

The actions delineated below were taken in open session of the Kentucky Agricultural Development Board at the May 16, 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  
Bath County Agricultural Education & Marketing Center  
Owingsville, Kentucky  
May 16, 2014**

**Call to Order**

Jamie Link, presiding, called the Kentucky Agricultural Development Board (KADB) regular business meeting to order at 10:12 a.m. (EDT).

**Roll Call**

The following members were present: Dr. Betty Bailey; M. Scott Smith (designee for Dean Nancy M. Cox); Karen Curtis; Don Goodin (designee for Secretary Larry Hayes); Pat Henderson; Wayne Hunt; Jim Mahan; Wayne Mattingly; Sam Moore; Troy Rankin; Jim Sidebottom; Warren Beeler (designee for James R. Comer); and Jamie Link, Chair (designee for Governor Steven L. Beshear)

Members absent: Roy Collins; Sam Lawson and Dr. Teferi Tsegaye (designee for President Mary Evans Sias)

**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 stated that Governor Beshear is currently leading Kentucky's Export Initiative (KEI) Trade Mission to the United Kingdom (May 11-16) along with Secretary Larry Hayes, Cabinet for Economic Development; Roger Thomas, Executive Director, Governor's Office of Agricultural Policy (GOAP); and others.

## **Approval of Minutes**

Mr. Link entertained a motion to approve the minutes of the April 17, 2014 board 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, to give the Executive Director's report on behalf of Roger Thomas.

Mr. Neaveill thanked board member Dr. Bailey and the Bath County Cooperative Extension for hosting the board meeting and called on Dr. Bailey to say a few words to the board.

Mr. Neaveill announced to the board that the next KADB meeting will be Friday, June 20, at the Franklin County Cooperative Extension Office in Frankfort and that the July meeting will be held on Friday, July 18, at the Spencer County Cooperative Extension Office in Taylorsville.

Mr. Neaveill informed the board that Dr. Mary Evans Sias, President, Kentucky State University, will retire on June 30, 2014.

Mr. Neaveill stated that staff will attend a 3-day tour in Eastern Kentucky, along with representatives from the Appalachian Regional Commission (ARC), to underscore economic potential of Kentucky's food systems.

Mr. Neaveill announced that GOAP and USDA Rural Development will be co-hosting six Regional Farm Energy Meetings across the Commonwealth in May to share grant and loan opportunities available to farmers in the areas of on-farm energy efficiency and renewable energy production. The six locations include Pike (Pikeville), Laurel (London), Hardin (Elizabethtown), Bracken (Brooksville), Barren (Glasgow) and Graves (Mayfield).

Mr. Neaveill stated that in the coming months, staff will be reaching out and conducting one-on-one meetings with administrators.

Mr. Neaveill informed the board that on April 23, Roger Thomas participated in a Lync session to update the Extension Services regarding the MSA payment to Kentucky. There were 85 participants.

Mr. Neaveill stated that at the request of the board at its May meeting, GOAP will email KBN, KDA, KDDC and KHC and request an assessment of their priorities due to future

funding constraints. Mr. Neaveill stated that the responses will be used as a tool for discussion at the July board meeting.

Mr. Neaveill introduced new employee, Beth Herbert, Loan Programs Coordinator.

Mr. Neaveill called on Bill McCloskey, Director of Financial Services to review the financial report.

Mr. McCloskey, reviewed the Kentucky Agricultural Finance Corporation (KAFC) Statement of Financial Position (on file with the Board Secretary) as of April 30, 2014.

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

VOTE: Motion Passed; Unanimous

Mr. Neaveill referenced a memo (on file with the Board Secretary) from Angela Blank, Director of Public Affairs, summarizing the value of the Kentucky Broadcasters Association Public Education Partnership (PEP) program commercial/radio air dates from October 2013 through March 2014 with details of March activity. Total investment was \$150,000. To date, the value of commercials aired is \$862,767.

