

The actions delineated below were taken in open session of the Kentucky Agricultural Development Board at the December 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
December 16, 2016**

Call to Order

Commissioner Quarles, presiding, called the Kentucky Agricultural Development Board (KADB) regular business meeting to order at 10:04 a.m. (EST)

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, Don Goodin (designee for the Secretary of Economic Development), Stewart Hughes, Bobby Foree, Pat Henderson, Wayne Hunt, Jim Mahan, Wayne Mattingly, Sam Moore, Richard Warner, Dr. Gordon Jones and Al Pedigo.

Members absent: Governor Matt Bevin.

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.

Commissioner Quarles announced that certain counties in Kentucky are eligible for federal aid due to the ongoing drought. Eligible individuals should contact their local Farm Service Agency.

Commissioner Quarles encouraged those looking to buy or sell hay to utilize the Hay Hotline during the hay shortage.

Commissioner Quarles stated that the Hunger Taskforce regional meetings have concluded, the taskforce has been working towards consensus before the start of the legislative session. More information can be found on the KDA website.

Commissioner Quarles stated that the hemp application period has closed, and KDA staff are currently reviewing applications. It is projected that there will be an increased number of producers and acres in 2017.

Commissioner Quarles recapped the 2016 Kentucky Farm Bureau Annual Meeting.

Commissioner Quarles recognized John McCauley as the new Director of Agriculture Policy at KDA.

Approval of Minutes

Commissioner Quarles entertained a motion to approve the minutes of the November 18, 2016 board meeting.

Dr. Bailey moved to approve the minutes, as presented; Mr. Foree 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 congratulated Mr. McCauley on his new position.

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

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 announced a new monthly message called "The Beeler Report" to be emailed to county extension offices. The report is part of GOAP's continual effort to stay connected with counties.

Mr. Beeler updated the board on the activities of the GOAP since the November 18, 2016 board meeting.

Mr. Beeler mentioned a request from the Tobacco Oversight Committee for the board to reconsider the eligibility of a hay tedder for the Shared-Use Equipment Program.

Mr. Hunt moved to approve a hay tedder as an eligible Shared-Use item; Mr. Warner seconded the motion.

VOTE: Motion Passed; with dissention.

Commissioner Quarles encouraged board members to reach out to newly elected legislators in their areas and help educate them on the importance of agriculture.

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

Deputy Executive Director's Report

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

Mr. McCloskey stated that the next Tobacco Settlement Oversight Committee meeting will be January 11, 2017 at 10 a.m. and invited board members to attend.

Mr. McCloskey referenced the updated board member contact info and GOAP glossary (*on file*).

Mr. McCloskey referenced the approved Farmers Market 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 directed the board's attention to the GOAP Monitoring and Compliance Fall 2016 Report (*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 referenced the list of approved stockyards (*on file*).

Mr. McCloskey referenced the list of state projects approved since 2011 (*on file*).

Mr. McCloskey directed the board's attention to the county account balances report as of November 21, 2016.

Mr. McCloskey directed the board's attention to the GOAP financial report as of December 9, 2016 (*on file*).

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

Mr. Pedigo requested information more detailed information on KAFC approved loans in the future.

Commissioner noted that there was a significant discussion about the KAFC loan portfolio at the December meeting.

Dr. Bailey moved to accept the KAFC Financial Report; Mr. Hughes seconded the motion.

VOTE: Motion Passed; Unanimous.

Presentations & Committee Reports

Commissioner Quarles yielded the floor for the following presentations:

Ms. Gardner introduced Joni Nelson, KSU Extension Associate, who presented as a requirement of the project legal agreement.

Dr. Bailey moved to release the 2nd year funds to KSU for 2017; Commissioner Quarles seconded the motion.

VOTE: Motion Passed; Unanimous.

Biff Baker introduced Patrick Lawless, President of Biological Prospects LLC, to present to the board as a requirement of their legal agreement.

