

The actions delineated below were taken in open session of the Kentucky Agricultural Development Board at the July 18, 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  
Spencer County Cooperative Extension Office  
Taylorsville, Kentucky  
July 18, 2014**

**Call to Order**

Jamie Link, presiding, called the Kentucky Agricultural Development Board (KADB) regular business meeting to order at 10:17 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; Sam Lawson; Sam Moore; Dr. Teferi Tsegaye (designee for President of KSU); Jim Sidebottom; Warren Beeler (designee for Commissioner James R. Comer); and Jamie Link (designee for Governor Steven L. Beshear).

Members absent: Wayne Mattingly, Roy Collins, Troy Rankin, Jim Mahan

**Notification of Media**

Mr. Link received verification from Sandy Gardner, Director of Communications, that the media had 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 the June 20, 2014 board meeting.

Mr. Hunt moved to approve the minutes, as presented; Dr. Bailey 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 introduced Ray Arnold, new Boards Coordinator for the Governor's Office of Agricultural Policy. Mr. Arnold holds a Masters Degree from Eastern Kentucky University and most recently interned with the Governor's Office of Legislative Affairs.

Mr. Thomas called on Aleta Botts, Executive Director, Kentucky Center for Agricultural 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 called on Dr. Reed Cripps, Assistant State Conservationist for Operations in Kentucky for the Natural Resources Conservation Service to give an update.

Mr. Thomas explained that at the July 8, 2014 Tobacco Settlement Agreement Fund Oversight Committee meeting an update was given on the Master Settlement Agreement.

Mr. Thomas referenced a memo (on file with the Boards Coordinator) from Angela Blank, Director of Public Affairs, summarizing the value of the Kentucky Broadcasters Association Public Education Partnership (PEP) program for May 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 Boards Coordinator) as of June 30, 2014.

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

VOTE: Motion Passed; Unanimous

After review, Mr. McCloskey announced that the next scheduled KAFC Board meeting will be held on Friday, August 1, 2014 at 10:00 a.m. at the Transportation Cabinet Office Building in Frankfort.

Mr. Thomas gave a budget update on the available balance of the Agricultural Development Fund and referenced the quarterly financial report (on file with the Boards Coordinator).

Mr. Thomas called on Joel Neaveill, Chief of Staff for the Governor's Office of Agricultural Policy (GOAP), to give a report about the annual audit of the GOAP by the Auditor of Public Accounts. No problems were found during the audit. Mr. Thomas noted that the last six audits have been positive and recognized the work of Bill Hearn, Fiscal Officer for GOAP.

Mr. Thomas stated that he anticipated funds remaining in the KDAF On-Farm Energy Efficiency Incentives program after the second signup period, July 25. He suggested the possibility of the board creating a third funding period for the remaining funds with a signup deadline of October 31, 2014.

Mr. Moore moved for a third funding period; Mr. Lawson seconded the motion.

VOTE: Motion passed with dissent.

Mr. Thomas stated that the August KADB meeting would be held on Friday, August 15 at the Kentucky Exposition Center in Louisville.

### **PRESENTATIONS:**

Bryce Roberts, Spencer County Agriculture Extension Agent gave a presentation regarding agriculture in Spencer County. He highlighted the positive impact of KCARD and CAIP funding on Stonecross Farm in Spencer County.

Kylee Palmer, Director of Compliance at GOAP, introduced Chris Kummer of Kentucky Specialty Grains to give the Board a presentation summarizing the results of his Chia feasibility study. A PowerPoint presentation (on file with the Boards Coordinator) was provided.

### **Old Business**

#### **Reports – Recipient Review Committees**

Mr. Link stated that four Recipient Review Committees met to review the 2nd quarter 2014 reports (on file with the Director of Compliance) and called on each committee spokesperson to give an update to the board.

<u>Application #</u>	<u>Recipient</u>	<u>Committee Spokesperson</u>
<b>A2012-0194</b>	<b>Kentucky Horticulture Council</b>	<b>Sam Lawson, reporting</b>

<b>A2012-0231</b>	<b>Kentucky Department of Agriculture</b>	<b>Dr. Betty Bailey, reporting</b>
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Mr. Thomas recommended that the Kentucky Proud Recipient Review Committee meet between the July KADB and August meeting to discuss the POP and Restaurants Rewards program. All money has been encumbered for both of these programs currently, and a recommendation needs to be made on additional funding because the number of eligible applicants was higher than expected.

