

The actions delineated below were taken in open session of the Kentucky Agricultural Development Board at the September 16, 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  
Franklin County Extension Office  
Frankfort, Kentucky  
October 21, 2016**

**Call to Order**

Commissioner Quarles, presiding, called the Kentucky Agricultural Development Board (KADB) regular business meeting to order at 10:01 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 the Secretary of Economic Development), Bobby Foree, Pat Henderson, Wayne Hunt, Jim Mahan, Wayne Mattingly, Sam Moore, Dr. Gordon Jones and Al Pedigo.

Members absent: Governor Matt Bevin and Richard Warner.

**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 noted the launch of dozens of Kentucky Proud products at Houchens Industries owned grocery stores in Kentucky, and thanked the KDA marketing staff for its hard work.

Commissioner Quarles stated that for anyone interested in applying to grow or process hemp, applications for the KDA 2017 Hemp Program are now being accepted until November 14, 2016.

Commissioner Quarles noted that the Kentucky State Fair Board hired Jason Rittenberry as its new President and CEO.

Commissioner Quarles stated the Hunger Initiative meetings have concluded, and the statewide taskforce will be convening to develop a strategic plan based on recommendations.

Commissioner Quarles called for any suggestions or changes to statutes, policy, etc. before the upcoming legislative session.

### **Approval of Minutes**

Commissioner Quarles entertained a motion to approve the minutes of the September 16, 2016 board meeting.

Dr. Bailey moved to approve the minutes, as presented; Mr. Mahan 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 called on Aleta Botts, Executive Director, KCARD, to update the board on the activities of the organization.

Mr. Beeler mentioned the upcoming Kentucky/Tennessee Beginning Farmer Summit on November 11, 2016 at the Kentucky Fair and Exposition Center.

Mr. Beeler referenced his schedule of upcoming activities (*on file*) and invited board members to attend any events that they would like to.

Mr. Beeler updated the board on the activities of the GOAP since the September 16, 2016 board meeting.

### **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 the county account balances report as of September 19, 2016.

Mr. McCloskey directed the board's attention to the GOAP financial report as of October 3, 2016 (*on file*).

Mr. McCloskey reviewed the Kentucky Agricultural Finance Corporation (KAFC) Statement of Financial Position (*on file*) as of September 30, 2016 and the KAFC Quarterly Report (*on file*).

Mr. Hughes moved to accept the K AFC Financial Report; Mr. Pedigo seconded the motion.

VOTE: Motion Passed; Unanimous.

Mr. McCloskey addressed the importance of GOAP staff being actively involved in and attending county agricultural development council meetings.

### **Presentations & Committee Reports**

Commissioner Quarles yielded the floor to the Recipient Review Committee spokespersons to give committee reports and introduce the presentations:

Pat Henderson reported on the Kentucky Dairy Development Council, Inc. (KDDC).

Maury Cox, Executive Director of KDDC, introduced the following KDDC Dairy Consultants: Beth Cox, Central Kentucky; Meredith Scales, Southern Kentucky; and Jennifer Hickerson, Northern Kentucky. Mr. Cox presented to the board.

Dr. Pomper reported on the Kentucky Horticulture Council, Inc. (KHC).

Mac Stone, Executive Director of KHC, presented to the board.

Don Goodin reported on the Kentucky Beef Network (KBN).

Dave Maples, Executive Vice President of the Kentucky Cattlemen's Association, gave an update on the state of the beef industry.

Becky Thompson, Director of KBN, and Dr. Les Anderson, University of Kentucky Extension Professor, presented to the board.

Commissioner Quarles yielded the chair to Keith Rogers (designee to Commissioner Quarles) at 12:20 p.m.

The KADB recessed for lunch at 12:21 p.m. The meeting reconvened at 12:57 p.m.

### **Old Business**

#### **Memo Action Items**

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

#### **A2015-0106 Cumberland Ag Management, LLC**

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

Staff recommends approving the request.

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

VOTE: Motion Passed; Unanimous.

## **New Business**

### **2017 Program Review & Proposed Revisions**

Mr. Rogers called on Sandy Gardner, Director of Compliance & Outreach, to present the suggested changes to KADF program guidelines for 2017.

### **Deceased Farm Animal Removal**

Ms. Gardner stated there were no proposed revisions to the Deceased Farm Animal Removal (DAR) program guidelines. (*on file*)

Staff recommended reauthorization of the DAR program for 2017.

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

VOTE: Motion Passed; Unanimous.

### **Shared-Use Equipment Program**

Ms. Gardner outlined one (1) proposed revision to the Shared-Use Equipment Program guidelines. (*on file*)

Staff recommended approval of the proposed Shared-Use Equipment Program guidelines change.

After discussion, Mr. Mattingly moved to reauthorize the program for 2017 and add a chain harrow to the eligible equipment list; Dr. Bailey seconded the motion.

VOTE: Motion Passed; Unanimous.

### **Garden Project Guidelines**

Ms. Gardner stated that there were no proposed revisions to the Garden Project guidelines. (*on file*)

Staff recommended reauthorization of the Garden Project for 2017.