Old Business

Memo Action Items

Commissioner Quarles called on Steve Doan, Stefanie Osterman and Tammy Sue Miller to present the following memo action items:

Standard Operating Procedures

Mr. Doan presented a memorandum (*on file*) regarding the above-referenced project. The following amendments to the KADF Standard Operating Procedures were proposed:

Administration of Council (page 7)

- Any producer who has violated CAIP rules or is not in good standing with the CAIP administrative entity, as determined by GOAP staff, shall not be allowed to serve on the County Council.

County Prioritization (page 10)

- GOAP staff in attendance at a county council meeting shall be asked to sign/initial the priority sheet.

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

VOTE: Motion Passed; Unanimous.

A2016-0100 Washington Co. Livestock Center, Inc.

Ms. Osterman presented a memorandum (*on file*) regarding the above-referenced project. This is an extension request for county funds. The new deadline will be February 28, 2017.

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

VOTE: Motion Passed; Unanimous.

A2016-0213 Monroe County Conservation District

Ms. Miller presented a memorandum (*on file*) regarding the above-referenced project. This is a request to amend the approved amount for shared-use equipment from \$12,300 to \$36,900.

Mr. Hughes moved to approve the request, as presented; Mr. Pedigo seconded the motion.

VOTE: Motion Passed; Unanimous.

New Business

Board Priority Setting and Questionnaire

Commissioner Quarles called on Sandra Gardner to present the results of the board priority setting questionnaire (*on file*).

Further discussion of the results will occur in early 2017.

New Application for Referral¹

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

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

Commissioner Quarles moved to refer the submitted applications to the appropriate committees; Dean Cox 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 four (4) County Agricultural Investment Program (CAIP) applications requesting county funds totaling \$789,650; and one (1) Deceased Farm Animal Removal Program application requesting county funds totaling \$7,500. Total program funding requested was \$797,150.

Commissioner Quarles moved to approve the program recommendations, as presented; Mr. Hughes 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.

Requested Program Amendments³

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

Mr. McCloskey referenced two (2) requested program amendments seeking additional county funds totaling \$122,500.

Mr. Moore 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 Recipient Review Committee Chairs, Stefanie Osterman and Owen Townsend to present the following recommendations for funding:

A2016-0184 Kentucky Dairy Development Council

Mr. Henderson referenced the above application from the Kentucky Dairy Development Council requesting \$2,019,885 in State funds for statewide dairy marketing and education.

The Recipient Review Committee recommended funding the request for the reduced amount of \$1,003,675 in State funds, subject to terms and conditions.

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

VOTE: Motion Passed; Unanimous.

A2016-0186 Kentucky Horticulture Council, Inc.

Mr. Mahan referenced the above application from the Kentucky Horticulture Council, Inc. requesting \$1,300,000 in State funds for statewide horticulture marketing, research and education.

The Recipient Review Committee recommended funding the request for the reduced amount of \$617,500 in State funds, subject to terms and conditions.

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

VOTE: Motion Passed; Dean Cox and Dr. Pomper abstained.

A2016-0192 Kentucky Beef Network, LLC

Mr. Goodin referenced the above application from the Kentucky Beef Network, LLC requesting \$2,341,212 in State funds for statewide beef marketing and education.

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

The Recipient Review Committee recommended funding the request for the reduced amount of \$909,498 in State funds, subject to terms and conditions.

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

Mr. Mattingly moved to amend the motion to make the following changes to the terms and conditions: replace the word "encourage" with "require" for reporting and clearly identify what a "contact" is relative to the approval of the review committee; Dr. Bailey seconded the amendment.

VOTE: Motion Passed; Dean Cox and Mr. Foree abstained.

A2016-0210 Kentucky Department of Agriculture

Commissioner Quarles relinquished the gavel to Keith Rogers, designee, and recused himself to avoid conflict of interest.

Mr. Mattingly referenced the above application from the Kentucky Department of Agriculture requesting \$3,310,000 in State funds for the statewide Kentucky Proud program.

The Recipient Review Committee recommended funding the request for the reduced amount of \$1,657,750 in State funds, subject to terms and conditions.

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

Mr. Hughes asked about potential ideas for self-sustainability of the Kentucky Proud program in the future.