<b>A2012-0285</b>	<b>Kentucky Beef Network</b>	<b>Sam Moore, reporting</b>
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<b>A2012-0288</b>	<b>Kentucky Dairy Development Council</b>	<b>Pat Henderson, reporting</b>
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### **Memo Action Items:**

**A2012-0007**

**Katelyn's Honey, Inc.**

Mr. Neaveill presented a memorandum (on file with the Boards Coordinator) regarding the above-referenced project. The Recipient requested a modification to loan forgiveness and related justification that will enable him to get on track to achieve forgiveness and to take advantage of additional purchase opportunities.

The White Application Review Committee recommended approval of the request presented in the memorandum

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

VOTE: Motion Passed; Unanimous

## **New Business**

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

Mr. Link called on Mr. Thomas to present the new application for referral.

Mr. Thomas referenced one (1) application for referral:

Mr. Hunt moved to refer the submitted application; Dr. Tsegaye seconded the motion.

VOTE: Motion Passed; Unanimous

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

Mr. Link 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 \$1,176,876; two (2) Deceased Farm Animal Removal Program (DAR) applications requesting county funds totaling \$15,000, one (1) Shared-use Equipment Program application requesting county funds totaling \$8,648, Total program funding requested \$1,200,524.

Ms. Curtis moved to approve the program recommendations, as presented; Mr. Goodin seconded the motion.

VOTE: Motion Passed; Unanimous

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

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

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

Mr. Link called on Mr. Thomas to present the requested program amendments.

Mr. Thomas referenced two (4) CAIP Amendments requesting county funds totaling \$548,162.

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

VOTE: Motion Passed; Unanimous

### **Project Recommendations for Funding**

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

#### **A2013-0301            Beef & Bacon Custom Processing, L.L.C.**

Biff Baker originally referenced the above project from Beef & Bacon Custom Processing, L.L.C. requesting \$90,000 in state funds and \$90,000 in multiple county funds to construct a 4,000 square foot slaughter facility.

The Blue Application Review Committee recommended funding this request for up to \$100,000 in state funds matched with up to \$100,000 county funds in the form of a cost-reimbursement grant.

Mr. Henderson moved to increase the total funding to \$150,000. Mr. Beeler seconded the motion.

After much discussion Ms. Curtis moved to table the motion and send it back to committee. Dr. Bailey seconded the motion.

After much discussion of Ms. Curtis's motion, Mr. Henderson withdrew his motion and Mr. Beeler withdrew his second.

Ms. Curtis withdrew her motion; Dr. Bailey withdrew her second.

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

VOTE: Motion Passed; with dissent

#### **A2014-0074            Garrard County Conservation District**

Mr. Baker referenced the above project from Garrard County Conservation District requesting \$10,000 in Garrard County funds to construct a shared-use equipment storage building.

The White Application Review Committee recommended funding this request for \$10,000 in Garrard County funds.

Mr. Goodin moved to approve the committee recommendation; Mr. Sidebottom seconded the motion.

VOTE: Motion Passed; Unanimous

**A2014-0077 Green River Area Beef Improvement Group, Inc.**

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

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

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

VOTE: Motion Passed; Unanimous

**A2014-0078 Owensboro Community and Technical College**

Mr. Baker referenced the above project from Owensboro Community and Technical College requesting \$21,249 in Daviess County funds to construct a 40' x 80' facility for the veterinarian technical program to house and handle livestock.

The White Application Review Committee recommended funding this request for \$7,500 in Daviess County funds, and \$4,583 in Hancock County funds.

Mr. Sidebottom moved to approve the committee recommendation; Dr. Tsegaye seconded the motion.

VOTE: Motion Passed; Unanimous

**A2014-0086 Louisville/Jefferson County Metro Government**

Mr. Baker referenced the above project from the Louisville/Jefferson County Metro Government requesting \$120,000 in State funds across two years to help fund its Farm to Table program.

The White Application Review Committee recommended funding this request for \$120,000 in state funds over two years.

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

VOTE: Motion Passed; Unanimous

**Pending Applications**

Mr. Link called on Mr. Neaveill, to review the following pending applications.

