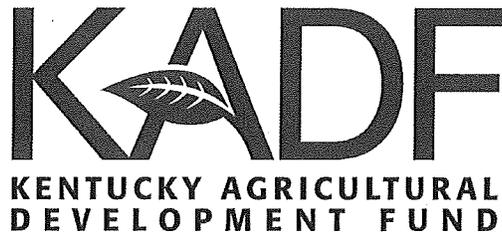


The actions delineated below were taken in open session of the Kentucky Agricultural Development Board at the September 16, 2016 regular business meeting. This is provided in summary form; an official record of the meeting is available in the permanent records of the Governor's Office of Agricultural Policy, 404 Ann Street, Frankfort, Kentucky 40601.



**Kentucky Agricultural Development Board
Summary Minutes of the Regular Business Meeting
Franklin County Extension Office
Frankfort, Kentucky
November 18, 2016**

Call to Order

Keith Rogers, presiding, called the Kentucky Agricultural Development Board (KADB) regular business meeting to order at 10:14 a.m. (EST)

Roll Call

The following members were present: Keith Rogers (designee for Commissioner Ryan Quarles), Dr. Betty Bailey, Dr. Kirk Pomper (designee for KSU Interim President Aaron Thompson), Dean Nancy M. Cox, 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, Stewart Hughes and Richard Warner.

Notification of Media

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

Welcome

Mr. Rogers welcomed everyone to the meeting.

Mr. Rogers yielded the floor to Casey Wells, Transportation Engineering Technologist III with the Kentucky Transportation Cabinet Division of Planning, to discuss Kentucky river ports as they are related to agriculture in the state.

Approval of Minutes

Mr. Rogers entertained a motion to approve the minutes of the October 21, 2016 board meeting.

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

VOTE: Motion Passed; Unanimous.

Executive Director's Report

Mr. Rogers yielded the floor to Warren Beeler, Executive Director, to report to the board.

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

Mr. McCauley recapped the New and Beginning Farmer Summit, stating there were over 100 attendees, and they are planning to host the summit again in 2017. He thanked everyone involved for their partnership.

Mr. McCauley referenced speaking as the keynote at the KSU Small, Minority and Limited Resource Farmer's Conference on November 16, 2016.

Mr. Beeler called on Dr. Chad Lee, Director, UK Grain and Forage Center of Excellence, to update the board on the status of the project.

Mr. Beeler referenced the 2016 KADF Annual Report (*on file*).

Mr. Beeler updated the board on the activities of the GOAP since the October 21, 2016 board meeting.

Mr. Beeler recapped the 2016 North American International Livestock Exposition and highlighted the success and importance of the event.

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

Deputy Executive Director's Report

Mr. Rogers 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 referenced the changes to the program guidelines (*on file*), and stated that GOAP staff will move forwards with these changes to various programs unless there are any questions or adjustments.

Mr. McCloskey referenced the 2017 KADB Meeting Schedule and updated KADB member contact info and requested any corrections be submitted to the Boards Coordinator.

Mr. McCloskey directed the board's attention to the county account balances report as of October 26, 2016.

Mr. McCloskey directed the board's attention to the GOAP financial report as of November 15, 2016 (*on file*).

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

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

VOTE: Motion Passed; Unanimous.

Presentations & Committee Reports

Mr. Rogers yielded the floor for the following committee reports and presentations:

Wayne Mattingly reported on the Kentucky Department of Agriculture (KDA).

Melanie Blandford, Executive Director of Marketing for KDA, presented to the board.

Mr. Mattingly moved to approve the KDA request to extend the use of funds until March 31, 2017, for the Restaurant Rewards Program and to cover some marketing expenditures.

VOTE: Motion Passed; Unanimous.

Ms. Gardner introduced Aleta Botts, Executive Director of the Kentucky Center for Agriculture and Rural Development, who presented as a requirement of their legal agreement.

Ms. Botts and Brent Lackey, Business Development Specialist at KCARD, presented to the board.

Mr. Henderson moved to release the 2nd year funds to KCARD for 2017; Mr. Mahan seconded the motion.

VOTE: Motion Passed; Unanimous.

