; Pat Henderson seconded the motion.

VOTE: Motion Passed; with dissention

A2012-0204 University of Kentucky Research Foundation

Tammy Brookshier, Program Coordinator, presented a memorandum (on file with the Board Secretary) regarding the above-referenced project. The Recipient requested a two-month, no cost, time extension until January 24, 2014 in order to complete the project.

Staff recommends approval of this request.

Mr. Moore moved to approve the staff recommendation as presented; Dr. Tsegaye seconded the motion.

VOTE: Motion Passed; Dean Smith Abstained

A2012-0307 Happy Homes Farms

Mr. McCloskey presented a memorandum (on file with the Board Secretary) regarding the above-referenced project. The Recipient requested a 6 month time extension in order to complete the project.

Staff recommends approval of this request.

Dr. Tsegaye moved to approve the staff recommendation as presented;
Mr. Sidebottom seconded the motion.

VOTE: Motion Passed; Unanimous

New Business

New Applications for Referral¹

Commissioner Comer called on Mr. Thomas to present the new applications for referral.

Mr. Thomas referenced thirteen (13) applications for referral.

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

VOTE: Motion Passed; Unanimous

Programs Recommended for Approval²

Commissioner Comer called on Mr. Thomas to present the programs recommended for approval.

Mr. Thomas referenced seven (7) County Agricultural Investment Program (CAIP) applications requesting county funds totaling \$1,323,140 and three (3) Deceased Farm Animal Removal Program (DAR) applications requesting county funds totaling \$22,200. Total program funding requested \$1,345,340.

Dean Smith moved to approve the program recommendations as presented; Dr. Bailey seconded the motion.

VOTE: Motion Passed; Unanimous

Requested Program Amendments³

Commissioner Comer called on Mr. Thomas to present the requested program amendments.

Mr. Thomas referenced two (2) CAIP Amendments requesting county funds from totaling \$51,151.

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

VOTE: Motion Passed; Unanimous

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.

Project Recommendation for No Funding

Commissioner Comer called on Ms. Brookshier to present the following program recommendation for No Funding.

A2013-0307 Montgomery County Conservation District

Ms. Brookshier presented the above-referenced CAIP application from Montgomery County Conservation District citing the Montgomery County Agricultural Development Council submitted a low county priority for this application.

Staff recommends no funding this request.

Mr. Moore moved to approve the staff recommendation; Mr. Rankin seconded the motion.

VOTE: Motion Passed; Unanimous

Withdrawn Application

Commissioner Comer called on Mr. Thomas to present the withdrawn Farmers' Market Competitive Grant Program Application

Mr. Thomas referenced the withdraw of the following application on October 25, 2013:

A2012-0205 Muhlenberg County Fiscal Court

No action necessary.

Pending Applications

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

- A2013-0217 Franklin Simpson High School Agricultural Education Program
- A2013-0265 ProEquine Link, LLC
- A2013-0275 The Weekly Juicery, LLC
- A2013-0276 Appalachia-Science in the Public Interest
- A2013-0292 Carter County Soil Conservation District

No action necessary.

2014 Program Update

Commissioner Comer called on Mr. Neaveill to provide an update to the board of the Proposed Program Changes for 2014 (on file with the board secretary).

Upon a brief review of the proposed changes for the On-Farm Energy Efficiency & Production program, DAR program, Shared-Use Equipment program, Farmers' Market Development program and CAIP program, as well as the CAIP producer Application, Mr. Neaveill requested the board further review the proposed program changes

between now and the December board meeting for vote and implementation in January 2014.

Closing Remarks

Mr. Thomas thanked KHC, KDA, KBN and KDDC for their presentations to the board.

Adjournment

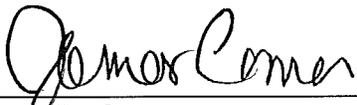
Commissioner Comer entertained a motion to adjourn.

Mr. Rankin moved to adjourn the November KADB meeting; Mr. Mahan seconded the motion.

VOTE: Motion Passed; Unanimous

The KADB meeting adjourned at 12:37 p.m. (EST).

