

The actions delineated below were taken in open session of the Kentucky Agricultural Development Board at the March 16, 2018 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 Business Meeting
Christian County Extension Office
March 16, 2018**

Call to Order

Commissioner Quarles, presiding, called the Kentucky Agricultural Development Board (KADB) business meeting to order at 9:53 a.m. (CDT).

Roll Call

The following members were present: Commissioner Ryan Quarles, Dean Nancy M. Cox, Sarah Butler (designee for Secretary Terry Gill), Bobby Foree, Fritz Giesecke, Pat Henderson, Wayne Hunt, Wayne Mattingly, Katie Moyer and Al Pedigo.

Members absent: Governor Matt Bevin, Stewart Hughes, Dr. Gordon Jones, Jim Mahan, Dr. Kirk Pomper and Richard Warner.

Notification of Media

Commissioner Quarles received verification from Marielle Manning, Public Affairs Manager, that the media had been notified of the KADB monthly meeting.

Welcome

Commissioner Quarles welcomed everyone to the meeting.

Commissioner Quarles mentioned the upcoming trade mission to Canada; he also mentioned working with Kelly Craft, Ambassador to Canada.

Commissioner mentioned the passing of Dr. Pearse Lyons of Alltech.

Approval of Minutes

Commissioner Quarles entertained a motion to approve the minutes of the February 16, 2018 board meeting.

Mr. Pedigo moved to approve the minutes; 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 thanked the board members and the GOAP staff for the work of these last two days. He also thanked Katie Moyer and Kentucky Hemp Works for the showcase.

Mr. Beeler asked Aleta Botts, Executive Director of KCARD to speak; she introduced Kelly Padgett, Business Development Assistant.

Ms. Botts shared that KCARD is promoting the USDA Farmers Market and Local Food Promotion Grants.

Mr. Beeler asked Dr. Chad Lee, Director of UK Grain and Forage Center of Excellence, to speak regarding the groundbreaking ceremony.

Dr. Lee introduced Dave Kessler, recently hired to help with fundraising efforts for the center.

Mr. Beeler called on Brian Lacefield, State Executive Director for USDA Kentucky Farm Service Agency to address the board.

Mr. Lacefield gave an update on recent activity and introduced his FSA team from the region to the board.

Mr. Lacefield stated that the interest in the loan guarantee meetings was up 20%.

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 GOAP financial report as of February 28, 2018 (*on file*).

Mr. McCloskey directed the board's attention to the county account balances report as of February 19, 2018 (*on file*).

Mr. McCloskey reviewed the Kentucky Agricultural Finance Corporation (KAFC) Statement of Financial Position (*on file*) as of February 28, 2018.

Mr. Henderson moved to accept the KAFC Financial Report; Ms. Moyer seconded the motion.

VOTE: Motion Passed; Unanimous.

Presentations

Commissioner Quarles yielded the floor to Dr. Will Snell, with Kentucky Agricultural Leadership Program.

Dr. Snell introduced Dr. Steve Isaacs, Co-Director of the program and expressed his appreciation regarding support from everyone over the years.

Dr. Isaacs distributed handouts and gave an update on the finances.

Dr. Snell discussed the program and updates to the program, including the reduction of class size from 30 to 22.

Dr. Snell stated they have moved to a regional model. Moving the sessions around the state allows those from different areas to experience other parts of the State.

Dr. Snell discussed past donors and alumni, stating that one-half of all donations have come from the last four classes.

Dr. Snell stated that the next class nominations have started and will go until May 31, 2018 with the class beginning at the end of October. He mentioned that currently, they have 41 nominations and typically get 100 per class.

Dr. Snell stated that the total cost is about \$15,000 per person with participants contributing \$2,500.

Dr. Snell introduced two alumni to speak about their personal experience with the Kentucky Agriculture Leadership Program.

Suzanne White of Cecil Farms in Owensboro, Kentucky, discussed her participation in the program and how she has benefitted from it.

Joseph Sisk, a Christian County grain farmer, discussed how his participation in Kentucky Agricultural Leadership Program has influenced him.

Old Business

Memo Action Items

Commissioner Quarles called on staff to present the following memo action items:

Memorandum of Understanding Energy and Environment Cabinet

Mr. Doan presented a memorandum (*on file*) regarding the On-Farm Water Management Program.

