

The actions delineated below were taken in open session of the Kentucky Agricultural Development Board at the May 20, 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
Thomas D. Clark Center for History
Frankfort, Kentucky
June 17, 2016**

Call to Order

Commissioner Ryan Quarles, presiding, called the Kentucky Agricultural Development Board (KADB) regular business meeting to order at 10:05 a.m. (EDT)

Roll Call

The following members were present:

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

Members absent: Governor Matt Bevin, Wayne Mattingly and 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 discussed KDA's involvement in the Hunger Initiative.

Commissioner Quarles discussed KDA's involvement in the FFA and 4-H State Conventions.

Commissioner Quarles recognized Kyle Kelly and four interns from KDA: Ryan Halligan, Ruth Ann Myers, Dillon Harper and Cramer Schneider.

Commissioner Quarles introduced retired board member Troy Rankin.

Approval of Minutes

Commissioner Quarles entertained a motion to approve the minutes of the May 20, 2016 board meeting.

Mr. Henderson moved to approve the minutes, as presented; Dr. Cox seconded the motion.

VOTE: Motion Passed; Unanimous.

Executive Director's Report

Commissioner Quarles yielded the floor to Warren Beeler to report to the board.

Mr. Beeler recognized Troy Rankin, retired board member.

Mr. Rankin was presented with a commemorative plaque.

Mr. Beeler yielded the floor to Mr. Rankin.

Mr. Rankin discussed his appreciation for being able to serve the KADF.

Mr. Beeler called on Keenan Bishop, Franklin County Extension Agent for Agriculture and Natural Resources, to talk about the updates to the Franklin County Extension Office.

Mr. Bishop talked about safety and security upgrades to the building, as well as updates to the building entrance.

Mr. Beeler updated the board on the budget and the activities of GOAP staff since the May 20, 2016 KADB meeting.

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 May 20, 2016 board meeting.

Mr. Beeler called on Brent Lackey, KCARD, to update the board on the USDA Value-Added Producer and Rural Cooperative Development grants.

Mr. Mahan requested that the minutes reflect that 3 of the 4 KDA interns represent the University of Kentucky.

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 Quarterly Monitoring & Compliance memo from Sandy Gardner (*on file*).

Mr. McCloskey yielded the floor to Ms. Gardner.

Ms. Gardner discussed the contents of the report

Mr. McCloskey directed the board's attention to the itinerary for the July Joint Meeting (*on file*).

Mr. McCloskey directed the board's attention to the UK Study which will be discussed at the joint meeting (*on file*).

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 the GOAP financial report as of June 3, 2016 (*on file*).

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

Commissioner Quarles moved to accept the KAFC Financial Report; Dr. Bailey seconded the motion.

VOTE: Motion Passed; Unanimous.

Marketing & Entrepreneurship Report

Commissioner Quarles called on Wayne Hunt to deliver the Marketing & Entrepreneurship report.

Mr. Hunt announced the Marketing & Entrepreneurship Committee met June 17, 2016 at 8:30 a.m. (EDT) at the Franklin County Extension Office, 101 Lakeview Court, Frankfort, KY 40601.

Mr. Hunt reviewed the activities of the committee meeting. The Marketing and Entrepreneurship Committee reviewed revenue and expenditures to date for three commodity organizations (KY Cattlemen's Association, KY Pork Producers Association and the KY Poultry Federation) as well as requests for 2016.

Commissioner Quarles moved to accept the Marketing & Entrepreneurship report; Mr. Mahan seconded the motion.

VOTE: Motion Passed; Unanimous

Mr. Hunt made a motion that the KADB should match the funds that were put into marketing; Mr. Henderson seconded the motion

VOTE: Motion Passed; Unanimous.

Presentations

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

Ms. Gardner outlined the reasons for the presentations.

