

The actions delineated below were taken in open session of the Kentucky Agricultural Development Board at the May 19, 2017 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
May 19, 2017**

Call to Order

Keith Rogers, presiding, called the Kentucky Agricultural Development Board (KADB) regular business meeting to order at 10:06 a.m. (EDT)

Roll Call

The following members were present: Keith Rogers (designee for Commissioner Ryan Quarles), Dr. Betty Bailey, Dr. Kirk Pomper (designee for KSU President M. Christopher Brown II), Dean Nancy M. Cox, Stewart Hughes, Secretary Terry Gill, 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

Mr. Rogers received verification from Emily Milam, Public Relations Officer, 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 Melanie Blandford, KDA Executive Director of Marketing.

Ms. Blandford introduced Chad Smith, Director of the KDA Promotions and Development Division, and Leslie Burgher, Executive Assistant in the KDA Office for Agricultural Marketing and Product Promotion.

Mr. Smith addressed the board.

Mr. Rogers stated that the Kentucky State Fair will run from August 17-27, 2017.

Approval of Minutes

Mr. Rogers entertained a motion to approve the minutes of the April 21, 2017 board meeting.

Mr. Pedigo moved to approve the minutes, as presented; Mr. Mahan 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 introduced Secretary Terry Gill, Cabinet for Economic Development (CED).

Secretary Gill commented that he looked forward to working with the KADB to create economic impact in the state.

Mr. Beeler recognized Owen Townsend, GOAP Compliance/Project Manager, and presented her with a commemorative plaque. Mr. Beeler commended her impressive work in compliance and thanked her for her service during her tenure at GOAP.

Mr. Beeler introduced Marielle Manning, GOAP Communications & Special Events Manager.

Mr. Beeler introduced Morgan Askins and Nicole Howard, GOAP Summer Interns.

Mr. Beeler updated the board on the activities of the GOAP since the April 21, 2017 board meeting.

Deputy Executive Director's Report

Mr. Rogers yielded the floor to Bill McCloskey, GOAP Deputy Executive Director, to report to the board.

Mr. McCloskey reference the MSA payment flow chart (*on file*).

Mr. McCloskey directed the board's attention to the KBA PEP 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 Annual Report for A2012-0195 FoodChain, Inc. (*on file*).

Mr. McCloskey directed the board's attention to the A2016-0070 Hardin County Livestock Events Center update (*on file*).

Mr. McCloskey directed the board's attention to the Annual Report for A2016-0074 McLean County 4H (*on file*).

Mr. McCloskey directed the board's attention to the Annual Report for A2016-0076 McLean County Ag Festival (*on file*).

Mr. McCloskey directed the board's attention to the GOAP financial report as of May 3, 2017 (*on file*).

Mr. McCloskey directed the board's attention to the county account balances report as of April 26, 2017 (*on file*).

Mr. McCloskey reviewed the Kentucky Agricultural Finance Corporation (KAFC) Statement of Financial Position (*on file*) as of April 30, 2017.

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

VOTE: Motion Passed; Unanimous.

Presentations

Mr. Rogers yielded the floor to Sandy Gardner to introduce the following for presentation:

Rebecca Woods, Director of the Jackson County Regional Food Center, presented to the board as a requirement of the legal agreement on Appalachian Alternative Agriculture of Jackson County, Inc. (3AJC), A2016-0020 (*on file*).

Old Business

Memo Action Items

Mr. Rogers called on Bill McCloskey, Beth Mobley and Stefanie Osterman to present the following memo action items:

Discretionary Authority

Mr. McCloskey presented a memorandum (*on file*) regarding a request for discretionary authority to lower Board approved County commitments for Programs in the event the County account balance is insufficient to cover the amount approved by this board.

Dr. Jones moved to approve the request, as presented; Mr. Foree seconded the motion.

VOTE: Motion Passed; Unanimous.

Request for Transfer

Ms. Mobley presented a memorandum (*on file*) regarding a request to transfer \$5 million from the KADF to KAFC.