A2013-0276	Appalachia-Science in the Public Interest
A2014-0075	Oldham County Fiscal Court
A2014-0085	Kentucky Vineyard Society

No action necessary on remaining pended applications.

Mr. Neaveill noted that A2014-0071, Hancock County Conservation District had withdrawn its application for CAIP. No action necessary.

**Adjournment**

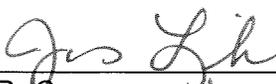
Mr. Link entertained a motion to adjourn.

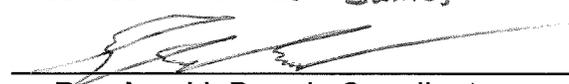
Dr. Bailey moved to adjourn the July KADB meeting; Dr. Tsegaye seconded the motion.

VOTE: Motion Passed; Unanimous

The KADB meeting adjourned at 12:35 p.m. (EDT).

APPROVED DATE: August 15, 2014

PRESIDING OFFICER:   
~~James R. Comer~~ James Link

BOARDS SECRETARY:   
Ray Arnold, Boards Coordinator

## Appendix A: Applications for Referral

APP #	APPLICANT	COUNTY
A2014-0087	Crittenden County Board of Education <i>High School Greenhouse</i>	Crittenden

**Appendix B: Program Lists**

<b>CAIP</b>			
<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2014-0027	Muhlenberg County Cattlemen's Association, Inc.	Muhlenberg	\$40,081.00
A2014-0040	Clinton/Cumberland Cattlemen's Assoc., Inc.	Cumberland	\$125,000.00
A2014-0079	Trimble County Cattlemen's Association, Inc.	Trimble	\$140,858.00
A2014-0091	Adair County Cattlemen's Association, Inc.	Adair	\$200,000.00
A2014-0093	Grayson County Cattlemens Association Inc.	Grayson	\$175,000.00
A2014-0094	Fayette County Conservation District	Fayette	\$250,000.00
A2014-0095	Scott County Conservation District	Scott	\$245,937.00
			<b>\$1,176,876.00</b>

<b>Deceased Farm Animal Removal Program</b>			
<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2014-0069	Henry County Fiscal Court	Henry	\$7,500.00
A2014-0092	Clark County Conservation District	Clark	\$7,500.00
			<b>\$15,000.00</b>

<b>Shared-use Equipment</b>			
<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2013-0292	Carter County Soil Conservation District	Carter	\$8,648.00
			<b>\$8,648.00</b>

Total County Funds Recommended for Approval in Programs: **\$1,200,524.00**

## Appendix C: Program Amendments

**App #** A2014-0005  
**Applicant Name** Ohio County Cattlemen's Association, Inc.  
**Original Amount Approved** \$101,795  
**Execution Date** 03/13/2014  
**Requested Change** The applicant requests an additional \$29,783 in Ohio County funds for the CAIP program. The request received a high priority from the Ohio 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 \$131,578.  
**Approved**

**App #** A2014-0016  
**Applicant Name** Magoffin County Agriculture Investment Program Incorporated  
**Original Amount Approved** \$7,425  
**Execution Date** 04/03/2014  
**Requested Change** The applicant requests an additional \$81,095 in Magoffin County funds for the CAIP program. The request received a high priority from the Magoffin 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 \$88,520.  
**Recommend Approval**

**App #** A2014-0019  
**Applicant Name** Henry County Cattlemen's Association, Inc.  
**Original Amount Approved** \$1,000  
**Execution Date** 04/07/2014  
**Requested Change** The applicant requests an additional \$209,284 in Henry County funds for the CAIP program. The request received a high priority from the Henry 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 \$210,284.  
**Approved**

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## ***Appendix C: Program Amendments***

<b>App #</b>	<b>A2014-0031</b>
<b>Applicant Name</b>	<b>Garrard County Farm Bureau, Inc.</b>
<b>Original Amount Approved</b>	\$6,000
<b>Execution Date</b>	04/24/2014
<b>Requested Change</b>	<p>The applicant requests an <u>additional</u> \$228,000 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 second request for an amendment to this application number. The first request for an amendment was approved on 06/20/2014 for an additional \$72,500 in Garrard 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 \$306,500.</p>

**Recommend Approval**