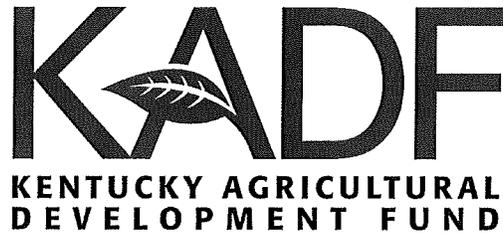


The actions delineated below were taken in open session of the Kentucky Agricultural Development Board at the February 21, 2014 regular business meeting. This is provided in summary form; an official record of the meeting is available in the permanent records of the Governor's Office of Agricultural Policy, 404 Ann Street, Frankfort, Kentucky 40601.



**Kentucky Agricultural Development Board
Summary Minutes of the Regular Business Meeting
Kentucky Chamber of Commerce
Frankfort, Kentucky
February 21, 2014**

Call to Order

Jamie Link, presiding, called the Kentucky Agricultural Development Board (KADB) regular business meeting to order at 10:06 a.m. (EST).

Roll Call

The following members were present: Dr. Betty Bailey; Roy Collins; Dean Nancy M. Cox; 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; Warren Beeler (designee for Commissioner James R. Comer); and Jamie Link (designee for Governor Steven L. Beshear).

Members absent: Karen Curtis; Jim Mahan

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. Mr. Link informed the board that Gov. Beshear has returned from Germany where he met with economic development clients. Following his trip to Germany, he traveled to Washington DC to attend the National Governor's Association Conference. The Governor will lead a Kentucky Export Initiative (KEI) trade mission to the United Kingdom in May to foster additional economic development relationships. Mr. Link stated that the International Trade Administration announced that Kentucky's 2013 exports were up 14.3 percent over 2012 and that demand for Kentucky products is growing rapidly.

Mr. Link requested that Warren Beeler provide an update on the Kentucky Department of Agriculture (KDA) since the last board meeting.

Mr. Beeler stated that KDA launched a new Kentucky Proud brand designed to revitalize the eastern Kentucky economy through agriculture entitled "Appalachia Proud: Mountains of Potential". The trademarked brand designates Kentucky Proud products made by producers in eastern Kentucky counties.

Five hemp research pilot projects are underway, one each at the University of Louisville, Kentucky State University and Murray State University with two at the University of Kentucky.

Approval of Minutes

Mr. Link entertained a motion to approve the minutes of the January 17, 2014 meeting.

Jim Sidebottom moved to approve the minutes as presented; Dr. Betty Bailey seconded the motion.

VOTE: Motion Passed; Unanimous

Executive Director's Report

Mr. Link yielded the floor to Joel Neaveill, Chief of Staff, Governor's Office of Agricultural Policy (GOAP) to give the Executive Director's report to the board.

Mr. Neaveill called on John McCauley, State Director, USDA Farm Service Agency, to give a report to the board.

Mr. McCauley stated that Secretary Tom Vilsack, United States Department of Agriculture (USDA) visited Kentucky on January 16 and 17.

Mr. McCauley thanked Dean Cox for her efforts in coordinating an assembly of students from the University of Kentucky and those from the agricultural arena for a very successful town hall meeting with the Secretary.

Secretary Vilsack also traveled to Pine Mountain State Park, along with Governor Beshear and Congressman Hal Rogers, to announce the expansion of the USDA's StrikeForce Initiative. Secretary Vilsack announced that eastern Kentucky would be designated in the USDA's StrikeForce Initiative and will receive priority in helping to grow their rural economies and create jobs by focusing, leveraging and coordinating resources. Mr. McCauley stated that he would lead the StrikeForce Initiative for Kentucky.

Mr. Neaveill recognized Jim Mahan on his induction into the University of Kentucky College of Agriculture, Food and Environment's Hall of Distinguished Alumni.

Mr. Neaveill updated the board on legislation filed since the last board meeting. Senate Bill 104 and House Bill 284 directly affect GOAP and the Board. Those bills move the KADB and KAFC to the Department of Agriculture. Those bills have been filed and assigned to committees.

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 January 31, 2014.

Dr. Bailey moved to accept the KAFC Financial Report; Troy Rankin seconded the motion.

VOTE: Motion Passed; Unanimous

2014 – 2016 Budget Overview

Mr. Neaveill presented an overview of the Governor's 2014-2016 budget recommendation (PowerPoint on file with the board secretary) and its impact on the Kentucky Agricultural Development Fund.

After discussion, Mr. Neaveill stated he would make arrangements to provide the board additional fiscal information at next month's board meeting.

Presentation

Nonprofit Dynamics, Inc. A2011-0158

Kylee Palmer, Director of Compliance, stated that Nonprofit Dynamics, Inc. was approved at the December 16, 2011 board meeting for \$24,641 in county funds (Carlisle - \$5,000; Graves – \$10,000 and Hickman - \$9,641) and up to \$34,141 in state funds to establish a three-tiered pilot program to control the feral hog population in the Obion Creek watershed. Per the legal agreement, the Recipient is to make a formal presentation to the board regarding feral hog project.

