

The actions delineated below were taken in open session of the Kentucky Agricultural Development Board at the December 19, 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  
December 19, 2014**

**Call to Order**

Warren Beeler, presiding, called the Kentucky Agricultural Development Board (KADB) regular business meeting to order at 10:15 a.m. (EST)

**Roll Call**

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

Members absent: Roy Collins

**Notification of Media**

Mr. Beeler received verification from Angela Blank, Director of Public Affairs/Public Relations, that the media had been notified of the KADB monthly meeting.

**Welcome**

Mr. Beeler welcomed everyone to the meeting.

**Approval of Minutes**

Mr. Beeler entertained a motion to approve the minutes of the November 21, 2014 board meeting.

Mr. Sidebottom moved to approve the minutes, as presented; Mr. Rankin seconded the motion.

VOTE: Motion Passed; Unanimous

### **Executive Director's Report**

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

Mr. Thomas called on Aleta Botts, Executive Director, Kentucky Center for Agriculture and Rural Development (KCARD), to update the board regarding the activity of her organization since the last board meeting. Ms. Botts introduced Carlos Cameron, Field Representative for Congressman Hal Rogers. Mr. Cameron spoke in support of the Jackson County Regional Food Center.

Mr. Thomas recognized Kentucky State University President Raymond Burse and welcomed him to his first meeting as a board member.

Mr. Thomas informed the board that at the beginning of 2015 Biff Baker would be transferring to part time. As a result, GOAP recently hired Dr. Luther Hughes in the position of part-time Project Manager to work in tandem with Mr. Baker. Dr. Hughes is a retired Western Kentucky University administrator with a deep agricultural background.

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

After the review, Mr. McCloskey announced that the next scheduled KAFC Board meeting will be held on Friday, January 9, 2015 at 10:00 a.m. (EST) in room C109 of the Transportation Cabinet building in Frankfort.

Mr. Hunt moved to accept the KAFC Financial Report; Mr. Goodin seconded the motion.

VOTE: Motion Passed; Unanimous

At 10:37 a.m. (EST) Jamie Link, designee for Governor Beshear assumed the chair.

### **Old Business**

#### **2015 KADF Program Approval**

Mr. Link called on Joel Neaveill, Chief of Staff, to present the proposed 2015 program changes and reauthorizations *(a memo detailing proposed changes is on file with the Boards Coordinator)*.

#### **Deceased Farm Animal Removal (DAR) & Shared-Use Equipment**

Mr. Neaveill stated that there are no proposed changes to the DAR or Shared-Use Equipment programs for 2015 and asked the board to continue the programs for 2015 under the current guidelines.

#### **On-Farm Energy Efficiency Incentives Program**

Mr. Neaveill asked the board to re-authorize the program with the balance remaining from the 2014 program, and approve the proposed guideline changes below:

- Implement a lifetime maximum of \$25,000 (retroactive to 2009 ARRA).
- Modify the farm income requirement to require that applicants must receive either \$25,000 (decreased from \$50,000) in farm income or 20% of gross income from farming for previous two years, as evidenced by federal income tax returns.
- Add the following statement to the application: "Dairy applicants shall be permitted by the Kentucky Milk Safety Branch."

#### **County Agricultural Investment Program (CAIP)**

Mr. Neaveill asked the board to re-authorize the program, and approve the proposed guidelines changes below:

- Modify the Investment Area Guidelines to remove the words "per linear foot" and "the maximum cost share is \$1.50/linear foot installed" from the "Fencing & On-Farm Water" prerequisites.
- Remove the words "are eligible at 50% cost share reimbursement" under subsection 3, "Gates," of the "Fencing & On-Farm Water" eligible cost-share items.
- Remove question 4 from the Universal Producer Application as no points were assigned to this question.

Mr. Mahan moved to approve the recommended 2015 program changes and reauthorizations; Ms. Curtis seconded the motion.

VOTE: Motion Passed; Unanimous

Mr. Neaveill outlined work undertaken since the November board meeting by a committee formed to address the proposed change from "farm operation" to "household" within section F, subsection 3, of the CAIP guidelines. Draft revised guidelines were provided to the board *(on file with the Boards Coordinator)*.

Dr. Bailey moved to accept the committee recommendation; Mr. Lawson seconded the motion.

VOTE: Motion Passed; Unanimous

#### **Memo Action Items**

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

**A2013-0122                      Wiley Dairy (Steve Wiley)**

Mr. McCloskey presented a memorandum *(on file with the Boards Coordinator)* regarding the above-referenced On-Farm Energy project. The Recipient requested that the deadline for the required completion of their project be extended from December 30, 2014 to March 30, 2015.

Staff recommended approval of the request presented in the memorandum.

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

VOTE: Motion Passed; Unanimous

**A2013-0310                      Mercer County Fair & Horse Show Inc.**

Sandra Gardner, Director of Compliance and Outreach, presented a memorandum *(on file with the Boards Coordinator)* regarding the above-referenced farmers market project. The Recipient requested an extension due to weather related delays in construction.