Ms. Gardner introduced Ashton Potter Wright, Lexington Local Food Coordinator, who is required to present in order to receive her funds. Ms. Wright gave a presentation on Bluegrass Farm to Table (LFUCG). (*PowerPoint on file*)

Ms. Wright presented on her duties and roles in her position, connecting farmers and market outlets. She reported on year one of the two year pilot project funded by KADB. Ms. Wright brought up the issue of food safety between wholesale buyers and producers, particularly regarding GAP certifications and 3rd party audits.

Commissioner Quarles moved to approve the presentation in accordance with 2016 funding requirements. Mr. Mahan seconded.

VOTE: Motion Passed, Unanimous.

Commissioner Quarles excused himself from the meeting at 11 a.m.

Keith Rogers (designee) took over as chair of the board.

Ms. Gardner introduced Michael Hayes, Special Projects Coordinator at Kentucky Highlands Investment Corporation. (*PowerPoint on file*)

Mr. Hayes introduced Jerry Ricketts, President & CEO; David Cook, Founder & Director of Grow Appalachia; and Edgar Davis, Business Development Specialist.

Mr. Hayes discussed the mission of Kentucky Highlands for business development and the Soar Small Production Loan Fund and its impact in Eastern Kentucky.

Mr. Hayes invited Mr. Cook to speak on Grow Appalachia.

Ms. Gardner introduced Jennifer Elwell, Executive Director of Kentucky Agriculture and Environment in the Classroom. (*PowerPoint on file*)

Ms. Elwell discussed the mobile science unit purchased for Eastern Kentucky from their first KADB grant and their plans to continue to improve the program. Ms. Elwell presented examples of materials and exercises used in their program.

Old Business

Memo Action Items

Mr. Rogers called on Mr. McCloskey, Steve Doan and Tammy Sue Miller to present the following memo action items:

A2005-0100 Daniel Boone Lumber Industries, Inc.

Mr. McCloskey presented a memorandum (*on file*) regarding the above-referenced project. The Recipient requested a forgivable loan modification.

The Compliance Committee recommended accepting \$3,075 (half of the balance).

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

VOTE: Motion Passed; Unanimous.

A2005-0453 Cave Run Resort and Stable

Mr. Doan presented a memorandum (*on file*) regarding the above-referenced project. The Recipients requested a forgivable loan modification.

The Compliance Committee recommended writing off the remaining balance.

Dr. Bailey moved to approve the Compliance Committee recommendation, as presented; Dr. Cox seconded the motion.

VOTE: Motion Passed; Unanimous.

A2008-0440 KADB/KAFC Memorandum of Agreement Amendment

Mr. Doan presented a memorandum (*on file*) regarding the above-referenced project. This is a request to amend the Memorandum of Agreement between the KAFC and the KADB.

Mr. Henderson moved to approve the amendment; Mr. Mahan seconded the motion.

VOTE: Motion Passed; Unanimous

KADF On-Farm Energy Efficiency Incentive Program

Ms. Miller presented a memorandum (*on file*) regarding the above-referenced program. Applicants number A2015-0047 and A2015-0064 have requested a 90-day time extension to complete their project.

The GOAP staff recommended approval of this request.

Mr. Moore moved to approve the staff recommendation; Mr. Warner seconded the motion.

VOTE: Motion Passed; Unanimous

New Business

New Application for Referral¹

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

Mr. McCloskey referenced five (5) new applications for referral.

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

VOTE: Motion Passed; Unanimous.

Programs Recommended for Approval²

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

Mr. McCloskey referenced 12 (12) County Agricultural Investment Program (CAIP) applications requesting county funds totaling \$1,843,041; one (1) Deceased Farm Animal Removal Program (DAR) application requesting county funds totaling \$7,500; and three (3) Shared-use Equipment Program application requesting county funds totaling \$31,807. Total program funding requested was \$1,882,348

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

VOTE: Motion Passed; Unanimous.

Requested Program Amendments³

Mr. Rogers called on Mr. McCloskey to present requested program amendments.

