

The actions delineated below were taken in open session of the Kentucky Agricultural Development Board at the June 20, 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
Franklin County Cooperative Extension Office
Frankfort, Kentucky
June 20, 2014**

Call to Order

James R. Comer, presiding, called the Kentucky Agricultural Development Board (KADB) regular business meeting to order at 10:02 a.m. (EDT).

Roll Call

The following members were present: Dr. Betty Bailey; Roy Collins; 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; President Mary Evans Sias; Jim Sidebottom; James R. Comer; and Jamie Link (designee for Governor Steven L. Beshear).

Members absent: Sam Lawson

Notification of Media

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

Welcome

Commissioner Comer welcomed everyone to the meeting.

Commissioner Comer introduced two interns with the Kentucky Department of Agriculture (KDA); Lindsay Ratliff and Julia Scott. Ms. Ratliff is a graduate of Western Kentucky University where she majored in Agriculture. Ms. Ratliff will be working in KDA's Marketing department. Ms. Scott will be attending the University of Kentucky College of Agriculture, Food and Environment this fall and is being mentored by Warren Beeler.

Approval of Minutes

Commissioner Comer entertained a motion to approve the minutes of the May 16, 2014 board meeting.

Dr. Betty Bailey moved to approve the minutes, as presented; Pat Henderson seconded the motion.

VOTE: Motion Passed; Unanimous

Executive Director's Report

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

Mr. Thomas shared with the board meetings and events attended since the last board meeting.

Mr. Thomas reported on the Trade & Investment Mission to the United Kingdom (London & Manchester) last month as a delegate of the Kentucky Export Initiative (KEI). The delegation included Governor Beshear, Secretary Larry Hayes, Cabinet for Economic Development and others. Mr. Thomas stated that he was honored to be there and represent agriculture.

Mr. Thomas also reflected on the trade mission he attended in Canada last year, which resulted in Canadian-based Champion Petfoods building its first US operation in Logan County. A diversity of fresh regional ingredients used in making the biological appropriate pet foods will create a new customer base for nearby farmers.

Mr. Thomas referenced in the board book a memo from Brian Murphy, General Counsel, giving a summary of the Grasshoppers Distribution, LLC liquidation.

Mr. Thomas 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 April 2014 with detail of April 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 May 31, 2014.

Troy Rankin moved to accept the KAFC Financial Report; Jim Mahan seconded the motion.

VOTE: Motion Passed; Unanimous

Mr. McCloskey reported that the GOAP partnered with USDA Rural Development to hold 7 regional meetings across the state to spread word about energy programs available in anticipation of the next KADF On-Farm Energy Efficiency Incentives Program deadline which is July 25, 2014.

Mr. McCloskey stated that at the last KAFB board meeting, the members toured Mac Farm to view John McLean's anaerobic digester. Mr. McLean received a \$10,000 KADB energy grant, a \$15,000 grant for upgrades to his poultry operation and a Beginning Farmer Loan Program Loan in the amount of \$250,000.

Commissioner Comer called on Mr. Hunt to give the Marketing and Entrepreneurship Committee's report to the board.

Mr. Hunt referenced the Marketing and Entrepreneurship Committee report (on file with the Board Secretary) from Kylee Palmer, Director of Compliance regarding the Promotional Fund. Mr. Hunt reported on each of the three associations (Kentucky Cattlemen's Association, Kentucky Pork Producers Association and the Kentucky Poultry Federation) and how they would like to spend their funds. Mr. Thomas stated that the committee recommended 25% to the Cattlemen's Association, 25% to the Kentucky Pork Producers Association and 20% to the Kentucky Poultry Federation.

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

VOTE: Motion Passed; Unanimous

Mr. Thomas called on Aleta Botts, Executive Director, Kentucky Center for Agriculture and Rural Development and John McCauley, State Director, Farm Service Agency to update the board regarding their organizations since the last board meeting.

Mr. Thomas stated that the July KADB meeting will be held on Friday, July 18, at the Spencer County Cooperative Extension office in Taylorsville.

Mr. Thomas informed the board that Teresa Spreitzer, Board Secretary, would be leaving GOAP with her last day effective, Friday, July 11. Teresa has accepted a position with the Economic Development Cabinet as the board secretary to the Kentucky Economic Development Finance Authority.

Mr. Thomas reported that an agreement has been reached regarding the Master Settlement Agreement (MSA) and that the following payments will be received:

FY 2014 (Ending June 30, 2014)	\$14,086,300	County Funds
	\$ 295,700	State Funds
FY 2015 (July 1, 2014 – June 30, 2015)	\$19,350,000	County Funds
	\$11,751,600	State Funds

The debt service will be deducted from the total MSA payment first; rather than coming out of the state KADF allocation.

Presentation

Kentucky State University (A2012-0007)

Kentucky State University was approved on April 20, 2012, for \$998,000 in state funds over a two year period to implement the initiatives of the Kentucky Center for Sustainability of Farms and Families. Per the legal agreement, the Recipient is to make a presentation to the board regarding the project at the end of the two year period.