Staff recommended approval of a 3-month time extension for this project from January 31, 2015 to April 30, 2015.

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

VOTE: Motion Passed; Unanimous

**New Business**

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

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

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

Mr. Rankin moved to refer the submitted application; Mr. Goodin seconded the motion.

VOTE: Motion Passed; Unanimous

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

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<sup>1</sup> Application for Referral is attached as Appendix A.

<sup>2</sup> A detailed list of projects funded under the County Agricultural Investment Program and Shared-use Equipment Program is attached as Appendix B.

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

Mr. Thomas referenced five (5) County Agricultural Investment Program (CAIP) applications requesting county funds totaling \$877,505; and two (2) Shared-use Equipment application requesting county funds totaling \$21,773. Total program funding requested \$899,278.

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

VOTE: Motion Passed; Unanimous

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

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

Mr. Thomas referenced two (2) CAIP Amendments requesting county funds totaling \$124,211.

Ms. Curtis moved to approve the program amendments, as presented; Mr. Moore seconded the motion.

VOTE: Motion Passed; Unanimous

### **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 November 20, 2014 to review the submitted applications. Mr. McCloskey referenced twenty-nine (29) On-Farm Energy Efficiency Incentives Program applications requesting funds totaling \$219,885. The Energy Application Review Committee recommended approval of these requests.

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

VOTE: Motion Passed; Unanimous

### **Project Recommendations for Funding**

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

**A2014-0172            Kentucky Horticulture Council, Inc.**

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

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

Mr. Baker referenced the above project from Kentucky Horticulture Council, Inc. requesting \$1,300,000 in State funds for calendar years 2015 and 2016 to supplement the resources available to farmers in beginning or expanding into the horticulture industry.

The Blue Application Review Committee recommended funding this request for \$650,000 in State funds for 2015 and \$650,000 in State funds for 2016 for a total allocation of \$1,300,000.

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

VOTE: Motion Passed; Dean Cox abstained

**A2014-0185            Kentucky Dairy Development Council, Inc.**

Mr. Baker referenced the above project from Kentucky Dairy Development Council, Inc. requesting \$2,108,500 in State funds for calendar years 2015 and 2016 to continue educating, representing, and promoting Kentucky's dairy producers and the dairy industry as a whole. This request includes \$1,285,000 for the Market Incentive Leadership for KY Program (MILK) and \$823,500 for other programs and administrative costs.

The Blue Application Review Committee recommended funding this request for \$1,052,000 in State funds for 2015 and \$1,056,500 in State funds for 2016 for a total allocation of \$2,108,500.

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

VOTE: Motion Passed; Unanimous

**A2014-0187            Gateway Farmers Market, Inc.**

Mr. Baker referenced the above project from Gateway Farmers Market, Inc requesting \$600,000 in State funds and \$55,000 in various County funds to construct a 12,000 square foot regional farmers market and renovate an existing historic church that will house a commercial kitchen. The kitchen will be available for use by farmers.

The Blue Application Review Committee recommended funding this request for State funds in the reduced amount of up to \$220,000 and funding the request for various County funds in the increased amount of up to \$61,500.

After discussion, Mr. Beeler moved to approve the committee recommendation; Mr. Moore seconded the motion.

VOTE: Motion Passed; Unanimous

**A2014-0189 Kentucky Department of Agriculture**

Mr. Baker referenced the above project from Kentucky Department of Agriculture requesting \$3,490,000 for calendar years 2015 and 2016 to fund the Kentucky Proud program.

The Blue Application Review Committee recommended funding this request for \$1,745,000 in State funds for 2015 and \$1,745,000 in State funds for 2016 for a total allocation of \$3,490,000.

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

VOTE: Motion Passed; Mr. Beeler abstained

**A2014-0190 Kentucky Beef Network LLC**

Mr. Baker referenced the above project from Kentucky Beef Network, LLC requesting \$1,959,074 in State funds for calendar years 2015 and 2016 to continue to provide programs to cattle producers that will enhance their net income.

The Blue Application Review Committee recommended funding this request for \$959,346 in State funds for 2015 and \$909,670 in State funds for 2016 for a total allocation of \$1,869,016.

Ms. Curtis moved to approve the committee recommendation; Dr. Bailey seconded the motion.

VOTE: Motion Passed; Dean Cox abstained

**A2014-0196 Todd County Fiscal Court**

Mr. Baker referenced the above project from Todd County Fiscal Court requesting \$30,000 in Todd County funds to conduct a feasibility study for the proposed development of a natural gas supply for portions of Todd County.

The Blue Application Review Committee recommended funding this request for up to \$30,000 in Todd County funds.

