

The actions delineated below were taken in open session of the Kentucky Agricultural Development Board at the July 15, 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
Taylor County Extension Office
Campbellsville, Kentucky
July 15, 2016**

Call to Order

Commissioner Ryan Quarles, presiding, called the Kentucky Agricultural Development Board (KADB) regular business meeting to order at 11:03 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, Karen Curtis, Don Goodin (designee for acting Secretary Erik Dunnigan), Bobby Foree, Pat Henderson, Jim Mahan, Wayne Mattingly, Sam Moore, Richard Warner and Dr. Gordon Jones.

Members absent: Governor Matt Bevin, Wayne Hunt and Al Pedigo.

Notification of Media

Commissioner Quarles received verification from Hannah Forte, GOAP Boards Coordinator, that the media had been notified of the KADB monthly meeting.

Welcome

Commissioner Quarles welcomed everyone to the meeting.

Approval of Minutes

Commissioner Quarles entertained a motion to approve the minutes of the June 17, 2016 board meeting.

Ms. Curtis moved to approve the minutes, as presented; Mr. Mattingly seconded the motion.

VOTE: Motion Passed; Unanimous.

Executive Director's Report

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

Mr. Beeler referenced his report to the Kentucky Agricultural Finance Corporation.

Deputy Executive Director's Report

Commissioner Quarles yielded the floor to Bill McCloskey, GOAP Deputy Executive Director, to report to the board.

Mr. McCloskey referenced his report to the Kentucky Agricultural Finance Corporation.

Mr. McCloskey asked for a motion to approve the previously reviewed Kentucky Agricultural Finance Corporation (KAFC) Statement of Financial Position (*on file*) as of June 30, 2016 and the KAFC Quarterly Report (*on file*).

Dean Cox moved to accept the KAFC Financial Report; Commissioner Quarles seconded the motion.

VOTE: Motion Passed; Unanimous.

Compliance Committee Report

Commissioner Quarles called on Don Goodin to deliver the Compliance Committee report.

Mr. Goodin announced that the Compliance Committee met July 14, 2016 at 8:30 a.m. (EDT) in the Board Room of the Taylor County Extension Office, 1143 South Columbia Ave., Campbellsville, KY 42718.

Mr. Goodin reported that three modifications had been proposed to Jim Mansfield of Four Hills Farm (A2012-0017), and Mr. Mansfield accepted the proposition to defer payment for 3 years, with regular payments beginning in 2019.

Mr. Goodin moved to accept the modification, Dr. Bailey seconded the motion.

VOTE: Motion Passed, Unanimous.

Mr. Goodin stated that the committee reviewed loan updates, new loan issues, moratorium waivers, late reporting projects and completed files. He stated that the next Compliance Committee meeting will be in September, and invited all board members to sit in on future meetings.

Commissioner Quarles moved to accept the Compliance Committee report; Dr. Bailey seconded the motion.

VOTE: Motion Passed; Unanimous

Recipient Review Committee Reports

Commissioner Quarles stated that four Recipient Review Committees met earlier in the morning to review 2nd quarter 2016 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>
A2014-0172	Kentucky Horticulture Council (KHC)	Jim Mahan, reporting
A2014-0185	Kentucky Dairy Development Council (KDDC)	Pat Henderson, reporting
A2014-0189	Kentucky Department of Agriculture (KDA)	Wayne Mattingly, reporting
A2014-0190	Kentucky Beef Network (KBN)	Don Goodin, reporting

Mr. McCloskey suggested the following timeline for recipients:

August 26, 2016	Application Deadline
September 16, 2016	Applications distributed to KADB Board Members
October 12, 2016	Quarterly reports due
October 21, 2016	Recipient review and presentations to the board
November 18, 2016	Board Action

Old Business

Memo Action Items

Commissioner Quarles called on Mr. McCloskey, Beth Herbert, Biff Baker and Stefanie Osterman to present the following memo action items:

A2015-0010 Kentucky Highlands Investment Corporation

Ms. Osterman presented a memorandum (*on file*) regarding the above-referenced project. The Recipient requested an amendment request.

The White Committee Application Review Committee recommends approval of the additional \$200,000 requested for the SOAR Small Production Revolving Loan Fund, as reflected in the budget.

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

VOTE: Motion Passed; Unanimous.

A2015-0149 Kentucky State University

Mr. Baker presented a memorandum (*on file*) regarding the above-referenced project. The Recipients requested a budget amendment and rollover of funds request.

Staff recommended approving the request.

Commissioner Quarles moved to approve the staff recommendation, as presented; Dr. Bailey seconded the motion.

VOTE: Motion Passed; Dr. Pomper abstained.

KAFC Request for Transfer

Ms. Herbert presented a memorandum (*on file*) regarding the above-referenced project. This is a request to transfer \$5 million from the KADF to KAFC.

Mr. Moore moved to approve the request; Mr. Henderson seconded the motion.