Ms. Palmer introduced Bob Johnson, Nonprofit Dynamics, Inc., to present to the board. A PowerPoint presentation (on file with the board secretary) was provided.

Old Business

Memo Action Items

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

A2009-0031 Grasshoppers Distribution, LLC

Brian Murphy, General Counsel, presented a memorandum (on file with the Board Secretary) regarding the above-referenced project. The Recipient requested an amendment to the legal agreement with regard to the repayment schedule of the remaining \$21,000 balance on the loan.

Staff recommends allowing the guarantors to make three remaining payments of \$7,000 by April 15 in 2014, 2015 and 2016 with all provisions of the original loan agreement remaining in effect.

Mr. Murphy stated that he would be able to provide the board either in March or April an accounting of the liquidation.

After discussion, Sam Lawson moved to forgive the remaining balance of the loan (\$21,000); Warren Beeler seconded the motion.

VOTE: Motion Failed

After further discussion, Don Goodin moved to accept the staff recommendation, as a fiduciary responsibility; Mr. Rankin seconded the motion.

VOTE: Motion Passed; with dissention

A2012-0108 Blue Grass Community Foundation

Mr. Neaveill, presented a memorandum (on file with the Board Secretary) from Biff Baker, Project Manager, regarding the above-referenced project. The Recipient requested a time extension to February 28, 2015 and approval of a revised budget.

Staff recommends approval of these requests.

Pat Henderson moved to approve the staff recommendation, as presented; Wayne Hunt seconded the motion.

VOTE: Motion Passed; Unanimous

New Business

New Applications for Referral¹

Mr. Link referenced two (2) applications for referral.

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

VOTE: Motion Passed; Unanimous

Programs Recommended for Approval²

Mr. Link referenced five (5) County Agricultural Investment Program (CAIP) applications requesting county funds totaling \$715,042; 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 \$32,885. Total program funding requested \$762,927.

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.

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

VOTE: Motion Passed; Mr. Henderson abstained from the Breckinridge County CAIP.

Pending Applications

Mr. Link called on staff to review the following pending applications and invited the board to ask questions of any:

A2013-0217	Franklin Simpson High School Agricultural Education Program
A2013-0276	Appalachia-Science in the Public Interest
A2013-0292	Carter County Soil Conservation District
A2013-0301	James Wesley Spurrier, Jr.
A2014-0001	Kentucky Sheep and Goat Development Office, Inc.

No action necessary.

Adjournment

Mr. Link entertained a motion to adjourn.

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

VOTE: Motion Passed; Unanimous

The KADB meeting adjourned at 11:56 a.m. (EST).

APPROVED DATE:

3/21/14

PRESIDING OFFICER:

Jamie Link

BOARD SECRETARY:

Teresa Spreitzer

Appendix A: Applications for Referral

APP #	APPLICANT	COUNTY
A2014-0006	Lee's Plant Farms, Inc. <i>Produce Processing Facility</i>	LaRue
A2014-0010	Henry County Meat Market LLC <i>Meat Processing/Retail Facility</i>	Henry

Appendix B: Program Lists

CAIP

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2014-0004	Breckinridge County Soil Conservation District	Breckinridge	\$250,000.00
A2014-0005	Ohio County Cattlemen's Association, Inc.	Ohio	\$101,795.00
A2014-0009	Owsley County Conservation District	Owsley	\$115,600.00
A2014-0011	Christian County Conservation District	Christian	\$162,056.00
A2014-0012	Rowan County Conservation District	Rowan	\$85,591.00
			\$715,042.00

Deceased Farm Animal Removal Program

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2014-0002	Hardin County Fiscal Court	Hardin	\$7,500.00
A2014-0003	Christian County Fiscal Court	Christian	\$7,500.00
			\$15,000.00

Shared-use Equipment

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2014-0007	Metcalfe County Conservation District	Metcalfe	\$18,000.00
A2014-0008	Metcalfe County Conservation District	Metcalfe	\$14,885.00
			\$32,885.00

Total County Funds Recommended for Approval in Programs: **\$762,927.00**



Kentucky Agricultural Development Board Meeting
MEETING AGENDA

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

**Friday, February 21, 2014
10:00 a.m. (EST)**

Call to Order

Roll Call

Notification of Media

Welcome

Review and Approval of Meeting Minutes for January 17, 2014

Executive Director's Report

Roger Thomas, Executive Director
2014-2016 Budget Overview, Joel Neaveill

Presentations

Nonprofit Dynamics, Inc. (A2011-0158)
Bob Johnson

Old Business

Memo Action Items
A2009-0031 Grasshoppers Distribution, LLC
Request for Amendment
A2012-0108 Blue Grass Community Foundation
Time Extension and Budget Approval

New Business

New Applications for Referral
Programs Recommended for Approval
Pending Applications

Adjournment