Mr. Neaveill referenced the Update Packet (on file with the Board Secretary) that includes an updated agenda and an additional Memo Action Item for consideration.

Mr. Neaveill called on Aleta Botts, Executive Director, Kentucky Center for Agriculture and Rural Development (KCARD) to give an update on that organization.

Ms. Botts announced two grant programs through the USDA Agricultural Marketing Service. Each program has \$15 million available for funding. The deadline is June 20, 2014. The Farmer's Market Promotion Program (FMPP) is intended more for farmer-direct-to-consumer sales and the Local Food Promotion Program (LFPP) is more for the aggregation and distribution to consumers. The funding for these programs is competitive on a national level. Ms. Botts stated that to be competitive, one must have a solid business plan. Myrisa Christy, Kentucky Agribusiness Grant Facilitation Coordinator, KCARD will be able to assist those wanting to apply.

## **Old Business**

### **Memo Action Items**

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

#### **A2005-0434 Sweet Home Spun**

Mr. Neaveill presented a memorandum (on file with the Board Secretary) regarding the above-referenced project. The Recipient requested a loan forgiveness modification to

provide for 1) \$25 per participant credit for educational classes provided free of charge; 2) \$2 per person for group tour and demonstrations; and 3) \$.50 credit per \$1.00 of purchases of fiber from other Kentucky producers.

The Red Application Review Committee recommended approval of this request.

Wayne Hunt moved to approve the committee recommendation, as presented; Dr. Bailey seconded the motion.

VOTE: Motion Passed; Unanimous

**A2011-0173 Louisville Metro Government**

Mr. Neaveill presented a memorandum (on file with the Board Secretary) regarding the above-referenced project. The Recipient requested a no-cost time extension until September 15, 2014. The Louisville Metro Government has leveraged the grant from KADB with additional funding sources enabling them to extend the duration of this project. The extension will allow them to expend the remainder of the cash balance in the amount of \$34,492.

Staff recommends approval of this request.

Sam Moore moved to approve the staff recommendation, as presented; Karen Curtis seconded the motion.

VOTE: Motion Passed; Unanimous

**A2013-0154 Michael Brown / On-Farm Energy Efficiency Incentives Program**

Mr. McCloskey presented a memorandum (on file with the Board Secretary) regarding the above-referenced project. The applicant requested a time extension to complete the project due to delays caused by inclement weather and spring planting obligations. In addition the applicant requests to install SolarWorld panels instead of Helios panels

Staff recommends approval of this request.

Pat Henderson moved to approve the staff recommendation, as presented; Don Goodin seconded the motion.

VOTE: Motion Passed; Unanimous

**A2013-0312 Rowan County Fiscal Court**

Kylee Palmer, Director of Compliance, presented a memorandum (on file with the Board Secretary) regarding the above-referenced project. The Recipient requested to amend the approved budget to add a budget line item for architectural fees. In addition, the Recipient requests that \$2,170.47 be adjusted from the categories of construction, contingency, and legal and advertising to the architectural fees category.

Staff recommends approval of this request.

Jim Mahan moved to approve the staff recommendation, as presented; Dr. Bailey seconded the motion.

VOTE: Motion Passed; Unanimous

## **New Business**

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

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

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

VOTE: Motion Passed; Unanimous

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

Mr. Link referenced one County Agricultural Investment Program (CAIP) application requesting county funds totaling \$41,524; two (2) Deceased Farm Animal Removal Program (DAR) applications requesting county funds totaling \$9,125; and two (2) Shared-use Equipment applications requesting county funds totaling \$4,135 Total program funding requested \$54,784.

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

VOTE: Motion Passed; Unanimous

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

Mr. Link referenced two (2) CAIP Amendments requesting county funds totaling \$23,032. Mr. Neaveill informed the board that the amendment request for Ohio County Cattlemen's Association, Inc. (A2014-0005), is recommended for pending until Ohio County funds are available.