Dr. Jones moved to approve the staff recommendation, as presented; Mr. Hughes seconded the motion.

VOTE: Motion Passed; Unanimous.

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

Ms. Gardner outlined four (4) proposed revisions to the On-Farm Energy Efficiency Program guidelines. (*on file*)

Staff recommended reauthorization of the On-Farm Energy Efficiency Program for 2017, \$400,000 in funding for the 2017 program, and approval of the proposed guidelines changes: 1) \$150 reimbursement for third-party audit; 2) increase lifetime maximum to \$35,00; 3) add that project must show a reduction in BTU's; and, 4) change completion dates to one-year from the anniversary of the agreement.

After discussion, Mr. Henderson moved to approve the staff recommendations, as presented; Dr. Bailey seconded the motion.

VOTE: Motion Passed; Unanimous.

### **CAIP Standard Guidelines**

Ms. Gardner outlined four (4) proposed revisions to the County Agricultural Investment Program (CAIP) standard guidelines. (*on file*)

Staff recommended reauthorization of the CAIP program for 2017 and approval of the proposed CAIP standard guidelines changes.

After discussion, Dr. Bailey moved to approve the staff recommendation to add the option of mandatory informational meetings to II.D. Advertising & Promotion of Program Availability, as presented; Mr. Mattingly seconded the motion.

Mr. Pedigo requested it be included that counties must hold a minimum of two informational meetings and that advertisement of the informational meetings be required.

Dr. Bailey accepted Mr. Pedigo's request. Mr. Mattingly accepted as the second.

VOTE: Motion failed; the revision was not adopted.

Mr. Foree moved to approve the staff recommendation to clarify how additional questions will be treated in scoring in IV.A. Producer Application, as presented; Dean Cox seconded the motion.

VOTE: Motion Passed; Unanimous.

Dr. Jones moved to approve the staff recommendation to add county option to limit producers to every other year to VI.A. Eligibility Requirements, as presented; Mr. Hughes seconded the motion.

VOTE: Motion Passed; Unanimous.

Mr. Mattingly moved to approve the staff recommendation to modify VI.D. Educational Requirement to specify that education components must be extension sanctioned, as presented; Mr. Mahan seconded the motion.

VOTE: Motion Passed; Unanimous.

Mr. Henderson moved to reauthorize program for 2017, as presented; Dr. Bailey seconded the motion.

VOTE: Motion Passed; Unanimous.

### **CAIP Investment Area Guidelines**

Ms. Gardner outlined sixteen (16) proposed revisions to the County Agricultural Investment Program (CAIP) investment area guidelines. (*on file*)

Staff recommended approval of the proposed CAIP investment area guidelines changes.

Mr. Hunt moved to approve the staff recommendation for Agricultural Diversification to clarify that pull-behind tillers and attachments are eligible, as presented; Dr. Pomper seconded the motion.

VOTE: Motion Passed; Unanimous.

Mr. Mattingly moved to approve the staff recommendation for the Cattle Section of Large Animal, excluding the limit to bull purchases; Mr. Hunt seconded the motion.

Mr. Moore moved to amend the motion to remove the feed/silage wagon from the Cattle Section of Large Animal recommendation; Mr. Henderson seconded the motion.

VOTE: Motion Passed; Unanimous.

Mr. Mattingly moved to approve the amended motion for the Cattle Section of Large Animal: 1) add diagnostic testing; 2) more listed items from milk production to hauling; and, 3) add vaccines and semen testing; along with modifying disease diagnostic testing. Dr. Jones seconded the motion.

VOTE: Motion Passed; Unanimous.

Mr. Mahan moved to approve the staff recommendation for the Equine Section of Large Animal to add disease diagnostic testing; vaccines; and, cooling fans, facemasks, shade blankets, as presented; Mr. Hughes seconded the motion.

VOTE: Motion Passed; Unanimous.

Mr. Mahan moved to approve the staff recommendation for the 1) Small Animal (whole herd disease diagnostic testing), 2) Fencing & On-Farm Water (section change to Environmental Stewardship, and to clarify fescue as eligible) and, 3) Forage & Grain Improvement (added buckwheat and weed wiper/wicker); Mr. Mattingly seconded the motion.

VOTE: Motion Passed; Unanimous.

Mr. Mattingly moved to approve the remaining items for Forage & Grain Improvement, omitting the hay tedder, rake and harrow; Mr. Moore seconded the motion.

VOTE: Motion Passed; with dissention.

Mr. Moore moved to remove the grain truck scales and the grain wagon from the Forage & Grain recommendation, Dr. Jones seconded.

VOTE: Motion Passed; Unanimous.

Mr. Foree moved to approve the Technology & Leadership Development recommendation, on the condition that the safety harness and lifeline be specified for grain bin safety; Dr. Bailey seconded the motion.

VOTE: Motion Passed; Unanimous.

Dr. Bailey moved to approve adding only commercial kitchen usage fees as eligible items in Value-Added & Marketing; Mr. Foree seconded the motion.

VOTE: Motion Passed; Unanimous.

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

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

Mr. McCloskey referenced six (6) new applications for referral.

Mr. Goodin moved to refer the submitted applications to the appropriate committees; Mr. Hughes 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.