Mr. McCloskey referenced four (4) requested program amendments seeking additional county funds totaling \$351,766.

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

VOTE: Motion Passed; Unanimous.

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

² A detailed list of projects funded under the County Agricultural Investment Program and Shared-Use Equipment Program is attached as Appendix B.

³ A detailed list of Requested Program Amendments is attached as Appendix C.

Project Recommendations for Funding

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

A2016-0075 McLean County 4-H

Mr. McCloskey referenced the above application from McLean County 4-H requesting \$900 in McLean County funds for a youth heifer program.

The White Application Review Committee recommended funding the request for \$900 in McLean County funds, subject to terms and conditions.

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

VOTE: Motion Passed; Unanimous.

A2016-0076 McLean County Cooperative Extension

Mr. McCloskey referenced the above application from the McLean County Cooperative Extension, requesting \$1,500 in McLean County funds for the youth learning area at the McLean County Ag Festival.

The White Application Review Committee recommended funding the request for \$1,500 in McLean County funds, subject to terms and conditions.

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

VOTE: Motion Passed; Unanimous.

A2016-0081 MozzaPi LLC

Mr. McCloskey referenced the above application from MozzaPi LLC requesting \$12,902 in state funds for capital improvements and equipment for their organic farmers market and mill in Anchorage, Ky.

The White Application Review Committee recommended funding the request for \$12,902 in matching county and state funds, subject to terms and conditions.

Don Goodin recommended making it a forgivable loan and using the equipment as collateral.

Mr. Goodin moved to amend the recommendation to a forgivable loan and take a security interest on any equipment.

Mr. Goodin moved to approve the committee recommendation with requirement of operation for 5 years; Dr. Bailey seconded the motion.

VOTE: Motion Passed; Unanimous.

A2016-0082 The Berry Center, Inc.

Mr. McCloskey referenced the above application from the Berry Center, Inc., requesting \$5,000 in Henry County funds to support the Henry County Harvest Showcase.

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

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

VOTE: Motion Passed; Unanimous.

A2016-0084 Community Farm Alliance, Inc.

Mr. McCloskey referenced the above application from Community Farm Alliance, Inc. requesting \$341,215 in state funds to support the Double Dollars and Market Manager incentive programs.

The White Application Review Committee recommended funding the request for \$341,215 in state funds, subject to terms and conditions.

Dr. Bailey moved to pend the application; Ms. Curtis seconded the motion.

VOTE: Motion Passed; Unanimous.

Pending Applications

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

- | | |
|------------|---|
| A2015-0220 | University of Kentucky Research Foundation |
| A2016-0069 | Hardin County Agricultural Extension Foundation, Inc. |
| A2016-0070 | Hardin County Agricultural Extension Foundation, Inc. |
| A2016-0074 | McLean County 4-H |
| A2016-0085 | Seed Capital Kentucky, Inc. |
| A2016-0102 | Washington County Fiscal Court |

No action necessary on pending applications.

Withdrawn Applications

Mr. Rogers referenced the two (2) following withdrawn applications:

- | | |
|------------|--------------------------------------|
| A2016-0031 | Fish Market, Inc. |
| A2016-0073 | Caudill Seed and Warehouse Co., Inc. |

No action necessary on withdrawn applications.

Closing Remarks

Mr. Beeler commented that the GOAP will be contacting board members via email regarding tickets for the ham breakfast and tickets to get into the state fair.

Mr. McCloskey requested that board members fill out the Memo for August KADB Hotel Accommodations and return them to the Boards Coordinator.

Adjournment

Mr. Rogers entertained a motion to adjourn.

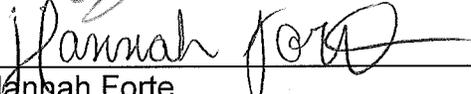
Mr. Henderson moved to adjourn the June KADB meeting; Mr. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous.

The KADB meeting adjourned at 12:28 a.m. (EDT).