VOTE: Motion Passed; Unanimous

KADF On-Farm Energy Efficiency Incentive Program

Mr. McCloskey presented a memorandum (*on file*) regarding the above-referenced program. Applicants number A2014-0218, A2015-0065, A2015-0068 and A2015-0076 have requested a 90-day time extension to complete their project.

The GOAP staff recommended approval of this request.

Commissioner Quarles moved to approve the staff recommendation; Mr. Foree seconded the motion.

VOTE: Motion Passed; Unanimous

New Business

New Application for Referral¹

Commissioner Quarles called on Mr. McCloskey to present new applications for referral.

Mr. McCloskey referenced seven (7) new applications for referral.

Commissioner Quarles moved to refer the submitted applications to the White Application Review Committee; Dr. Bailey seconded the motion.

VOTE: Motion Passed; Unanimous.

Programs Recommended for Approval²

Commissioner Quarles called on Mr. McCloskey to present programs recommended for approval.

Mr. McCloskey referenced thirteen (13) County Agricultural Investment Program (CAIP) applications requesting county funds totaling \$2,277,698; five (5) Deceased Farm Animal Removal Program (DAR) application requesting county funds totaling \$28,016; and one (1) Shared-use Equipment Program application requesting county funds totaling \$40,103. Total program funding requested was \$2,345,817.

Commissioner Quarles moved to approve the program recommendations, as presented; Dr. Bailey seconded the motion.

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.

VOTE: Motion Passed; Unanimous.

Requested Program Amendments³

Commissioner Quarles called on Mr. McCloskey to present requested program amendments.

Mr. McCloskey referenced three (3) requested program amendments seeking additional county funds totaling \$169,000.

Commissioner Quarles moved to approve the program amendments as presented; Mr. Mahan seconded the motion.

VOTE: Motion Passed; Unanimous.

Project Recommendations for Funding

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

A2015-0220 University of Kentucky Research Foundation

Mr. Baker referenced the above application from the University of Kentucky Research Foundation requesting \$17,000,000 in State funds to establish a Kentucky Grains Center of Excellence at the University of Kentucky Research and Education Center (UKREC) at Princeton in Caldwell County.

The Red Application Review Committee recommended funding the request for State funds in the reduced amount of \$15 million, subject to terms and conditions.

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

VOTE: Motion Passed; Dean Cox abstained.

A2016-0070 Hardin County Agricultural Extension Foundation, Inc.

Mr. McCloskey referenced the above application from the Hardin County Agricultural Extension Foundation, Inc., requesting \$55,000 in multiple County funds and \$270,854 in State funds to build a Livestock Events Center.

The White Application Review Committee recommended funding the request in a reduced amount of State and County funds up to \$261,138 of the total budget in KADF funds, subject to terms and conditions.

Commissioner Quarles moved to approve the committee recommendation; Ms. Curtis seconded the motion.

VOTE: Motion Passed; Unanimous.

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

A2016-0084 Community Farm Alliance

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 the reduced amount of \$78,188 for one year, subject to terms and conditions.

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

VOTE: Motion Passed; with discussion.

A2016-0093 Calloway County School District

Mr. McCloskey referenced the above application from the Calloway County School District requesting \$15,000 in Calloway County funds and \$100,000 in State funds for the construction of the Calloway County High School greenhouse.

The White Application Review Committee recommended funding \$15,000 in County funds requested and no State funds, subject to terms and conditions.

Ms. Curtis moved to approve the committee recommendation; Commissioner Quarles seconded the motion.

VOTE: Motion Passed; Unanimous.

A2016-0095 Green River Area Beef Improvement Group, Inc.

Mr. McCloskey referenced the above application from the Green River Area Beef Improvement Group, Inc., requesting \$20,000 in Daviess County funds for their youth cost-share program.

The White Application Review Committee recommended funding the request up to \$20,000 in Daviess county funds, subject to terms and conditions.

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

VOTE: Motion Passed; Unanimous.

A2016-0096 Grain Day, Inc.

Mr. McCloskey referenced the above application from Grain Day, Inc., requesting \$5,000 in Daviess County funds for the Ag Expo.

The White Application Review Committee recommended funding the request up to \$5,000 in Daviess county funds, subject to terms and conditions.

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

VOTE: Motion Passed; Mr. Mattingly abstained.

A2016-0100 Washington County Livestock Center, Inc.

Mr. McCloskey referenced the above application from the Washington County Livestock Center, Inc., requesting \$100,000 in Washington County funds and \$10,000 in Marion County funds for facility upgrades.

The White Application Review Committee recommended an increased amount of up to \$209,079 in KADF County funds, subject to terms and conditions.

Ms. Curtis moved to approve the committee recommendation; Commissioner Quarles seconded the motion.

VOTE: Motion Passed; Unanimous.

Project Recommendations for No Funding

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

A2016-0116 Magoffin County Conservation District

Mr. McCloskey referenced the above application from the Magoffin County Conservation District requesting \$94,726.46 in Magoffin county funds to administer a 2016 CAIP for Magoffin County.

