

The actions delineated below were taken in open session of the Kentucky Agricultural Development Board at the January 17, 2020 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
501 West Second Street
Owensboro, KY**

Call to Order

Keith Rogers, (designee for Commissioner Quarles), presiding, called the Kentucky Agricultural Development Board (KADB) regular business meeting to order at 10:09 a.m. (CST).

Roll Call

The following members were present: Keith Rogers presiding, Sarah Butler (designee for interim Secretary Larry Hayes), Dean Nancy Cox, Dr. Kirk Pomper (designee for Dr. M. Christopher Brown II., President), Bobby Foree, Fritz Giesecke, Pat Henderson, Matt Hinton, Wayne Hunt, Dr. Gordon Jones, Katie Moyer and Al Pedigo.

Members absent: Governor Beshear, Jim Mahan, Stewart Hughes and Mark Barker.

Notification of Media

Mr. Rogers received verification from Marielle McElmurray, Director of Public Affairs, that the media had been notified of the KADB monthly meeting.

Welcome

Mr. Rogers welcomed everyone to the meeting.

Approval of Minutes

Mr. Rogers entertained a motion to approve the minutes of the December 20, 2019 board meeting.

Mr. Hinton moved to approve the minutes, as presented; Mr. Foree seconded the motion.

VOTE: Motion Passed; Unanimous.

Executive Director's Report

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

Mr. Beeler yielded the floor to Kellie Padgett, Business Development Specialist, of the Kentucky Center for Agriculture and Rural Development (KCARD), to update the board on the status of the organization.

Mr. Beeler yielded the floor to Dr. Chad Lee, Director of the University of Kentucky Grain and Forage Center of Excellence, to address the board.

Mr. Beeler yielded the floor to Brian Lacefield, State Executive Director of the Kentucky Farm Service Agency, to address the board.

Mr. Beeler yielded the floor to David Embry, Edmondson County Extension Agent, to address the board.

Deputy Executive Director's Report

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

Mr. McCloskey referenced the November 2019 Kentucky Broadcaster's Association Public Education Partnership (PEP) Program (*on file*).

Mr. McCloskey referenced the KADB Fall Quarterly Compliance Report (*on file*).

Ms. Gardner replied she would answer any questions the board may have.

Mr. McCloskey referenced the Kentucky Agricultural Development Fund State Pool Tobacco Funds (*on file*) as of December 30, 2019.

Mr. McCloskey reviewed the Kentucky Agricultural Development Fund Cash Flow (*on file*) as of December 30, 2019.

Mr. McCloskey reviewed Kentucky Agricultural Development Fund County Balances (*on file*) as of January 6, 2020.

Mr. McCloskey reviewed the KAFC Statement of Financial Position (*on file*) as of December 31, 2019.

Mr. McCloskey reviewed the Kentucky Agricultural Finance Corporation meeting agenda (*on file*) as of January 10, 2020.

Mr. McCloskey referenced the Kentucky Agricultural Finance Corporation Applications (*on file*) as of January 10, 2020.

Mr. Giesecke moved to approve the KADB Financial Report; Dr. Jones seconded the motion.

VOTE: Motion Passed; Unanimous.

KADB Compliance Committee

Ms. Butler reported the Compliance Committee activity regarding Sunstrand, LLC and Victory Foods, PBC.

Ms. Butler moved to approve the committee report, by acclamation.

VOTE: Motion Passed; Unanimous.

Mr. Rogers yielded the floor to Sandy Gardner.

Ms. Gardner yielded the floor to a representative of the Ohio Valley Farm Business Analysis Group, Jonathan Ayer, to introduce its newest specialist, Tony James, a position supported by the KADF.

Presentation

Ms. Gardner introduced Chris McKenzie and Matt Wilson, Small Farm Production Advisors for Grow Appalachia, to present, as part of their project's legal agreement.

A2017 – 0226 Berea College, Grow Appalachia

Mr. Hunt moved to approve the presentation and release 1st year funding for A2019-0210; Mr. Hinton seconded the motion.

VOTE: Motion Passed; Unanimous.

Memo Action Items

Mr. Rogers called on Rob Goff, Renee Carrico and Danielle Milbern to present the following memo action items:

A2017 – 0106 Victory Foods, PBC

Mr. Goff presented a memorandum (*on file*) on the above referenced project. The KADB Compliance Committee recommends a six (6) month time extension to allow the Recipient to complete the project.

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

VOTE: Motion Passed; Unanimous.

A2017 – 0211 Feeding Kentucky

Ms. Carrico presented a memorandum (*on file*) on the above reference project. The staff recommended approving a 12-month time extension to utilize unspent funds.

Mr. Henderson moved to approve the request; Ms. Butler seconded the motion.

VOTE: Motion Passed; Unanimous.

A2018 – 0208 Western Kentucky University

Ms. Carrico presented a memorandum (*on file*) on the above reference project. The staff recommended approving a six (6) month time extension to request County fund commitments based on an interest from Bath, Nicholas and Harrison counties.

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

VOTE: Motion Passed; Unanimous.