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

VOTE: Motion Passed; Unanimous

**A2014-0198 Franklin County Fair and Horse Show**

Mr. Baker referenced the above project from Franklin County Fair and Horse Show for \$2,750 in Franklin County funds to install six commercial ceiling fans in its multipurpose livestock pavilions.

The Blue Application Review Committee recommended funding this request for up to \$2,100 in Franklin County funds.

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

VOTE: Motion Passed; Unanimous

**A2014-0207          Jessamine County 4-H Council Inc.**

Mr. Baker referenced the above project from Jessamine County 4-H Council Inc. requesting \$3,000 in Jessamine County funds to build a shed structure in the back of the Jessamine County Extension Office to serve as a ham house.

The Blue Application Review Committee recommended funding this request for up to \$3,000 in Jessamine County funds.

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

VOTE: Motion Passed; Unanimous

**A2014-0214          Ballard County Board of Education**

Mr. Baker referenced the above project from Ballard County Board of Education requesting \$4,396 in Ballard County funds to purchase equipment and materials for the operation of its existing greenhouse.

The Blue Application Review Committee recommended funding this request for up to \$4,396 in Ballard County funds.

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

VOTE: Motion Passed; Unanimous

**A2014-0215          LaRue County Extension District Board**

Mr. Baker referenced the above project from LaRue County Extension District Board requesting \$2,500 in LaRue County funds to construct a ham curing building.

The Blue Application Review Committee recommended funding this request for up to \$2,500 in LaRue County funds.

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

VOTE: Motion Passed; Unanimous

**A2014-0246 Appalachian Alternative Agriculture of Jackson County, Inc.**  
Mr. Baker referenced the above project from Appalachian Alternative Agriculture of Jackson County, Inc. requesting \$21,000 in Jackson County funds to use as operating capital for the Jackson County Regional Food Center.

After discussion, Mr. Henderson moved to approve the application; Mr. Mahan seconded the motion.

VOTE: Motion Passed; Unanimous

**Project Recommendation for No Funding**

Mr. Link called on Tammy Miller, County Programs Manager, to present the following recommendation for no funding:

**A2014-0238 Warren County Cattle Producers Association, Inc.**

Ms. Miller referenced the above application from Warren County Cattle Producers Association, Inc. requesting \$180,000 in Warren County funds to administer a 2014 County Agricultural Investment Program (CAIP).

Staff recommended no-funding due to low-prioritization given by the Warren County Council.

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

VOTE: Motion Passed; Unanimous

**Pending Applications**

Mr. Link called on Mr. Thomas to review the following pending applications:

A2014-0075	Oldham County Fiscal Court
A2014-0138	Pumpkin Vine Creek, LLC
A2014-0156	Taylor County Conservation District

No action necessary on remaining pending applications.

**Closing Remarks**

Mr. Link thanked the board for their work.

**Adjournment**

Mr. Link entertained a motion to adjourn.

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

VOTE: Motion Passed; Unanimous

The KADB meeting adjourned at 11:46 a.m. (EST).

APPROVED DATE: 2/27/15

PRESIDING OFFICER: 

BOARD SECRETARY:   
Ray Arnold

## APPENDIX A: New Application for Referral

APP #	APPLICANT	COUNTY
A2014-0237	Hollison, LLC <i>Swine Virus Detection Pilot Project</i>	Daviess

**APPENDIX B: Programs Recommended for Approval**

<b>CAIP</b>			
<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2014-0239	Warren County Conservation District	Warren	\$159,245.00
A2014-0240	Northern KY Cattle Association, Inc.	Boone	\$227,198.00
A2014-0241	Hardin County Extension District Board	Hardin	\$130,000.00
A2014-0242	Fleming County Conservation District	Fleming	\$278,425.00
A2014-0243	Knox County Soil Conservation District	Knox	\$82,637.00
			<b>\$877,505.00</b>

<b>Shared-use Equipment</b>			
<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2014-0244	Pulaski County Conservation District	Pulaski	\$5,612.00
A2014-0245	Pulaski County Conservation District	Pulaski	\$16,161.00
			<b>\$21,773.00</b>

Total County Funds Recommended for Approval in Programs: **\$899,278.00**

**APPENDIX C: Program Amendments**

**App #** A2014-0113  
**Applicant Name** Buffalo Trace Area Development District  
**Original Amount Approved** \$200,000  
**Execution Date** 9/3/14  
**Requested Change** The applicant requests an additional **\$40,000** in **Mason County** funds for the *CAIP Program*. The request received a high priority from the Mason 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 **\$240,000**.

**Recommend Approval**

**App#** A2014-0131  
**Applicant Name** Buffalo Trace Area Development District  
**Original Amount Approved** \$200,000  
**Execution Date** 9/3/14  
**Requested Change** The applicant requests an additional **\$84,211** in **Bracken County** funds for the *CAIP Program*. The request received a high priority from the Bracken 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 **\$284,211**.

**Recommend Approval**