Staff recommended no-funding A2016-0116 Magoffin County Conservation District application to administer a 2016 CAIP for Magoffin County due to \$0 funds committed by the county.

Commissioner Quarles moved to approve the recommendation; Mr. Foree seconded the motion.

VOTE: Motion Passed; Unanimous.

Pending Applications

Mr. McCloskey referenced the three (3) following pending applications:

A2016-0069	Hardin County Agricultural Extension Foundation, Inc.
A2016-0074	McLean County 4-H
A2016-0085	Seed Capital Kentucky, Inc.

No action necessary on pending applications.

Closing Remarks

Adjournment

Commissioner Quarles entertained a motion to adjourn.

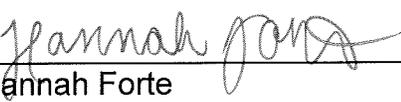
Commissioner Quarles moved to adjourn the June KADB meeting; Mr. Foree seconded the motion.

VOTE: Motion Passed; Unanimous.

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

APPROVED DATE: August 19, 2016

PRESIDING OFFICER: 

BOARD SECRETARY: 
Hannah Forte

APPENDIX A: New Applications for Referral

APP #	APPLICANT	COUNTY
A2016-0112	Taylor County Cattlemen's Association, Inc. <i>Youth Heifer Chain</i>	Taylor
A2016-0124	Green County Fire and Rescue, Inc. <i>Grain Bin Rescue Equipment</i>	Green
A2016-0125	Kentucky Hemp Research Foundation Inc <i>Hemp Research</i>	Clark
A2016-0126	Henry County High School <i>Greenhouse</i>	Henry
A2016-0129	Boone's Abattoir, Inc. <i>Butcher Shop Expansion</i>	Nelson
A2016-0130	University of Kentucky Research Foundation <i>Viticulture and Enology Extension Program</i>	Fayette
A2016-0131	Pumpkin Vine Creek Farm, LLC <i>Kenaf processing upgrade</i>	Madison

APPENDIX B: Programs Recommended for Approval

CAIP			
<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2016-0114	Elliott County Conservation District	Elliott	\$157,062.00
A2016-0117	Taylor County Cattlemen's Association	Taylor	\$220,000.00
A2016-0118	Magoffin County Agriculture Investment Program Incorporated	Magoffin	\$84,727.00
A2016-0119	Simpson County Conservation District	Simpson	\$83,069.00
A2016-0120	Green County Cattlemen's Association	Green	\$260,000.00
A2016-0121	Green River Area Beef Improvement Group, Inc.	McLean	\$80,000.00
A2016-0122	Clinton/Cumberland Cattlemen's Assoc., Inc.	Cumberland	\$143,000.00
A2016-0123	Grant County Cattlemens Association, Inc.	Grant	\$200,000.00
A2016-0127	Casey County Conservation District	Casey	\$300,000.00
A2016-0128	Estill County Conservation District	Estill	\$80,000.00
A2016-0132	Grayson County Cattlemens Association Inc.	Grayson	\$188,000.00
A2016-0133	Bourbon County Fiscal Court	Bourbon	\$391,840.00
A2016-0134	LaRue County Beef Cattle Association, Inc.	LaRue	\$90,000.00
			\$2,277,698.00

Deceased Farm Animal Removal Program			
<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2016-0099	Lincoln County Fiscal Court	Lincoln	\$7,500.00
A2016-0101	Nelson County Fiscal Court	Nelson	\$7,500.00
A2016-0102	Washington County Fiscal Court	Washington	\$3,850.00
A2016-0115	Taylor County Conservation District	Taylor	\$7,500.00
A2016-0135	LaRue County Conservation District	LaRue	\$1,666.00
			\$28,016.00

Shared-use Equipment			
<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2016-0136	LaRue County Conservation District	LaRue	\$40,103.00
			\$40,103.00

Total County Funds Recommended for Approval in Programs: **\$2,345,817.00**

APPENDIX C: Requested Program Amendments

App # A2016-0014
Applicant Name Ohio County Cattlemen’s Association, Inc.
 Original Amount Approved \$61,600
 Execution Date 3/11/16
Requested Change The applicant requests an additional \$80,000 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 \$141,600.
Recommend Approval

App# A2016-0025
Applicant Name Johnson County Agricultural Advancement Council, Inc.
 Original Amount Approved \$43,800
 Execution Date 4/11/16
Requested Change The applicant requests an additional \$19,000 in Johnson County funds for the *CAIP Program*. The request received a high priority from the Johnson 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 \$62,800.
Recommend Approval

App# A2016-0080
Applicant Name Garrard County Farm Bureau, Inc.
 Original Amount Approved \$204,862
 Execution Date 6/08/16
Requested Change The applicant requests an additional \$70,000 in Garrard County funds for the *CAIP Program*. The request received a high priority from the Garrard 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 \$274,862.
Recommend Approval