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<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.

Mr. McCloskey referenced nine (9) County Agricultural Investment Program (CAIP) applications requesting county funds totaling \$1,746,983; two (2) Deceased Farm Animal Removal Program (DAR) application requesting county funds totaling \$13,547; and one (1) Shared-use Equipment Program application requesting county funds totaling \$12,000. Total program funding requested was \$1,772,530.

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

VOTE: Motion Passed; Unanimous.

### **Project Recommendations for Funding**

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

#### **A2016-0178 Hill View Farms Meats, LLC**

Mr. McCloskey referenced the above application from Hill View Farms Meats, LLC requesting \$7,000 in Daviess County funds to expand its direct to consumer operation.

The Blue Application Review Committee recommended funding the request up to \$7,000 in Daviess County funds, subject to terms and conditions.

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

VOTE: Motion Passed; Unanimous.

#### **A2016-0185 Little Hickory Farms**

Ms. Osterman referenced the above application from Little Hickory Farms requesting \$9,000 Daviess County funds for expansion of its operation to include guided horseback tours.

The Blue Application Review Committee recommended funding the request for \$9,000 in Daviess County funds, subject to terms and conditions.

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

VOTE: Motion Passed; Unanimous.

#### **A2016-0189 Owensboro Farmers Market, Inc.**

Ms. Townsend referenced the above application from Owensboro Farmers Market, Inc. requesting \$75,000 in Daviess County funds and \$400,000 in State funds for the construction of a permanent market facility with a commercial kitchen.

The Blue Application Review Committee recommended funding the request in the reduced amount of \$69,563 in Daviess County funds and \$163,502 in State funds, subject to terms and conditions.

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

VOTE: Motion Passed; Unanimous.

### **Project Recommendations for No Funding**

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

#### **A2016-0199 Christian County Conservation District**

Mr. McCloskey referenced the above application from the Christian County Conservation District requesting \$15,000 to administer a 2016 Shared-Use Equipment Program for Christian County.

Staff recommended no-funding the request based on program guidelines that do not include the purchase of a no-till tobacco setter.

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

VOTE: Motion Passed; Unanimous.

### **Pending Applications**

Mr. McCloskey referenced one (1) following pending application:

A2016-0069 Hardin County Agricultural Extension Foundation, Inc.

No action necessary on pending applications.

### **Closing Remarks**

#### **Adjournment**

Mr. Pedigo asked about the upcoming deadlines for KHC, KBN, KDDC and KDA.

Mr. McCloskey noted that committees would meet again in November to revise benchmarks and terms & conditions; with proposed action in December.

Mr. Rogers entertained a motion to adjourn.

Dr. Bailey moved to adjourn the October KADB meeting; Mr. Foree seconded the motion.

VOTE: Motion Passed; Unanimous.

The KADB meeting adjourned at 2:50 p.m. (EDT).

APPROVED DATE: 11/18/16

PRESIDING OFFICER: *[Signature]*

BOARD SECRETARY: *[Signature]*  
Hannah Forte

**APPENDIX A: New Applications for Referral**

<b>APP #</b>	<b>APPLICANT</b>	<b>COUNTY</b>
A2016-0193	Casey County Board of Education <i>School Poultry Business</i>	Casey
A2016-0194	LACKY (Large Animal Composting of Kentucky) <i>Animal Composting</i>	Casey
A2016-0195	WEBHEMPIN_KY, LLC <i>Mobile Hemp Oil Extractor</i>	Bourbon
A2016-0209	Pumpkin Vine Creek Farm, LLC <i>Kenaf processing</i>	Madison
A2016-0210	Kentucky Department of Agriculture <i>Statewide Kentucky Proud Program</i>	Franklin
A2016-0211	Crooked River Farms, LLC <i>Garden Initiative</i>	Hardin

## APPENDIX B: Programs Recommended for Approval

### CAIP

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2016-0197	Caldwell-Lyon Cattlemen's Association Inc.	Caldwell	\$58,633.00
A2016-0198	Fleming County Conservation District	Fleming	\$296,368.00
A2016-0201	Christian County Conservatoin District	Christian	\$175,000.00
A2016-0203	Powell County Livestock Producers Association, Inc.	Powell	\$48,365.00
A2016-0204	Pulaski County Conservation District	Pulaski	\$300,000.00
A2016-0205	Robertson County Soil Conservation District	Robertson	\$271,781.00
A2016-0206	Barren County Conservation District	Barren	\$250,000.00
A2016-0207	Carter County Agriculture Advancement Council, Inc.	Carter	\$136,836.00
A2016-0208	Laurel County Cattlemen's Association, Inc.	Laurel	\$210,000.00
			\$1,746,983.00

### Deceased Farm Animal Removal Program

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2016-0196	Spencer County Fiscal Court	Spencer	\$6,047.00
A2016-0200	Hardin County Fiscal Court	Hardin	\$7,500.00
			\$13,547.00

### Shared-use Equipment

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2016-0202	Powell County Soil Conservation District	Powell	\$12,000.00
			\$12,000.00

Total County Funds Recommended for Approval in Programs: **\$1,772,530.00**