

The actions delineated below were taken in open session of the Kentucky Agricultural Development Board at the August 19, 2016 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 Exposition Center  
Louisville, Kentucky  
August 19, 2016**

**Call to Order**

Commissioner Ryan Quarles, 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: Commissioner Ryan Quarles, Dr. Betty Bailey, Dr. Kirk Pomper (designee for KSU Interim President Aaron Thompson), Dean Nancy M. Cox, Stewart Hughes, Don Goodin (designee for Interim Secretary Erik Dunnigan), Bobby Foree, Pat Henderson, Wayne Hunt, Wayne Mattingly, Sam Moore, Richard Warner and Al Pedigo.

Members absent: Governor Matt Bevin, Jim Mahan and Dr. Gordon Jones.

**Notification of Media**

Commissioner Quarles received verification from Emily Milam, GOAP Public Relations Officer, that the media had been notified of the KADB monthly meeting.

**Welcome**

Commissioner Quarles welcomed everyone to the meeting.

Commissioner Quarles updated the board on the activity of the Kentucky Department of Agriculture (KDA) and himself since the last board meeting.

Commissioner Quarles introduced the new General Counsel at KDA, Joe Bilby.

Commissioner Quarles introduced KDA staff in attendance of their first KADB meeting: Lance Terrell, Special Assistant to the Commissioner's Office; Luke King, Industrial Hemp Program Specialist and past KDA intern; and Mark White, Director of the Division of Personnel & Budget.

Commissioner Quarles introduced newly appointed KADB board member, Stewart Hughes.

Commissioner Quarles yielded the floor to Mr. Hughes. Mr. Hughes expressed his excitement to contribute to the KADB.

### **Approval of Minutes**

Commissioner Quarles entertained a motion to approve the minutes of the July 15, 2016 board meeting.

Dr. Bailey moved to approve the minutes, as presented; Mr. Warner seconded the motion.

VOTE: Motion Passed; Unanimous.

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

Commissioner Quarles yielded the floor to Warren Beeler, Executive Director, to report to the board.

Mr. Beeler welcomed the board to the fair.

Mr. Beeler called on Aleta Botts, Executive Director, KCARD, to update the board on the activities of the organization.

Mr. Beeler yielded the floor to Dr. Kirk Pomper, KSU, to introduce Kevin Gurtowski, Extension Associate, who will work with the Small Scale Farmer grants funded by the KADF.

Mr. Beeler called on John McCauley, State Executive Director, Kentucky Farm Service Agency (FSA), to update the board on the activities of the organization since the July 15, 2016 KADB meeting.

Mr. McCauley introduced the following members of the Kentucky State Committee: David Duncan (Chair), Lee Robey, James Kay and Carrie Divine.

Mr. Beeler updated the board on the activities of the GOAP and himself since the July 15, 2016 board meeting.

Mr. Beeler referenced the revised KADB Application Review Committees as of September 1, 2016.

Mr. Beeler welcomed Stewart Hughes and thanked him for his willingness to serve.

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

Commissioner Quarles yielded the floor to Bill McCloskey, GOAP deputy executive director, to report to the board.

Mr. McCloskey directed the board's attention to the PEP program report from Ms. Gardner that shows the value of radio & TV commercials this year (*on file*).

Mr. McCloskey directed the board's attention to news articles regarding the Louisville Food Port project.

Mr. McCloskey directed the board's attention to the GOAP financial report as of August 2, 2016 (*on file*).

Mr. McCloskey reviewed the Kentucky Agricultural Finance Corporation (KAFC) Statement of Financial Position (*on file*) as of July 31, 2016 and the KAFC Quarterly Report (*on file*).

Commissioner Quarles moved to accept the KAFC Financial Report; Mr. Foree seconded the motion.

VOTE: Motion Passed; Unanimous.

Mr. McCloskey yielded the floor to Beth Herbert to review the KAFC loan portfolio as of July 1, 2016.

### **Presentations**

Commissioner Quarles yielded the floor to Sandra Gardner, GOAP Director of Compliance & Outreach, to introduce the following presentations:

Ms. Gardner noted the presentations were requirements of each legal agreement.

Ms. Gardner introduced Jeff Wheeler, Enology Extension Specialist. Mr. Wheeler gave a presentation on the University of Kentucky Research Foundation viticulture and enology project (A2014-0164) (*PowerPoint on file*).

Mr. Wheeler presented the project goals and results over the past 20 months. Mr. Wheeler discussed potential of UK wine sales as an avenue to develop independence from outside funding, and noted some industry resistance to UK becoming a market competitor. Mr. Wheeler indicated that they should have a license in 3-4 months and be able to start selling wine within the year.

Commissioner Quarles excused himself from the meeting at 10:55 a.m.

Keith Rogers, KDA Chief of Staff, took over as chair of the board.