New Business

New Applications for Referral

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

Mr. McCloskey referenced seven (7) new applications for referral.

Mr. Pedigo moved to refer the submitted applications to the appropriate committees; Dr. Jones seconded the motion.

VOTE: Motion Passed; Unanimous.

Programs Recommended for Approval

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

Mr. McCloskey referenced three (3) County Agricultural Investment Program (CAIP) applications requesting county funds totaling \$524,519; One (1) Next Generation Farmer application requesting county funds totaling \$30,000; One (1) Shared-Use application requesting funds totaling \$5,893; One (1) Youth Ag Incentives Program applications requesting county funds totaling \$25,000. The total program funding \$585,502.

Ms. Butler moved to approve with amendments; Mr. Giesecke 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) counties requesting additional funds for existing CAIP's; (Daviess \$14,528; McLean \$35,500). Total funding: \$178,028. One (1) county requesting to increase maximum producer limit (Jessamine) from \$3,000 to \$4,000.

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

VOTE: Motion Passed; Unanimous.

Project Recommendations for Funding

Mr. Rogers called on Renee Carrico and Danielle Milbern to present the following recommendations for funding:

A2019 - 0243 City of Berea

Ms. Milbern referenced the above application requesting \$10,000 in Madison County funds and \$240,000 in State funds for the construction of a multi-use farmers market pavilion.

The Blue Application Review Committee recommended approving the request for up to \$10,000 in Madison County funds and \$240,000 in State funds, subject to terms and conditions.

Dr. Jones moved to approve the committee recommendation, as presented; Mr. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous.

A2019 - 0254 Kentucky State Fair Board

Ms. Carrico referenced the above application requesting \$6,000,000 in State funds for the demolition and renovation of Gate One at the Kentucky Fair & Exposition Center.

The Blue Application Review Committee recommended approving the request for up to \$6,000,000 in State funds, subject to terms and conditions.

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

VOTE: Motion Passed; Unanimous.

A2019 - 0257 Jessamine County young Farmers Association, Inc.

Ms. Carrico referenced the above application requesting \$5,000 in Jessamine County funds for the 2020 Kentucky Young Farmers Convention.

The Blue Application Review Committee recommended funding the request for up to \$5,000 in Jessamine County funds, subject to terms and conditions.

Mr. Foree moved to approve the committee recommendation, as presented; Mr. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous.

Recommendations for No Funding

A2019 - 0223 Pennington Stave and Cooperage, LLC

Ms. Milbern referenced the above application requesting \$1,000,000 in State funds and \$225,000 in multiple County funds to produce staves and new barrels for the growing spirits and wine industry.

The Blue Application Review Committee recommended denying the request due to limited producer impact.

Ms. Butler moved to approve the committee recommendation, as presented; Mr. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous.

A2019 - 0258 Michael R. Sloan

Ms. Milbern referenced the above application requesting \$250,000 on behalf of Southern Appalachian Cherokee Mountain Eagle Express in State funds to purchase equipment in order to develop a trucking business in Kentucky.

The Blue Application Review Committee recommends denying the request due to limited producer impact.

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

VOTE: Motion Passed; Unanimous.

A2019 - 0260 Grand Stable, LLC

Ms. Milbern referenced the above application requesting \$270,000 in State funds for construction of a multi-use event facility.

The Blue Application Review Committee recommended denying the request due to limited producer impact.

Ms. Butler moved to approve the committee recommendation, as presented; Mr. Hinton seconded the motion.

VOTE: Motion Passed; Unanimous.

Pending Applications

Mr. McCloskey referenced the following pending application:

A2019 - 0259 American Farmland Trust

No action necessary on pending applications.

Withdrawn Applications

Mr. McCloskey referenced the following withdrawn application:

A2019 – 0079 Local Food Connection, Inc.

No action necessary on withdrawn applications.

Closing Remarks

Mr. Rogers stated the KADB White Application Review Committee would meet immediately following the board meeting in the same room.

Mr. Rogers stated the KADB Red Application Review Committee would meet one-half hour after the board meeting in the same room.

Mr. Rogers stated that the next KADB meeting would be on February 21, 2020 at the Franklin County Extension Office in Room E/F, Frankfort, KY.

Adjournment

Mr. Rogers entertained a motion to adjourn.

Mr. Henderson moved to adjourn the November KADB meeting; Mr. Giesecke seconded the motion.

VOTE: Motion Passed; Unanimous.

The KADB meeting adjourned at 11:09 a.m. (CST).