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

VOTE: Motion Passed; Unanimous.

A2015-0010 Kentucky Highlands Investment Corporation

Mr. McCloskey presented a memorandum (*on file*) regarding the above-referenced project. This is a request for a Second Amendment to their Legal Agreement for a no-cost time extension until September 30, 2017 to draw down on the funds.

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

VOTE: Motion Passed; Unanimous.

A2016-0065 Allen County Fiscal Court

Ms. Osterman presented a memorandum (*on file*) regarding the above-referenced project. This is a request for a 6-month no-cost time extension.

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

VOTE: Motion Passed; Unanimous.

A2017-0025 American Black Hereford Association

Ms. Osterman presented a memorandum (*on file*) regarding the above-referenced project. This is a request for a 6-month time extension to secure county funds.

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

VOTE: Motion Passed; Unanimous.

A2017-0086 Trimble County Cattleman's Association, Inc.

Mr. McCloskey presented a memorandum (*on file*) regarding the above-referenced project. This is a request for reducing the approved funds.

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

VOTE: Motion Passed; Unanimous.

Mr. Beeler yielded the floor for updates from our partners.

Aleta Botts, Executive Director, KCARD, updated the board on the activities of the organization.

Dr. Chad Lee, Director, UK Grain and Forage Center of Excellence, updated the board on the status of the center.

New Business

New Application for Referral¹

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

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

Dr. Bailey moved to refer the submitted applications to the appropriate committees; Mr. Hughes 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 eight (8) County Agricultural Investment Program (CAIP) applications requesting county funds totaling \$903,816; one (1) Deceased Farm Animal Removal Program application requesting county funds totaling \$7,500; two (2) Next Generation Beginning Farmer Pilot Program applications totaling \$95,000 one (1) Shared-Use Equipment Program application requesting county funds totaling \$12,421; and one (1) Youth Cost-Share Program application requesting county funds totaling \$15,000. Total program funding requested was \$1,033,737.

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

VOTE: Motion Passed; Mr. Foree abstained.

Requested Program Amendments³

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

Mr. McCloskey referenced three (3) requested program amendments seeking additional county funds totaling \$203,409.

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

VOTE: Motion Passed; Unanimous.

Project Recommendations for Funding

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

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.

A2017-0018 Beef Solutions, LLC

Mr. Baker referenced the above application from Beef Solutions, LLC requesting \$300,000 in State funds as a loan and \$177,000 in State funds as a grant to manage a Kentucky ground beef supply management project with Kroger.

Mr. Hunt clarified that Beef Solutions had pursued other options for a commercial loan.

Laura Knoth, Kentucky Corn Growers Association, expressed KCGA support for the project.

Mr. Henderson clarified that the Red Application Review Committee (RARC) did not recommend a loan based on suitability for the applicant.

Mr. Pedigo inquired about the requirement of collateral on loans.

Mr. McCloskey responded that securing loans is determined based on the merit of each individual project.

Mr. Mattingly commented that providing collateral or matching funds demonstrates that the applicant is invested in the project.

Mr. Baker reviewed the project terms and conditions recommended by the RARC.

The Red Application Review Committee recommended funding the request in a reduced amount of up to \$127,096 in State funds, subject to terms and conditions.

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

Mr. Hughes commented that the committee asked difficult questions to ensure the success of the project.

Mr. Moore discussed potential project impact and asked if the applicant was prepared to move forward with the project.

Dr. Jones and Mr. Pedigo expressed their support of the project.

Dean Cox noted how much thought has been put into this entity and opportunity.

Dr. Pomper expressed his appreciation of the consideration that has gone into the project thus far.

Mr. Mahan called question on the motion.

VOTE: Motion Passed; Mr. Foree abstained.

A2017-0024 Creation Gardens, Inc.

Mr. McCloskey referenced the above application from Creation Gardens, Inc. requesting \$235,000 in State funds as a grant to purchase equipment to grind and package meat in retail friendly packages.