Mr. Hunt moved to approve the program amendments, as presented; Mr. Goodin seconded the motion.

VOTE: Motion Passed; Unanimous

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<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.

### **On-Farm Energy Efficiency Incentives Program Recommendations for Approval<sup>4</sup>**

Mr. Link called on Mr. McCloskey to present the On-Farm Energy Efficiency Incentives Program recommendations for approval.

Mr. McCloskey informed the board that the Energy Application Review Committee met on April 16 to review the submitted applications.

Mr. McCloskey referenced twenty (20) On-Farm Energy Efficiency Incentives Program applications requesting funds totaling \$177,527.

The Energy Application Review Committee recommended approval of these requests.

Dr. Bailey moved to approve the committee recommendation, as presented; Mr. Rankin seconded the motion.

VOTE: Motion Passed; Unanimous

### **On-Farm Energy Efficiency Incentives Program Recommendations for No Funding<sup>5</sup>**

Mr. Link called on Mr. McCloskey to present the On-Farm Energy Efficiency Incentives Program recommendations for no funding.

Mr. McCloskey referenced three (3) On-Farm Energy Efficiency Incentives Program applications for no funding. Two of the three applicants did not qualify under guideline #3 "Applicants who received prior funding of \$10,000 or more under 2009-2013 ARRA or KADF energy programs are not eligible to apply for this program." One application was incomplete.

The Energy Application Review Committee recommended no funding these requests.

Ms. Curtis moved to approve the committee recommendation, as presented; Mr. Mahan seconded the motion.

VOTE: Motion Passed; Unanimous

### **Project Recommendations for Funding**

Mr. Link called on Biff Baker, Project Manager, to present the following project recommendations for funding:

#### **A2014-0010 Henry County Meat Market LLC**

Mr. Baker referenced the above project from Henry County Meat Market LLC requesting \$200,000 in state funds and \$186,000 in county funds to build a USDA meat processing/retail facility in Henry County.

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<sup>4</sup> A detailed list of On-Farm Energy Efficiency Incentives Program Recommendations for Approval is attached as Appendix D.

<sup>5</sup> A detailed list of the On-Farm Energy Efficiency Incentives Program Recommendations for No Funding is attached as Appendix E.

The Red Application Review Committee recommended funding this request for up to \$500,000 in state and county funds in the form of a cost-reimbursement grant and a 0% loan. The total amount of the grants and loan are not to exceed \$500,000 or 50% of the project, whichever is less.

Mr. Moore moved to approve the committee recommendation; Warren Beeler seconded the motion.

VOTE: Motion Passed; Unanimous

**A2014-0035 Jessamine County FFA Alumni Association, Inc.**

Mr. Baker referenced the above project from the Jessamine County FFA Alumni Association, Inc. requesting \$8,000 in Jessamine County funds to cost-share with FH/FFA students on agriculture-related projects.

The Red Application Review Committee recommended funding this request for \$8,000 in Jessamine County funds.

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

VOTE: Motion Passed; Unanimous

**A2014-0038 Hopkinsville Elevator Co., Inc.**

Mr. Baker referenced the above project from Hopkinsville Elevator Co., Inc. requesting \$11,000 in state funds to conduct a feasibility study on expanding the co-op's operations to central Kentucky.

The Red Application Review Committee recommended funding this request for \$11,000 in state funds.

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

VOTE: Motion Passed; Mr. Hunt abstained

**A2014-0045 Mulberry Orchard, L.L.C.**

Mr. Baker referenced the above project from Mulberry Orchard, L.L.C. requesting \$35,000 in Shelby County funds to construct and equip a 30'x32' building that will house a commercial kitchen and restrooms.

The Red Application Review Committee recommended funding this request for \$35,000 in Shelby County funds.