Melanie Blandford, Director of Marketing, KDA, commented on future possibilities and obstacles in creating a self-sustaining program.

VOTE: Motion Passed; Commissioner abstained.

A2016-0214 Southeast Kentucky Economic Development Corporation, Inc.

Commissioner returned to chair the meeting.

Ms. Osterman referenced the above application from the Southeast Kentucky Economic Development Corporation, Inc. requesting \$9,165 in State funds to conduct a feasibility study.

The Blue Application Review Committee recommended funding the request for \$9,165 in State funds, subject to terms and conditions.

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

VOTE: Motion Passed; Unanimous.

A2016-0215 City of Pikeville

Ms. Townsend referenced the above application from the City of Pikeville requesting \$90,000 in State funds for Phase II of the Pikeville Farmers Market.

The Blue Application Review Committee recommended funding the request for \$90,000 in State funds, subject to terms and conditions.

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

VOTE: Motion Passed; Unanimous.

Pending Applications

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

A2016-0069	Hardin County Agricultural Extension Foundation, Inc.
A2016-0216	Kentucky Hemp Research Foundation, Inc.
A2016-0218	Sunstrand, LLC

No action necessary on pending applications.

Closing Remarks

Commissioner Quarles stated that the next KADB meeting will be January 20, 2017 at the Lexington Convention Center in Lexington, Ky.

Commissioner Quarles stated that the Blue Application Review Committee will meet one half hour after adjournment.

Adjournment

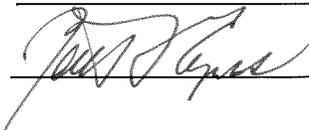
Commissioner Quarles entertained a motion to adjourn.

Mr. Mahan moved to adjourn the December KADB meeting; Dr. Bailey seconded the motion.

VOTE: Motion Passed; Unanimous.

The KADB meeting adjourned at 12:18 p.m. (EST).

APPROVED DATE: 1/20/2017

PRESIDING OFFICER: 

BOARD SECRETARY: Hannah Forte
Hannah Forte

APPENDIX A: New Applications for Referral

APPLICATION #	APPLICANT	COUNTY
A2016-0219	Lexington Fayette Urban County Government (LFUCG) <i>Festival Coordinator</i>	Fayette
A2016-0220	Oldham County Schools <i>Greenhouse</i>	Oldham
A2016-0222	Hopkinsville Elevator Co., Inc. <i>Canola Feasibility Study</i>	Todd
A2016-0224	Eastern Kentucky University <i>Robotic Milker</i>	Madison
A2016-0227	Kentucky Horticulture Council, Inc. <i>Farm Food Safety Infrastructure and Equipment Grant Program</i>	Scott

APPENDIX B: Programs Recommended for Approval

CAIP

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2016-0221	Lewis County Conservation District	Lewis	\$210,000.00
A2016-0223	Todd County Conservation District	Todd	\$200,000.00
A2016-0225	Leslie County Conservation District	Leslie	\$91,476.00
A2016-0228	Northern Kentucky Cattle Association, Inc.	Boone	\$288,174.00
			\$789,650.00

Deceased Farm Animal Removal Program

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2016-0226	Shelby County Fiscal Court	Shelby	\$7,500.00
			\$7,500.00

Total County Funds Recommended for Approval in Programs: **\$797,150.00**

APPENDIX C: Requested Program Amendments

App # A2016-0037
Applicant Name Jessamine County FFA Alumni Association, Inc.
 Original Amount Approved \$100,000
 Execution Date 6/08/2016
Requested Change The applicant requests an additional \$70,000 in Jessamine County funds for the *CAIP Program*. The request received a high priority from the Jessamine 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 \$170,000.

Recommend Approval



App# A2016-0133
Applicant Name Bourbon County Fiscal Court
 Original Amount Approved \$391,840
 Execution Date 8/12/16
Requested Change The applicant requests an additional \$52,500 in Bourbon County funds for the *CAIP Program*. The request received a high priority from the Bourbon 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 \$444,340.

Recommend Approval