Ms. Gardner introduced Theresa Zawacki, Senior Policy Advisor to Louisville Forward. Ms. Zawacki gave a presentation on the Louisville Farm to Table Program (A2014-0086) (*PowerPoint on file*).

### **Old Business**

**Memo Action Items**

Mr. Rogers called on Biff Baker to present the following memo action items:

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

Mr. Baker presented a memorandum (*on file*) regarding the above-referenced project. The Recipients requested a 180-day no-cost time extension.

Staff recommends approving the request.

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

VOTE: Motion Passed; Unanimous.

**A2013-0275 The Weekly Juicery**

Mr. Baker presented a memorandum (*on file*) regarding the above-referenced project. The Recipient requested a twelve month no-cost time extension.

Staff recommends approving the request.

Mr. Mattingly moved to approve the staff recommendation, contingent on a communication that this would be the last time extension; Mr. Warner seconded the motion.

VOTE: Motion Passed; Unanimous.

**New Business**

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

Mr. Rogers called on Mr. McCloskey to present new applications for referral.

Mr. McCloskey referenced four (4) new applications for referral.

Mr. Richard moved to refer the submitted applications to the White Application Review Committee; Mr. Pedigo seconded the motion.

VOTE: Motion Passed; Unanimous.

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

Mr. Rogers called on Mr. McCloskey to present programs recommended for approval.

Mr. McCloskey referenced twelve (12) County Agricultural Investment Program (CAIP) applications requesting county funds totaling \$2,589,747; four (4) Deceased Farm Animal Removal Program (DAR) application requesting county funds totaling \$27,000;

<sup>1</sup> A detailed list of New Applications 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.

and three (3) Shared-use Equipment Program application requesting county funds totaling \$51,310. Total program funding requested was \$2,668,057

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

VOTE: Motion Passed; Unanimous.

**Project Recommendations for Funding**

Mr. Rogers called on Mr. McCloskey to present the following recommendations for funding:

**A2016-0074            McLean County 4-H**

Mr. McCloskey referenced the above application from McLean County 4-H requesting \$6,325 in McLean County funds to install energy efficient LED lights in the 4-H Activities Center at Myers Creek Park and construct an open shed onto the Durbin Pavilion Animal Show facility.

The White Application Review Committee recommended funding the request up to \$6,325 in McLean County funds, subject to terms and conditions.

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

VOTE: Motion Passed; Unanimous.

**A2016-0112            Taylor County Cattlemen's Association, Inc.**

Ms. Osterman referenced the above application from the Taylor County Cattlemen's Association, Inc., requesting \$10,000 in Taylor County funds for its beef and dairy heifer chain program.

The White Application Review Committee recommended funding the request for \$10,000 in Taylor County funds, subject to terms and conditions.

Mr. Foree moved to approve the committee recommendation; Mr. Pedigo seconded the motion.

VOTE: Motion Passed; Unanimous.

**A2016-0124            Green County Fire and Rescue, Inc.**

Mr. McCloskey referenced the above application from Green County Fire and Rescue, Inc. requesting \$1,100 in Green County funds to purchase grain bin rescue equipment.

The White Application Review Committee recommended funding the request for \$1,100 in Green County funds, subject to terms and conditions.

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

VOTE: Motion Passed; Unanimous.

**A2016-0126 Henry County Board of Education**

Ms. Osterman referenced the above application from the Henry County Board of Education requesting \$5,000 in Henry County funds for the construction of a hydroponic greenhouse at the Henry County High School.

The White Application Review Committee recommended funding the request for \$5,000 in Henry County funds, subject to terms and conditions.

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

VOTE: Motion Passed; Mr. Foree abstained.

**A2016-0129 Boone's Abattoir, Inc.**

Mr. McCloskey referenced the above application from Boone's Abattoir, Inc. requesting \$329,301 in multiple county and state funds for an addition to its slaughter facility, meat processing plant and retail store.

The White Application Review Committee recommended funding up to \$329,301 of the total budget in State and County funds as a grant and a loan, subject to terms and conditions.

Mr. Mattingly moved to provide the recipient up to \$329,301 in State and County funds as a grant and a loan. Any County commitments shall be available to the Recipient in the form of a grant. The remaining amount of funds, not to exceed half the project cost, are available to the recipient in the form of a loan; Mr. Goodin seconded the motion.

VOTE: Motion Passed; Unanimous.

**A2016-0130 University of Kentucky Research Foundation**

Ms. Osterman referenced the above application from the University of Kentucky Research Foundation requesting \$416,301 in State funds over two years to support the State Viticulture and Enology Extension Program.

The White Application Review Committee recommended funding \$416,301 of the total budget in State funds over two years, subject to terms and conditions.

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

VOTE: Motion Passed; Dean Cox abstained.