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

VOTE: Motion Passed; Unanimous

**A2014-0049 Owen County 4-H Fair and Horseshow Inc.**

Mr. Baker referenced the above project from the Owen County 4-H Fair and Horseshow Inc. requesting \$20,000 in Owen County funds to repair and upgrade its 4-H livestock barn.

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

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

VOTE: Motion Passed; Unanimous

**Project Recommendation for No Funding**

Mr. Link called on Mr. Baker to present the project recommendation for no funding.

**A2014-0034 Jessamine County FFA Alumni Association, Inc.**

Mr. Baker referenced the above project from the Jessamine County FFA Alumni Association, Inc., requesting \$10,000 in Jessamine County funds to provide financial assistance for a Farmers Back-to-School Program in Jessamine County.

The Red Application Review Committee recommended no funding this request due to its limited impact on producers in the county.

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

VOTE: Motion Passed; Unanimous

**Withdrawn Application**

Mr. Link referenced the following withdrawn application.

A2014-0026 Meade County Cattlemen's Association, Inc.

No action necessary.

**Pending Applications**

Mr. Link referenced the following pending applications.

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.

A2014-0027 Muhlenberg County Cattlemen's Association, Inc.

A2014-0039 Biological Prospects, LLC  
A2014-0040 Clinton/Cumberland Cattlemen's Assoc., Inc.  
A2014-0069 Henry County Fiscal Court  
A2014-0070 Jessamine County FFA Alumni Association Inc.  
A2014-0071 Hancock County Conservation District

No action necessary.

**Adjournment**

Mr. Link entertained a motion to adjourn.

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

VOTE: Motion Passed; Unanimous

The KADB meeting adjourned at 11:05 a.m. (EDT).

APPROVED DATE:

6/20/14

PRESIDING OFFICER:

James Comer

James. R. Comer

BOARD SECRETARY:

Teresa Spreitzer

Teresa Spreitzer

## Appendix A: Applications for Referral

APP #	APPLICANT	COUNTY
A2014-0061	Shelby County Cooperative Extension Service <i>Rooted in Shelby Program</i>	Shelby
A2014-0062	William H. Gallrein Jr. <i>Educational Facility</i>	Shelby

## Appendix B: Program Lists

### CAIP

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2014-0067	Kenton County Farm Bureau, Inc.	Kenton	\$41,524.00
			\$41,524.00

### Deceased Farm Animal Removal Program

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2014-0064	Montgomery County Fiscal Court	Montgomery	\$6,625.00
A2014-0068	Russell County Conservation District	Russell	\$2,500.00
			\$9,125.00

### Shared-use Equipment

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2014-0063	Pulaski County Cattlemen's Association, Inc.	Pulaski	\$2,443.00
A2014-0065	Pulaski County Conservation District	Pulaski	\$1,692.00
			\$4,135.00

Total County Funds Recommended for Approval in Programs: **\$54,784.00**

## Appendix C: Program Amendments

**App #** A2013-0221  
**Applicant Name** Warren County Conservation District  
**Original Amount Approved** \$181,207  
**Execution Date** 12/19/2013  
**Requested Change** The applicant requests an additional \$15,000 in Warren County funds for the CAIP program. The request received a high priority from the Warren 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 \$196,207.

**Recommend Approval**



**App#** A2013-0318  
**Applicant Name** Metcalfe County Conservation District  
**Original Amount Approved** \$239,241  
**Execution Date** 01/07/2014  
**Requested Change** The applicant requests an additional \$8,032 in Metcalfe County funds for the CAIP program. The request received a high priority from the Metcalfe 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 \$247,273.