Old Business

Memo Action Items

Mr. Rogers called on Beth Mobley and Steve Doan to present the following memo action items:

Kentucky Agricultural Finance Corporation

Ms. Mobley presented a memorandum (*on file*) regarding the above-referenced project. This is a request to transfer \$4 million from the KADF to KAFC.

Mr. Mattingly moved to approve the request, as presented; Mr. Goodin seconded the motion.

Mr. Hunt moved to amend the request and transfer \$1.5 million to KAFC immediately, and earmark \$2.5 million of KADF funds.

After discussion, all motions, amendments and seconds were withdrawn.

Mr. Mattingly moved to transfer \$1.5 million to KAFC; Mr. Goodin seconded the motion.

Mr. Pedigo recommended that the KADB have a priority setting and planning session.

VOTE: Motion Passed; Unanimous.

A2004-0474 Double J Mill

Mr. Doan presented a memorandum (*on file*) regarding the above-referenced project. This is a request for loan forgiveness.

Mr. Henderson moved to approve the request, as presented; Mr. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous.

A2016-0019 Gateway Gardens, LLC

Mr. Doan presented a memorandum (*on file*) regarding the above-referenced project. This is a request to amend the Legal Agreement.

Mr. Mattingly moved to approve the request, pending the release of their updated financials to be reviewed and approved by staff; Mr. Foree seconded the motion.

VOTE: Motion Passed; Unanimous.

The KADB recessed for lunch at 12:37 p.m. The meeting reconvened at 1:13 p.m.

New Business

2017 Proposed New Programs

Mr. Rogers called on Owen Townsend and Tammy Miller to present the proposed new programs for 2017.

Farmers Market Project Application Guidelines

Ms. Townsend reviewed the proposed guidelines for the Farmers Market program (*on file*).

Mr. Moore moved to revise the personnel section to indicate that state funds will match county funds up to 50% of total personnel cost, and that there be a graduated decrease in funding (50%, 30%, 20%) with a 3-year limit for funding; Mr. Mahan seconded the motion.

VOTE: Motion Passed; Unanimous.

By consensus, there will be a \$250,000 lifetime cap on the program.

Mr. Pedigo moved to authorize the program for 2017, pending the stated revisions; second by Mr. Foree.

VOTE: Motion Passed; Unanimous.

Youth Agricultural Incentive Program

Ms. Miller reviewed the proposed guidelines and application for the Youth Agricultural Incentive Program (*on file*).

After discussion, Mr. Mattingly moved to authorize the program for 2017, pending revision to include both buyer and seller information on the invoice; Dean Cox seconded the motion.

VOTE: Motion Passed; Unanimous.

Next Generation Beginning Farmer Pilot Program

Ms. Miller reviewed the proposed guidelines and application for the Beginning Farmer Pilot Program (*on file*).

After discussion, Mr. Henderson moved to authorize the program for 2017, pending revision to include a 3 to 7 year eligibility range; Mr. Foree seconded the motion.

VOTE: Motion Passed; Unanimous.

New Application for Referral¹

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

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

Mr. Moore moved to refer the submitted applications to the appropriate committees; Mr. Mahan seconded the motion.

VOTE: Motion Passed; Unanimous.

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

Programs Recommended for Approval²

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

Mr. McCloskey referenced two (2) County Agricultural Investment Program (CAIP) applications requesting county funds totaling \$203,757; and one (1) Shared-use Equipment Program application requesting county funds totaling \$12,300. Total program funding requested was \$216,057

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

VOTE: Motion Passed; Unanimous.

Requested Program Amendments³

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

Mr. McCloskey referenced two (2) requested program amendments seeking additional county funds totaling \$88,922.

Mr. Hunt moved to approve the program amendments as presented; Dr. Jones 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:

A2016-0193 Casey County Board of Education

Mr. McCloskey referenced the above application from the Casey County Board of Education requesting \$13,775 in Casey County funds to expand a student poultry science program.

The Blue Application Review Committee recommended funding the request up to \$13,775 in Casey County funds, subject to terms and conditions.

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

VOTE: Motion Passed; Unanimous.

A2016-0194 LACKY (Large Animal Composting of Kentucky)

Ms. Osterman referenced the above application from LACKY requesting \$10,100 in Casey County funds for expansion of its fallen animal composting site.