Mr. Mattingly asked for clarification on the first item of the memo regarding additional funds.

Mr. Doan explained that the additional funds could be committed within the two years of the Agreement.

Staff recommends approving this memorandum as presented.

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

VOTE: Motion Passed; Unanimous.

Mr. Beeler named the board members appointed to the On-Farm Water Management Program Committee as follows: Fritz Giesecke, Pat Henderson and Al Pedigo.

Dale Booth, Kentucky Division of Water, presented Secretary Charles Snavelly's appointed members to the Committee as follows: Kevin Jeffries (Kentucky Farm Bureau), Steve Coleman (Kentucky Farm Bureau) and John Dix (Kentucky Rural Water Authority).

A2016-0019 Gateway Gardens, LLC.

Mr. Doan presented a memorandum (*on file*) regarding the above-referenced project. This is the fourth amendment request for Gateway Gardens, LLC. This is a request for a nine (9) month time extension to complete the project and access loan funds. The current legal agreement will expire March 28, 2018.

The Red Application Review Committee recommends approving the time extension until December 28, 2018, with the condition that the Recipient provide an update to the Red Committee on the capital structure of the project and updated financials before any funds will be released.

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

VOTE: Motion Passed; Unanimous.

A2016-0189 Owensboro Farmers Market, Inc.

Mr. McCloskey presented a memorandum (*on file*) regarding the above-referenced project. This is a request for a six (6) month time extension and an additional \$16,935 in State funds due to needing additional time to complete the project. The current legal agreement will expire March 31, 2018.

The Blue Application Review Committee recommends a six (6) month time extension until October 1, 2018, and approving the additional \$16,935 in State funds for the project.

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

VOTE: Motion Passed; Unanimous.

A2017-0002 Community Agricultural and Nutritional Enterprises, Inc.

Ms. Osterman presented a memorandum (*on file*) regarding the above-referenced project. This is a request for a twelve (12) month time extension due to needing additional time to complete the project.

Staff recommends approving the twelve (12) month time extension until April 24, 2019.

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

VOTE: Motion Passed; Unanimous.

A2017-0104 City of Mt. Sterling

Mr. Doan presented a memorandum (*on file*) regarding the above-referenced project. This is a request to reallocate \$20,000 from the budgeted costs of the market buildings to the architect and engineering expenses for a farmers market.

Staff recommends approving this request.

Dean Cox moved to approve the request, as presented; Mr. Foree seconded the motion.

VOTE: Motion Passed; Unanimous.

A2017-0106 Victory Hemp Foods, LLC.

Ms. Osterman presented a memorandum (*on file*) regarding the above-referenced project. This request is for funds not matched by County funds be available as State funds.

The White Application Review Committee recommends approving the agreement amendment as follows: \$148,001 total grant and \$148,001 total 2% Loan. The total award being \$296,002 and will not exceed half the cost of the project. The total budget is \$592,004. The applicant will have one year to draw down funds and one-year grace period until first payment on the 2% loan amortized over 8 years.

Mr. Henderson move to table the request and send back to the White Application Review Committee for further review. After some discussion, Mr. Henderson withdrew his motion to send back to committee.

Mr. Foree moved to approve \$231,002 in State funds, as a 2% Loan with one year to draw down funds and one-year grace period until first payment on the 2% loan amortized over 8 years. (\$65,000 in State and County will be a grant); Mr. Pedigo seconded the motion.

VOTE: Motion Passed; Ms. Moyer, Dean Cox and Commissioner Quarles abstained.

New Business

New Applications for Referral¹

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

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

Mr. Henderson moved to refer the submitted applications to the appropriate committee; Mr. Mattingly 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 seven (7) County Agricultural Investment Program (CAIP) applications requesting county funds totaling \$601,685; one (1) Deceased Farm Animal Removal Program applications requesting county funds totaling \$7,500.

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

VOTE: Motion Passed; Unanimous.

Requested Program Amendments³

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

Mr. McCloskey referenced four (4) requested program amendments seeking additional county funds totaling \$108,689.

Ms. Moyer moved to approve the program amendments as presented; Mr. Foree seconded the motion.

VOTE: Motion Passed; Unanimous.

Project Recommendations for Funding

Commissioner Quarles called on Biff Baker, Stefanie Osterman and Bill McCloskey to present the following recommendations for funding:

A2018-0013 U.S. Geological Survey Ohio-Kentucky-Indiana Water Science Center

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.