Kylee Palmer, Director of Compliance, introduced Mac Stone, Director, Kentucky Center for Sustainability of Farms and Families, to present to the board. A PowerPoint presentation (on file with the Board Secretary) was provided.

Old Business

Memo Action Items

A2012-0007 Kentucky State University

Mr. Thomas presented a memorandum (on file with the Board Secretary) regarding the above-referenced project. The Recipient requested a time extension of one year to allow for additional grant cycles to be made available to small and minority farmers. In addition, the Recipient requested a budget reallocation to allow KSU the authority to move the excess money into the mini-grant categories thereby providing more funds to small and minority farmers.

The Red Application Review Committee recommended approval of the request presented in the memo.

Mr. Mahan moved to approve the committee recommendation, as presented; Sam Moore seconded the motion.

VOTE: Motion Passed; Unanimous

Commissioner Comer called on Biff Baker, Project Manager, to present the next memo action item.

A2013-0035 Kentucky Association of Food Banks, Inc.

Mr. Baker presented a memorandum (on file with the Board Secretary) regarding the above-referenced project. The Recipient requested a 60-day no cost time extension to September 15, 2014, to allow sufficient time to spend committed funds.

Staff recommends approval of this request.

Wayne Mattingly moved to approve the staff recommendation, as presented; Dr. Bailey seconded the motion.

VOTE: Motion Passed; Unanimous

Commissioner Comer called on Mr. McCloskey to present the On-Farm Energy Efficiency Incentives Program memo action item.

A2012-0307	Happy Home Farms, Inc.
A2013-0059	Core Jerseys
A2013-0092	Kinslow Dairy
A2013-0122	Wiley Dairy
A2013-0224	Powell Farms
A2013-0238	River Bottom Tobacco Farms, Inc.
A2013-0239	Pebblebrook Angus
A2013-0242	Herman M. Jones
A2013-0250	Deborah A. Jones
A2013-0253	Furches Farms
A2013-0259	Goodlette Dairy

Mr. McCloskey presented a memorandum (on file with the Board Secretary) regarding the above-referenced projects. The Recipients requested a time extension to December 30, 2014, in order to complete their projects. Delays were caused by inclement weather and spring planting obligations.

Staff recommends approval of this request.

Karen Curtis moved to approve the staff recommendation, as presented; Don Goodin seconded the motion.

VOTE: Motion Passed; Unanimous

Mr. Thomas acknowledged the retirement of Mary Evans Sias, President, Kentucky State University (KSU) and fellow board member. On behalf of the board, Mr. Thomas presented a plaque to President Sias for her dedication to the board and agricultural leadership at KSU.

New Business

New Applications for Referral¹

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

Mr. Thomas referenced five (5) applications for referral:

¹ A detailed list of Applications for Referral is attached as Appendix A.

Dean Cox moved to refer the submitted applications; Jim Sidebottom 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 three (3) County Agricultural Investment Program (CAIP) applications requesting county funds totaling \$92,600; two (2) Deceased Farm Animal Removal Program (DAR) applications requesting county funds totaling \$10,000; and one Shared-use Equipment application requesting county funds totaling \$29,773. Total program funding requested \$132,373.

Mr. Henderson moved to approve the program recommendations, as presented; Mr. Hunt 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 in Pending status (A2014-0005, Ohio County Cattlemen's Association, Inc. and A2014-0019, Henry County Cattlemen's Association, Inc) which are awaiting county funds from the MSA payment and one CAIP Amendment requesting county funds totaling \$72,500.

Mr. Rankin moved to accept the program amendments; as presented; President Sias seconded the motion.

VOTE: Motion Passed; Unanimous

Project Recommendations for Funding

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

A2013-0217 Franklin Simpson High School Agricultural Education Program

Mr. Baker referenced the above project from Franklin Simpson High School Agricultural Education Program requesting \$25,000 in Simpson County funds to construct a new, state-of-the-art greenhouse.

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.

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

The White Application Review Committee recommended funding this request for up to \$25,000 in Simpson County funds.

Ms. Curtis moved to approve the committee recommendation; Roy Collins seconded the motion.

VOTE: Motion Passed; Unanimous

A2014-0039 Biological Prospects, LLC

Mr. Baker referenced the above project from Biological Prospects, LLC requesting \$23,863 in state funds over three years to support the cultivation, harvest and processing of 10 acres of smooth sumac by the Kentucky Tobacco Research and Development Center (KTRDC) on property owned by the UK College of Agriculture, Food and Environment.

The Red Application Review Committee recommended funding this request for \$23,863 in state funds.

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

VOTE: Motion Passed; Unanimous

A2014-0061 Shelby County Cooperative Extension Service

Mr. Baker referenced the above project from the Shelby County Cooperative Extension Service requesting \$1,150 in Shelby County funds to promote the sale of horticultural, agricultural and other products produced by Kentucky Proud enterprises located in Shelby County.

The White Application Review Committee recommended funding this request for \$1,150 in Shelby County funds.

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

VOTE: Motion Passed; Unanimous

Project Recommendations for No Funding

Commissioner Comer called on staff to present the project recommendations for no funding.