Mr. McCloskey reviewed the project terms and conditions recommended by the RARC.

The Red Application Review Committee recommended funding the request for up to \$235,000 in State funds, subject to terms and conditions.

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

Mr. Pedigo asked if the applicant agreed with the terms and conditions as presented.

Dr. Jones inquired about the structure to earn forgiveness. Mr. McCloskey clarified the terms for forgiveness.

Mr. Moore asked if the applicant was prepared to move forward with the project.

VOTE: Motion Passed; Unanimous.

A2017-0041 Garrard County Conservation District

Ms. Osterman referenced the above application from Garrard County Conservation District requesting \$8,000 in Garrard County funds to construct an equipment storage building.

The Red Application Review Committee recommended funding the request for up to \$8,000 in Garrard County funds, subject to terms and conditions.

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

VOTE: Motion Passed; Unanimous.

A2017-0042 Grain Day, Inc.

Mr. McCloskey referenced the above application from Grain Day, Inc. requesting \$6,985 in multiple County funds for the Beef Summit.

The Red Application Review Committee recommended funding the request for up to \$6,985 in multiple County funds, subject to terms and conditions.

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

VOTE: Motion Passed; Unanimous.

A2017-0043 Hancock County Fair Board, Inc.

Ms. Osterman referenced the above application from Hancock County Fair Board, Inc. requesting \$10,000 in Hancock County funds to construct a facility to be used as a livestock barn and an agricultural education facility.

The Red Application Review Committee recommended funding the request for up to \$10,000 in Hancock County funds, subject to terms and conditions.

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

VOTE: Motion Passed; Unanimous.

A2017-0044 Dominican Sisters of Peace, Inc. d/b/a Saint Catherine Farm

Mr. McCloskey referenced the above application from Dominican Sisters of Peace, Inc. requesting \$20,000 in Washington County funds and \$20,000 in State funds to showcase new and improved best management practices for beef production.

The Red Application Review Committee recommended funding the request for up to \$20,000 in State funds and \$20,000 in Washington County funds, subject to terms and conditions.

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

VOTE: Motion Passed; Unanimous.

A2017-0062 Green River Area Beef Improvement Group, Inc.

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

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

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

VOTE: Motion Passed; Unanimous.

A2017-0063 McLean County Ag Fair, LLC

Mr. McCloskey referenced the above application from McLean County Ag Fair, LLC requesting \$3,000 in McLean County funds for the agricultural educational activities at the McLean County Ag Fair.

The Red Application Review Committee recommended funding the request for up to \$3,000 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.

A2017-0064 McLean County 4H

Ms. Osterman referenced the above application from McLean County 4H requesting \$2,500 in McLean County funds to improve livestock facilities in Durbin Pavilion Animal Show facility at Myers Creek Park.

The Red Application Review Committee recommended funding the request for up to \$2,500 in McLean County funds, subject to terms and conditions.

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

VOTE: Motion Passed; Unanimous.

A2017-0065 Hayden Farms, LLC

Mr. McCloskey referenced the above application from Hayden Farms, LLC requesting \$60,000 in State and multiple County funds for a Poultry Education Center.

The Red Application Review Committee recommended funding the request for up to \$60,000 in State and multiple County funds, subject to terms and conditions.

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

VOTE: Motion Passed; Unanimous.

A2017-0076 Kentucky Sheep and Goat Development Office, Inc.

Ms. Osterman referenced the above application from Kentucky Sheep and Goat Development Office, Inc. requesting \$38,000 in State funds for Kentucky Fiber Education and Marketing.

The Red Application Review Committee recommended funding the request for up to \$38,000 in State funds, subject to terms and conditions.

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

VOTE: Motion Passed; Unanimous.

A2017-0089 FoodChain, Inc.

Mr. McCloskey referenced the above application from FoodChain, Inc. requesting \$47,500 in State funds and \$47,500 in multiple County funds for a processing kitchen.

The Red Application Review Committee recommended funding the request for up to \$95,000 in State and multiple County funds, subject to terms and conditions.