Mr. Baker referenced the above application from U.S. Geological Survey Ohio-Kentucky-Indiana Water Science Center requesting \$1,040,126 in State funds for a 3-year study to continue monitoring nutrient loads entering and leaving Kentucky.

The Red Application Review Committee recommends funding the request for a decreased amount of \$1,030,126 in State funds over three (3) years, subject to the terms and conditions.

Mr. Hunt moved to approve the committee recommendation with as presented; Mr. Henderson seconded the motion.

VOTE: Motion Passed; Unanimous.

A2018- 0014 Adair County Cattlemen’s Association, Inc.

Ms. Osterman referenced the above application from Adair County Cattlemen’s Association, Inc. requesting \$20,000 in Adair County funds to fund a feeder calf incentive program.

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

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

VOTE: Motion Passed; Unanimous.

A2018-0020 LaRue County Cooperative Extension District Board

Ms. Osterman referenced the above application from the LaRue County Cooperative Extension District Board requesting \$2,000 in LaRue County funds to purchase grain bin safety equipment.

The Red Application Review Committee recommended funding the request for up to \$2,000 in LaRue County funds, subject to terms and conditions.

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

VOTE: Motion Passed; Unanimous.

Project Recommendations for No Funding

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

A2018-0019 AgTech Scientific, LLC

Mr. McCloskey referenced the above application from AgTech Scientific, LLC requesting \$3,000,000 in State funds to construct a research and food grade facility for hemp.

The Red Application Review Committee recommends not funding this 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. Foree moved to approve the committee recommendation; Mr. Mattingly seconded the motion; Ms. Butler and Dean Cox abstained.

VOTE: Motion Passed; Unanimous

Pending Applications

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

A2017-0146	Pumpkin Vine Creek, LLC
A2017-0173	Two Rivers Fisheries, Inc..
A2018-0024	Johnny William Cox

No action necessary on pending applications.

Commissioner Quarles announced the Red Application Review Committee would be meeting immediately following adjournment for a working lunch.

Closing Remarks

Commissioner Quarles stated that he would not be attending the April Meeting.

Commissioner Quarles reminded everyone that National Agriculture Day is March 20, 2018.

Commissioner Quarles stated that the next KADB meeting is on Friday, April 20, 2018 at 10:00 a.m. in the Franklin County Extension Office, Frankfort, KY.

Adjournment

Commissioner Quarles entertained a motion to adjourn.

Mr. Hunt moved to adjourn the KADB meeting; Mr. Mattingly seconded the motion.

VOTE: Motion Passed; Unanimous.

The KADB meeting adjourned at 11:28 a.m. (CDT).

APPROVED DATE: 4-20-18

PRESIDING OFFICER: Don Quarles

BOARD SECRETARY: Tracey Park
Tracey Park

APPENDIX A: Red Application Committee Meeting Minutes



Meeting Date:	3/16/2018
Meeting Location:	Christian County Extension Office
Meeting Chair:	Bill McCloskey
Attendees:	Wayne Mattingly, Pat Henderson, Keith Rogers, Bill McCloskey, Warren Beeler, Steve Doan, Biff Baker
Minutes Issued By:	Stefanie Osterman
Meeting Call to Order:	11:30 (CDT)
Meeting Adjourned:	11:45 (CDT)

Agenda Items: Pending and New applications

1. 2018-0019 Magoffin County Extension District Board
 - a. Recommend to approve with condition that match dollars not to exceed half the cost of the project.
2. 2018-0025 Pendleton County Extension District Foundation
 - a. Recommend approving as submitted and applicant should include match dollars not to exceed half the cost of the project.
3. 2018-0031 Glades Christian Church
 - a. Recommend to not fund due to no county funds being committed and project was given low priority.
4. 2018-0036 My Kentucky Honey
 - a. Recommend to not fund due to items requested being eligible for CAIP and request that county agent reach out to the applicant as well as the KSU Small grant program.

APPENDIX A: Red Application Committee Meeting Minutes



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Meeting Location:	Christian County Extension Office
Meeting Chair:	Bill McCloskey
Attendees:	Wayne Mattingly, Pat Henderson, Keith Rogers, Bill McCloskey, Warren Beeler, Steve Doan, Biff Baker
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