A2014-0062 William H. Gallrein, Jr.

Mr. Baker referenced the above project from William H. Gallrein, Jr., requesting \$32,257 in Shelby County funds to build and educational barn so that customers can learn about farm animals.

The White Application Review Committee recommended no funding this request due to the low priority given the project by the Shelby County Council as well as the project's limited potential economic impact on local farmers.

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

VOTE: Motion Passed; Unanimous

A2014-0080 Green River Area Beef Improvement Group, Inc.

Tammy Miller, Program Coordinator, referenced the above CAIP Application from the Green River Area Beef Improvement Group, Inc. requesting Daviess County funds to administer a CAIP program in Daviess County.

Staff recommends no funding this request due to low priority given the project by the Daviess County Council.

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

VOTE: Motion Passed; Unanimous

Pending Applications

Commissioner Comer called on Joel Neaveill, Chief of Staff, to review the pending applications.

Mr. Neaveill directed the board to the Update Packet to review the Requested Program Amendments and Pending Applications.

Mr. Neaveill stated that in light of the announcement that county funds will be transferred next week, and in order to expedite the two (2) pending amendments and the six (6) pending applications (shaded in gray) staff recommends that agreements be drafted as soon as funds are transferred into each of the counties' respective accounts.

Pending Amendments

A2014-0005 Ohio County Cattlemen's Association, Inc.
A2014-0019 Henry County Cattlemen's Association, Inc.

Pending Applications

A2013-0276 Appalachia-Science in the Public Interest
A2013-0292 Carter County Soil Conservation District
A2013-0301 Beef & Bacon Custom Processing, L.L.C.
A2014-0027 Muhlenberg County Cattlemen's Association, Inc.
A2014-0040 Clinton/Cumberland Cattlemen's Assoc., Inc.
A2014-0069 Henry County Fiscal Court
A2014-0071 Hancock County Conservation District

A2014-0075 Oldham County Fiscal Court
A2014-0079 Trimble County Cattlemen's Association, Inc.

Dr. Bailey moved to approve the staff recommendation, as presented; Mr. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous

No action necessary on remaining pended applications.

Closing Remarks

Mr. Mahan thanked Dean Cox for her dedication to the equine industry and the University of Kentucky Gluck Equine Research Center.

Mr. Rankin recognized guests, Diane Napolitano and Jimmy Richardson, for attending today from Scott County.

Adjournment

Commissioner Comer entertained a motion to adjourn.

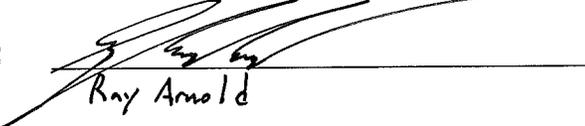
Mr. Sidebottom moved to adjourn the June KADB meeting; Mr. Mahan seconded the motion.

VOTE: Motion Passed; Unanimous

The KADB meeting adjourned at 11:40 a.m. (EDT).

APPROVED DATE: 7/18/14

PRESIDING OFFICER: 
James R. Comer Jamie Link

BOARD SECRETARY: 
Ray Arnold

Appendix A: Applications for Referral

APP #	APPLICANT	COUNTY
A2014-0074	Garrard County Conservation District <i>Shared-use Equipment Storage Building</i>	Garrard
A2014-0077	Green River Area Beef Improvement Group, Inc. <i>Youth Cost-share Program</i>	Daviess
A2014-0078	Owensboro Community and Technical College <i>Veterinary Technician Program</i>	Daviess
A2014-0085	Kentucky Vineyard Society, Inc. <i>Statewide Viticulture Research & Promotion</i>	Fayette
A2014-0086	Louisville/Jefferson County Metro Government <i>Farm to Table Program</i>	Jefferson

Appendix B: Program Lists

CAIP

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2014-0070	Jessamine County FFA Alumni Association Inc.	Jessamine	\$60,000.00
A2014-0083	Bourbon County Fiscal Court	Bourbon	\$13,000.00
A2014-0089	Jefferson County Farm Bureau, Inc.	Jefferson	\$19,600.00
			\$92,600.00

Deceased Farm Animal Removal Program

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2014-0082	Garrard County Fiscal Court	Garrard	\$2,500.00
A2014-0084	Madison County Conservation District	Madison	\$7,500.00
			\$10,000.00

Shared-use Equipment

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2014-0081	Madison County Farm Bureau, Inc. of Madison County, Kentucky	Madison	\$29,773.00
			\$29,773.00

Total County Funds Recommended for Approval in Programs: **\$132,373.00**

Appendix C: Program Amendment

App#	A2014-0031
Applicant Name	Garrard County Farm Bureau, Inc.
Original Amount Approved	\$6,000
Execution Date	04/24/2014
Requested Change	<p>The applicant requests an <u>additional</u> \$72,500 in Garrard County funds for the CAIP program. The request received a <u>high</u> priority from the Garrard County Council.</p> <p>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.</p> <p>Approval of this request would bring the program total to \$78,500.</p> <p>Recommend Approval</p>