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

VOTE: Motion Passed; Unanimous.

On-Farm Energy Program Recommended for Funding⁴

Mr. Rogers called on Mr. McCloskey to present the on-farm energy programs recommended for funding.

Mr. McCloskey referenced twenty (20) on-farm energy programs recommended for funding totaling \$173,312.

Dr. Bailey moved to approve the program recommendations, as presented; Dean Cox seconded the motion.

VOTE: Motion passed; Unanimous.

Pending Applications

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

A2017-0099 Washington County Fiscal Court

No action necessary on pending applications.

Expired Applications

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

A2016-0069 Hardin County Agricultural Extension Foundation, Inc.

No action necessary on expired applications.

Closing Remarks

Mr. Rogers stated that the Red and Blue Application Review Committees would meet immediately following adjournment for a working lunch. The White Application Review Committee will meet at 1:00 p.m.

⁴ A detailed list of On-Farm Energy Programs Recommended for Funding is attached as Appendix D.

Mr. Rogers stated that the next KADB meeting is on June 16, 2017 at the Franklin County Extension Office in Frankfort, Ky.

Adjournment

Mr. Rogers entertained a motion to adjourn.

Dr. Bailey moved to adjourn the May KADB meeting; Dr. Pomper seconded the motion.

VOTE: Motion Passed; Unanimous.

The KADB meeting adjourned at 11:58 a.m. (EDT).

APPROVED DATE: 6/16/17

PRESIDING OFFICER: [Signature]

BOARD SECRETARY: [Signature]
Hannah Forte

APPENDIX A: New Applications for Referral

APP #	APPLICANT	COUNTY
A2017-0091	TerrePURE Kentucky Distillers, Inc. <i>Cattle Feedlot</i>	Daviess
A2017-0104	City of Mt. Sterling <i>Farmers Market Structure</i>	Montgomery
A2017-0105	Fleming County Board of Education <i>Farmers Market Pavilion</i>	Fleming
A2017-0106	Victory Hemp Foods, LLC <i>Hemp Food Processing</i>	Henry
A2017-0107	Henderson County Fair, Inc. <i>Livestock Pavilion</i>	Henderson
A2017-0108	Baesler Farms <i>CBD Oil Production</i>	Fayette

APPENDIX B: Programs Recommended for Approval

CAIP

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2017-0034	Jessamine County FFA Alumni Association, Inc.	Jessamine	\$100,000.00
A2017-0090	Green River Area Beef Improvement Group, Inc.	Webster	\$13,000.00
A2017-0092	Henry County Cattlemen's Association, Inc.	Henry	\$155,000.00
A2017-0098	Washington County Cattlemen Association, Inc.	Washington	\$102,000.00
A2017-0100	Anderson County Farm Bureau, Inc.	Anderson	\$132,363.00
A2017-0101	Marion County Extension District Building Foundation, Inc.	Marion	\$166,953.00
A2017-0103	Garrard County Farm Bureau, Inc.	Garrard	\$200,000.00
A2017-0111	Green River Area Beef Improvement Group, Inc.	Henderson	\$34,500.00
			\$903,816.00

Deceased Farm Animal Removal Program

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2017-0095	Henry County Fiscal Court	Henry	\$7,500.00
			\$7,500.00

Next Generation Beginning Farmer Pilot

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2017-0094	Henry County Cattlemen's Association, Inc.	Henry	\$30,000.00
A2017-0097	Washington County Cattlemen Association, Inc.	Washington	\$65,000.00
			\$95,000.00

Shared-use Equipment

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2017-0102	Lee County Conservation District	Lee	\$12,421.00
			\$12,421.00

Youth Ag Incentives Program

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2017-0093	Henry County Cattlemen's Association, Inc.	Henry	\$15,000.00
			\$15,000.00