APPROVED DATE: 12-20-13

PRESIDING OFFICER: 
James R. Comer

BOARD SECRETARY: 
Teresa Spreitzer

Appendix A: Applications for Referral

APP #	APPLICANT	COUNTY
A2013-0271	Community Farmers Market LLC <i>2013 Farmers' Market Competitive Grant Program</i>	Warren
A2013-0290	Taylor County Cattlemen's Association, Inc. <i>Heifer Chain</i>	Taylor
A2013-0291	Nicholas County Fiscal Court <i>Livestock Building Kitchen</i>	Nicholas
A2013-0299	Nona's Downtown Market, LLC <i>Kentucky Proud Retail Market</i>	Daviess
A2013-0300	Fayette County 4-H Council, Inc. <i>4-H Livestock Barn</i>	Fayette
A2013-0301	James Wesley Spurrier, Jr. <i>Livestock Slaughter Facility</i>	McLean
A2013-0308	Cave City Tourism & Convention Commission <i>2013 Farmers' Market Competitive Grant Program</i>	Barren
A2013-0309	Sustainable Glasgow, Inc. <i>2013 Farmers' Market Competitive Grant Program</i>	Barren
A2013-0310	Mercer County Fair & Horse Show, Inc. <i>2013 Farmers' Market Competitive Grant Program</i>	Mercer
A2013-0311	Muhlenberg County Fiscal Court <i>2013 Farmers' Market Competitive Grant Program</i>	Muhlenberg
A2013-0312	Rowan County Fiscal Court <i>2013 Farmers' Market Competitive Grant Program</i>	Rowan
A2013-0313	Simpson County District Board <i>2013 Farmers' Market Competitive Grant Program</i>	Simpson

Appendix A: Applications for Referral

APP #	APPLICANT	COUNTY
A2013-0314	From The Farm Market <i>2013 Farmers' Market Competitive Grant Program</i>	Bourbon

Appendix B: Program Lists

CAIP			
<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2013-0293	Boyle County Farm Bureau	Boyle	\$156,000.00
A2013-0294	Lewis County Conservation District	Lewis	\$180,000.00
A2013-0295	Madison County Conservation District	Madison	\$215,000.00
A2013-0298	Nicholas County Fiscal Court	Nicholas	\$209,400.00
A2013-0303	Montgomery County Cattlemen's Association, Inc.	Montgomery	\$175,000.00
A2013-0305	Spencer County Conservation District	Spencer	\$125,000.00
A2013-0306	Fleming County Conservation District	Fleming	\$262,740.00
			\$1,323,140.00

Deceased Farm Animal Removal Program			
<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2013-0296	Taylor County Soil Conservation District	Taylor	\$7,200.00
A2013-0297	Nicholas County Conservation District	Nicholas	\$7,500.00
A2013-0304	Henry County Fiscal Court	Henry	\$7,500.00
			\$22,200.00

Total County Funds Recommended for Approval in Programs: **\$1,345,340.00**

Appendix C: Program Amendments

App #	A2013-0031
Applicant Name	Henry County Cattlemen's Association, Inc.
Original Amount Approved	\$2,500.00
Execution Date	3/28/2013
Requested Change	<p>The applicant requests an <u>additional</u> \$17,471 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 second request for an amendment to this application number. The first request for an amendment was approved on 05/17/2013 for an additional \$253,675 in Henry County funds.</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 273,646.</p> <p>Recommend Approval</p>

App#	A2013-0228
Applicant Name	Buffalo Trace Area Development District, Inc.
Original Amount Approved	\$240,000
Execution Date	8/5/2013
Requested Change	<p>The applicant requests an <u>additional</u> \$33,680 in Mason County funds for the CAIP Program. The request received a <u>high</u> priority from the Mason 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 \$273,680.</p> <p>Recommend Approval</p>

Kentucky Agricultural Development Board Meeting
MEETING AGENDA



**KENTUCKY AGRICULTURAL
DEVELOPMENT FUND**

*Kentucky Chamber of Commerce
464 Chenault Road
Frankfort, Kentucky 40601*

**Friday, November 22, 2013
10:00 a.m. (EST)**

Call to Order

Roll Call

Notification of Media

Welcome

Review and Approval of Meeting Minutes for October 29, 2013

Executive Director's Report

Roger Thomas, Executive Director

Old Business

Presentations

A2012-0194	Kentucky Horticulture Council
A2012-0231	Kentucky Department of Agriculture
A2012-0285	Kentucky Beef Network
A2012-0288	Kentucky Dairy Development Council

Memo Action Items

A2007-0421	J.D. Country Milk, L.L.C. <i>Request for Amendment</i>
A2012-0204	University of Kentucky Research Foundation <i>Time Extension</i>
A2012-0307	Happy Home Farms, Inc. <i>Time Extension</i>

New Business

New Applications for Referral
Programs Recommended for Approval
Requested Program Amendments
Recommendation for No Funding
Withdrawn Application
Pending Applications
2014 Program Recommendations

Adjournment