**Project Recommendations for No Funding**

Mr. Rogers called on Mr. McCloskey to present the following recommendations for no funding:

**A2016-0125            Kentucky Hemp Research Foundation Inc.**

Mr. McCloskey referenced the above application from the Kentucky Hemp Research Foundation Inc. requesting \$1,157,337 in KADF funds for various research projects and educational programs.

The White Application Review Committee recommended no-funding the A2016-0125 Kentucky Hemp Research Foundation Inc. application based on adequate research being conducted by 8 universities regarding 15 projects.

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

VOTE: Motion Passed; Unanimous.

**A2016-0131            Pumpkin Vine Creek Farm, LLC**

Mr. McCloskey referenced the above application from Pumpkin Vine Creek Farm, LLC requesting \$83,000 in KADF funds for upgrading of their kenaf processing equipment.

The White Application Review Committee recommended no-funding the A2016-0131 Pumpkin Vine Creek Farm, LLC application due to lack of producer impact.

Mr. Goodin moved to approve the recommendation; Mr. Warner seconded the motion.

VOTE: Motion Passed; Unanimous.

**Pending Applications**

Mr. McCloskey referenced the two (2) following pending applications:

- |            |   |
|------------|---|
| A2016-0069 | Hardin County Agricultural Extension Foundation, Inc. |
| A2016-0085 | Seed Capital Kentucky, Inc.                           |

No action necessary on pending applications.

**Expired Applications**

Mr. McCloskey referenced the six (6) following expired applications:

- |            |                      |
|------------|----------------------|
| A2014-0216 | Ramble Ridge Farm    |
| A2015-0037 | Henson Dairy Farm    |
| A2015-0040 | Chapel Gap Dairy LLC |

A2015-0066      Brently West Dairy  
A2015-0074      Traves Smith Dairy  
A2015-0075      Elmore Dairy

No action necessary on expired applications.

**Closing Remarks**

**Adjournment**

Mr. Rogers entertained a motion to adjourn.

Mr. Foree moved to adjourn the August KADB meeting; Mr. Pomper seconded the motion.

VOTE: Motion Passed; Unanimous.

The KADB meeting adjourned at 12:26 p.m. (EDT).

APPROVED DATE:           9-16-16          

PRESIDING OFFICER:           *[Signature]*          

BOARD SECRETARY:           *[Signature]*            
Hannah Forte

## APPENDIX A: New Applications for Referral

APP #	APPLICANT	COUNTY
A2016-0139	The Franklin County Fair and Horseshow Association, Inc. <i>PA System</i>	Franklin
A2016-0141	Veering, LLC <i>Hops Harvesting Equipment</i>	Oldham
A2016-0154	Hickman County Fiscal Court <i>Farmers Market</i>	Hickman
A2016-0155	Metcalfe County 4-H Council, Incorporated <i>Youth Ham Project</i>	Metcalfe

## APPENDIX B: Programs Recommended for Approval

### CAIP

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2016-0137	Franklin County Cattlemen's Association, Inc.	Franklin	\$142,663.00
A2016-0140	Allen County Conservation District	Allen	\$73,399.00
A2016-0144	Edmonson Co Cattleman Association Inc.	Edmonson	\$89,500.00
A2016-0148	Boyle County Farm Bureau	Boyle	\$172,753.00
A2016-0150	Shelby County Farm Bureau, Inc.	Shelby	\$350,000.00
A2016-0151	Wayne County Agriculture Development Council Inc.	Wayne	\$160,000.00
A2016-0157	Metcalfe County Conservation District	Metcalfe	\$239,138.00
A2016-0159	Fayette County Conservation District	Fayette	\$300,000.00
A2016-0174	Morgan County Fiscal Court	Morgan	\$192,294.00
A2016-0175	Woodford County Agriculture Advancement Council, Inc.	Woodford	\$250,000.00
A2016-0176	Buffalo Trace Area Development District , Inc.	Mason	\$270,000.00
A2016-0177	Owen County Farm Bureau, Inc.	Owen	\$350,000.00
			<b>\$2,589,747.00</b>

### Deceased Farm Animal Removal Program

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2016-0138	Franklin County Conservation District	Franklin	\$4,500.00
A2016-0142	Scott County Conservation District	Scott	\$7,500.00
A2016-0145	Hart County Soil Conservation District	Hart	\$7,500.00
A2016-0147	Boyle County Farm Bureau	Boyle	\$7,500.00
			<b>\$27,000.00</b>

### Shared-use Equipment

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2016-0146	Adair County Conservation District	Adair	\$12,250.00
A2016-0156	Garrard County Conservation District	Garrard	\$20,910.00
A2016-0158	Metcalfe County Conservation District	Metcalfe	\$18,150.00
			<b>\$51,310.00</b>

Total County Funds Recommended for Approval in Programs: **\$2,668,057.00**