Total County Funds Recommended for Approval in Programs: **\$1,033,737.00**

APPENDIX C: *Requested Program Amendments*

App # A2016-0212
Applicant Name Rockcastle County Conservation District
 Original Amount Approved \$172,757
 Execution Date 12/07/2016
Requested Change The applicant requests an additional \$95,041 in Rockcastle County funds for the *CAIP Program*. The request received a high priority from the Rockcastle 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 \$267,798.
Recommend Approval

App# A2016-0221
Applicant Name Lewis County Conservation District
 Original Amount Approved \$210,000
 Execution Date 1/05/2017
Requested Change The applicant requests an additional \$54,000 in Lewis County funds for the *CAIP Program*. The request received a high priority from the Lewis 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 \$264,000.
Recommend Approval

App# A2017-0007
Applicant Name Ohio County Cattlemen's Association, Inc.
 Original Amount Approved \$38,000
 Execution Date 3/20/2017
Requested Change The applicant requests an additional \$54,368 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 \$92,368.
Recommend Approval

APPENDIX D: On-Farm Energy Programs Recommended for Approval

APP #	APPLICANT	COUNTY	FUNDS REQUESTED
A2017-0022	Smith Brothers Dairy <i>On-Farm Energy Efficiency - Dairy</i>	Washington	\$4,150.00
A2017-0058	John B. Warren <i>On-Farm Energy Efficiency - Poultry</i>	Daviess	\$10,150.00
A2017-0059	Raymond Curry <i>On-Farm Energy Efficiency - Poultry</i>	Ohio	\$10,150.00
A2017-0066	Eric Hatcher Dairy <i>On-Farm Energy Efficiency - Dairy</i>	Adair	\$5,625.00
A2017-0067	Limited Edition Dairy <i>On-Farm Energy Efficiency - Dairy</i>	Monroe	\$10,150.00
A2017-0068	McGowan Farms <i>On-Farm Energy Efficiency - Dairy</i>	Russell	\$7,688.00
A2017-0069	Robert Morton <i>On-Farm Energy Efficiency - Grain</i>	Calloway	\$9,089.00
A2017-0070	Rudy Ball & Son, Inc <i>On-Farm Energy Efficiency - Dairy</i>	Marion	\$3,033.00
A2017-0071	James A. Cowherd <i>On-Farm Energy Efficiency - Dairy</i>	Taylor	\$10,075.00
A2017-0072	Roy Trent <i>On-Farm Energy Efficiency - Dairy</i>	Russell	\$9,988.00
A2017-0073	Greg Williams <i>On-Farm Energy Efficiency - Dairy</i>	Taylor	\$9,678.00
A2017-0074	Andy Patton Dairy <i>On-Farm Energy Efficiency - Dairy</i>	Casey	\$8,348.00
A2017-0075	T & K Dairy, Inc. <i>On-Farm Energy Efficiency - Dairy</i>	Monroe	\$9,900.00
A2017-0077	RCS Farms <i>On-Farm Energy Efficiency - Poultry</i>	Ohio	\$8,488.00
A2017-0078	Carolyn F. Gray <i>On-Farm Energy Efficiency - Poultry</i>	Ohio	\$10,150.00
A2017-0079	Buck Knob Poultry <i>On-Farm Energy Efficiency - Poultry</i>	Wayne	\$6,050.00
A2017-0080	Brown's Poultry Farm <i>On-Farm Energy Efficiency - Poultry</i>	Hopkins	\$10,150.00
A2017-0082	B Line Poultry & Millstone Broilers <i>On-Farm Energy Efficiency - Poultry</i>	Monroe	\$10,150.00
A2017-0083	Lee's Plant Farms, Inc <i>On-Farm Energy Efficiency - Horticulture</i>	LaRue	\$10,150.00

On-Farm Energy Programs Recommended for Approval

APP #	APPLICANT	COUNTY	FUNDS REQUESTED
A2017-0084	Equus Run Vineyards, LLC <i>On-Farm Energy Efficiency - Winery</i>	Woodford	\$10,150.00

Total State Funds Recommended for Approval in Program: **\$173,312.00**