APPROVED DATE: 7-15-16

PRESIDING OFFICER: 

BOARD SECRETARY: 
Hannah Forte

APPENDIX A: New Applications for Referral

APP #	APPLICANT	COUNTY
A2016-0093	Calloway County School District <i>Greenhouse</i>	Calloway
A2016-0094	Kentucky Highlands Investment Corporation <i>SOAR Revolving Loan Fund</i>	Laurel
A2016-0095	Green River Area Beef Improvement Group, Inc. <i>Youth Cost-Share</i>	Daviess
A2016-0096	Grain Day, Inc. <i>Ag Expo</i>	Daviess
A2016-0100	Washington County Livestock Center, Inc. <i>Livestock Center</i>	Washington

APPENDIX B: Programs Recommended for Approval

CAIP

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2016-0090	Mercer County Conservation District	Mercer	\$223,701.00
A2016-0091	Green River Area Beef Improvement Group, Inc.	Webster	\$19,663.00
A2016-0092	Nicholas County Fiscal Court	Nicholas	\$277,317.00
A2016-0097	Adair County Cattlemen's Association, Inc.	Adair	\$209,000.00
A2016-0098	Hardin County Extension District Board	Hardin	\$150,000.00
A2016-0103	Knox County Soil Conservation District	Knox	\$81,620.00
A2016-0104	Marshall County Conservation District	Marshall	\$69,165.00
A2016-0105	Washington County Cattlemen Association	Washington	\$226,000.00
A2016-0107	Nelson County Soil Conservation District	Nelson	\$145,000.00
A2016-0108	Green River Area Beef Improvement Group, Inc.	Henderson	\$25,000.00
A2016-0109	Green River Area Beef Improvement Group, Inc.	Daviess	\$100,000.00
A2016-0111	Harrison County Beef Cattle Association, Inc.	Harrison	\$316,575.00
			\$1,843,041.00

Deceased Farm Animal Removal Program

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2016-0089	Mercer County Fiscal Court	Mercer	\$7,500.00
			\$7,500.00

Shared-use Equipment

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2016-0088	Madison County Farm Bureau, Inc. of Madison County, Kentucky	Madison	\$15,632.00
A2016-0106	Washington County Farm Bureau, Inc.	Washington	\$11,175.00
A2016-0110	Daviess County Cattleman's Association	Daviess	\$5,000.00
			\$31,807.00

Total County Funds Recommended for Approval in Programs: **\$1,882,348.00**

Appendix C: Requested Program Amendments

App # A2015-0210
Applicant Name Lee County Conservation District
 Original Amount Approved \$89,800
 Execution Date 1/06/2016
 Requested Change The applicant requests an additional **\$40,000** in Lee County funds for the *CAIP Program*. The request received a high priority from the Lee 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 \$129,800.
Recommend Approval

App# A2015-0217
Applicant Name Anderson County Farm Bureau, Inc.
 Original Amount Approved \$174,861
 Execution Date 1/06/2016
 Requested Change The applicant requests an additional **\$120,500** in Anderson County funds for the *CAIP Program*. The request received a high priority from the Anderson 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 \$295,361.
Recommend Approval

App# A2016-0030
Applicant Name Owsley County Conservation District
 Original Amount Approved \$160,900
 Execution Date 4/08/2016
 Requested Change The applicant requests an additional **\$141,266** in Owsley County funds for the *CAIP Program*. The request received a high priority from the Owsley 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 \$302,166.
Recommend Approval

Appendix C: Requested Program Amendments

App #	A2016-0068
Applicant Name	Oldham County Farm Bureau Federation
Original Amount Approved	\$6,800
Execution Date	TBA
Requested Change	<p>The applicant requests an <u>additional</u> \$50,000 in Oldham County funds for the <i>CAIP Program</i>. The request received a <u>high</u> priority from the Oldham 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 \$56,800.</p>
	Recommend Approval