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.

The Blue Application Review Committee recommended funding the request for \$10,100 in Casey County funds, subject to terms and conditions.

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

VOTE: Motion Passed; Unanimous.

A2016-0209 Pumpkin Vine Creek Farm, LLC

Mr. McCloskey referenced the above application from Pumpkin Vine Creek Farm, LLC requesting \$500 in Madison County funds and \$45,650 in State funds to upgrade its equipment, facilities, and marketing of its kenaf business.

The Blue Application Review Committee recommended funding the request in the reduced amount of \$500 in Madison County funds, subject to terms and conditions.

Dr. Bailey moved to approve the committee recommendation; Mr. Foree 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:

A2016-0195 WEBEHEMPIN_KY, LLC

Mr. McCloskey referenced the above application from WEBEHEMPIN_KY, LLC requesting \$50,000 in State funds and \$50,000 in County funds (Bourbon \$15,000; Clark \$5,000; Fayette \$15,000; Harrison \$10,000; and Nicholas \$5,000) for a mobile hemp oil extraction unit.

The Blue Application Review Committee recommended not funding the project due to the uncertainty of the hemp status related to the farm bill, making the longevity of the project difficult to justify KADF investment.

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

VOTE: Motion Passed; Unanimous.

A2016-0211 Crooked River Farms, LLC d/b/a The Kentucky Garden

Mr. McCloskey referenced the above application from Crooked River Farms requesting \$4,000 in Jefferson, Bullitt and Hardin County funds and \$55,850 in State funds to create seven school gardens in Jefferson, Bullitt and Hardin counties.

The Blue Application Review Committee recommended not funding the project due to limited producer impact.

Dr. Bailey moved to approve the committee recommendation; Dr. Jones 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

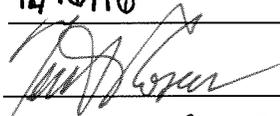
Mr. Rogers entertained a motion to adjourn.

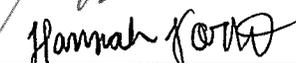
Mr. Foree moved to adjourn the October KADB meeting; Mr. Pedigo seconded the motion.

VOTE: Motion Passed; Unanimous.

The KADB meeting adjourned at 2:38 p.m. (EST).

APPROVED DATE: 12/16/16

PRESIDING OFFICER: 

BOARD SECRETARY: 

Hannah Forte

APPENDIX A: New Applications for Referral

APP #	APPLICANT	COUNTY
A2016-0214	Southeast Kentucky Economic Development Corporation, Inc. <i>Grain Elevator Feasibility Study</i>	Pulaski
A2016-0215	City of Pikeville <i>Farmers Market Expansion</i>	Pike
A2016-0216	Kentucky Hemp Research Foundation Inc. <i>Hemp Education and Research</i>	Fayette
A2016-0218	Sunstrand, LLC <i>Expansion of Processing Facilities</i>	Jefferson

APPENDIX B: **Programs Recommended for Approval**

CAIP			
<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2016-0212	Rockcastle County Conservation District	Rockcastle	\$172,757.00
A2016-0217	Whitley County Cattlemen's Association, Inc.	Whitley	\$31,000.00
			\$203,757.00

Shared-use Equipment			
<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2016-0213	Monroe County Conservation District	Monroe	\$12,300.00
			\$12,300.00

Total County Funds Recommended for Approval in Programs: **\$216,057.00**

APPENDIX C: Requested Program Amendments

App # A2016-0039
Applicant Name Greenup County Soil and Water Conservation District
 Original Amount Approved \$91,384
 Execution Date 5/23/16
 Requested Change The applicant requests an additional \$75,093 in Greenup County funds for the *CAIP Program*. The request received a high priority from the Greenup 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 \$166,477.
Recommend Approval

App# A2016-0097
Applicant Name Adair County Cattlemen's Association
 Original Amount Approved \$209,000
 Execution Date 7/06/16
 Requested Change The applicant requests an additional \$13,829 in Adair County funds for the *CAIP Program*. The request received a high priority from the Adair 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 \$222,829.
Recommend Approval