**Recommend Approval**



## Appendix D: On-farm Energy Programs Approved

APP #	APPLICANT	COUNTY	FUNDS REQUESTED
A2014-0013	<b>Old Oak Farms, LLC</b> <i>Poultry Production - Total Project Cost - \$49,236.00</i>	McLean	\$10,000.00
A2014-0023	<b>Gregory L. Morris</b> <i>Poultry Production - Total Project Cost - \$132,412.00</i>	Graves	\$10,000.00
A2014-0024	<b>Mark G. Paterson</b> <i>Poultry Production - Total Project Cost - \$59,572.00</i>	Barren	\$10,000.00
A2014-0028	<b>Fields Family Farm, LLC</b> <i>Dairy Production - Total Project Cost - \$14,500.00</i>	Hart	\$7,250.00
A2014-0032	<b>McDanel Poultry Farm</b> <i>Poultry Production - Total Project Cost - \$164,450.00</i>	Ballard	\$10,000.00
A2014-0033	<b>Walters Farms</b> <i>Poultry Production - Total Project Cost - \$24,390.00</i>	Ballard	\$10,000.00
A2014-0036	<b>Laurel Ridge Farm, LLC</b> <i>Dairy Production - Total Project Cost - \$6,875.00</i>	Adair	\$3,437.00
A2014-0037	<b>Mary L. Hardin</b> <i>Dairy Production - Total Project Cost - \$10,333.70</i>	Marion	\$5,167.00
A2014-0041	<b>Mitchell Burton</b> <i>Dairy Production - Total Project Cost - \$10,950.00</i>	Adair	\$5,475.00
A2014-0042	<b>Eric Kanagy</b> <i>Dairy Production - Total Project Cost - \$20,937.00</i>	Todd	\$10,000.00
A2014-0043	<b>Cowherd Acres</b> <i>Dairy Production - Total Project Cost - \$16,950.00</i>	Taylor	\$8,475.00
A2014-0044	<b>Rhonda Maroney</b> <i>Poultry Production - Total Project Cost - \$17,848.00</i>	Warren	\$8,924.00
A2014-0046	<b>Stephen M. Burnett</b> <i>Poultry Production - Total Project Cost - \$20,185.00</i>	Monroe	\$10,000.00
A2014-0050	<b>Josh Duvall</b> <i>Dairy Production - Total Project Cost - \$25,000.00</i>	Warren	\$10,000.00
A2014-0051	<b>Maryview Farms, LLC</b> <i>Grain Production - Total Project Cost - \$25,052.00</i>	Bracken	\$10,000.00

## Appendix D: On-farm Energy Programs Approved

<b>APP #</b>	<b>APPLICANT</b>	<b>COUNTY</b>	<b>FUNDS REQUESTED</b>
A2014-0052	<b>Rock Brothers Farms, Inc.</b> <i>Dairy Production - Total Project Cost - \$17,598.00</i>	LaRue	\$8,799.00
A2014-0053	<b>Hubert Beyke &amp; Sons</b> <i>Grain Production - Total Project Cost - \$146,571.00</i>	Daviess	\$10,000.00
A2014-0054	<b>Greenwell Acres</b> <i>Grain Production - Total Project Cost - \$198,500.00</i>	Union	\$10,000.00
A2014-0055	<b>Lester Farms, Inc.</b> <i>Grain Production - Total Project Cost - \$188,465.00</i>	Christian	\$10,000.00
A2014-0056	<b>Larry Duncan</b> <i>Grain Production Total Project Cost - \$106,596.00</i>	Webster	\$10,000.00
<hr/> <b>Total State Funds Recommended for Approval in Program: \$177,527.00</b>			

## Appendix E: On-farm Energy Programs Denied

APP #	APPLICANT	COUNTY	FUNDS REQUESTED
A2014-0057	<b>O'Bryan Grain Farms, Inc.</b> <i>Grain Production - Total Project Cost - \$206,160.00</i>	Daviess	\$10,000.00
A2014-0058	<b>O'Bryan Grain Farms, Inc.</b> <i>Grain Production - Total Project Cost - \$206,160.00</i>	Daviess	\$10,000.00
A2014-0059	<b>Triple T Farms LLC</b> <i>Horticulture - Total Project Cost - \$22,900.00</i>	Pulaski	\$10,000.00