APPROVED DATE: 2-21-20

PRESIDING OFFICER: [Signature]

BOARD SECRETARY: Tracey Park
Tracey Park

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1. A detailed list of the New Applications for Referral is attached as Appendix A
 2. A detailed list of the applications funded under the listed programs is attached as Appendix B
 3. A detailed list of amendments funder under the listed programs is attached as Appendix C
 4. A copy of the KADB Blue Application Review Committee minutes is attached as Appendix D
 5. A copy of the KADB Compliance Committee minutes is attached as Appendix E
 6. A copy of the KADB White Application Review Committee minutes is attached as Appendix F
 7. A copy of the KADB Red Application Review Committee minutes is attached as Appendix G

Appendix A: New Applications for Referral

APP #	APPLICANT	COUNTY	Cmte.
A2019-0264	Metcalfe County 4-H Council, Incorporated <i>Country Ham Project</i>	Metcalfe	Red
A2019-0266	University of Kentucky Research Foundation <i>Bee Hives Health</i>	_ALL	Red
A2019-0267	Daviess County 4-H Council, Incorporated <i>Equine Program</i>	Daviess	Red
A2019-0268	Hancock County Grain Committee <i>Educational Pesticide Storage Facility</i>	Hancock	Red
A2019-0273	On Tapp Dairy, LLC <i>Dairy Processing Equipment</i>	Washington	Red
A2019-0274	University of Kentucky Research Foundation <i>Blue Water Farms: Edge-of-Field Monitoring in Kentucky</i>	_ALL	Red
A2019-0283	JSW Farm Chop Shop, Inc. <i>Facility Upgrade</i>	Wolfe	Red

Appendix B: Programs Recommended for Approval

CAIP

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2019-0262	Lewis County Conservation District	Lewis	\$208,766.00
A2019-0265	Rowan County Conservation District	Rowan	\$65,753.00
A2020-0002	Buffalo Trace Area Development District, Inc.	Bracken	\$250,000.00
			\$524,519.00

Next Generation Farmer (NextGen)

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2020-0001	Buffalo Trace Area Development District, Inc.	Bracken	\$30,000.00
			\$30,000.00

Shared-Use Equipment Program

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2019-0269	Daviess County Cattleman's Association	Daviess	\$5,983.00
			\$5,983.00

Youth Ag Incentives Program (Youth)

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2019-0263	Clark County Conservation District	Clark	\$25,000.00
			\$25,000.00

Total County Funds Recommended for Approval in Programs: **\$585,502.00**

Appendix C: Requested Program Amendments

App # A2019-0073
Applicant Name Green River Area Beef Improvement Group, Inc (Daviness)
Original Amount Approved \$50,000
Execution Date 06/4/2019
Requested Change The applicant requests an additional \$142,528 in Daviess County funds for the *CAIP Program*. The request received a high priority from the 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 \$192,528.
Recommend Approval

App# A2019-0123
Applicant Name Green River Area Beef Improvement Group, Inc (McLean)
Original Amount Approved \$50,000
Execution Date 06/03/2019
Requested Change The applicant requests an additional \$35,500 in McLean County funds for the *CAIP Program*. The request received a high priority from the 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 \$85,500.
Recommend Approval

App# A2019-0050
Applicant Name Jessamine County FFA Alumni Association
Amount Approved \$172,000
Execution Date 5/29/19
Requested Change The applicant requests to increase the maximum producer limit amount from \$3,000 to \$4,000.
 This is the second request for an amendment to this application number. The term of the program shall remain 12-months from the execution date of the agreement.
Recommend Approval

Appendix D: Blue Application Review Committee Minutes



Meeting Date:	1/17/2020
Meeting Location:	Owensboro Convention Center East Ballroom E 501 West 2 nd Street Owensboro, KY
Meeting Chair:	Bill McCloskey
Attendees:	Committee members: Wayne Hunt, Al Pedigo, Sarah Butler, Keith Rogers, Bobby Foree and Katie Moyer GOAP staff: Warren Beeler, Bill McCloskey, Rob Goff, Danielle Milbern and Renee Carrico
Minutes Issued By:	Renee Carrico
Meeting Call to Order:	8:05 a.m.
Meeting Adjourned:	8:45 a.m.

Agenda Items:	
Applications:	
A2019-0259	American Farmland Trust A) Committee recommends funding the request for the amended amount of \$275,000 in State funds for one year of rye grower incentive payments. B) Committee asks that the applicant report on returns and progress of Rye Project after year 1 is complete.

Appendix E: Compliance Committee Meeting Minutes



Meeting Date:	January 17, 2020
Meeting Location:	Owensboro Convention Center East Ballroom E; 501 West 2 nd Street Owensboro, KY
Meeting Chair:	Bill McCloskey
Attendees:	Committee: Pat Henderson, Sarah Butler, Bobby Foree, Keith Rogers Staff: B. McCloskey, R. Goff, S. Gardner, W. Beeler, S. Wade, R. Carrico, D. Milbern Other Board Members: Al Pedigo, Katie Moyer, Wayne Hunt
Minutes Issued By:	Rob Goff
Meeting Call to Order:	9:00 a.m. CST
Meeting Adjourned:	10:00 a.m. CST

Agenda Items:
<ol style="list-style-type: none"> 1. American Black Hereford Association, Inc. (A2017-0025) The applicant withdrew its request. 2. Sunstrand, LLC (A2016-2018) <ol style="list-style-type: none"> a. Shawn Honaker offered to pay, in exchange for the release of the Board's security interest, either: (i) \$35,000; or (ii) \$55,000, if the equipment nets Honaker at least \$175,000. b. The committee indicated that someone needs to physically view the itemized list of equipment. c. No action was taken on the offer. 3. Victory Foods PBC (A2017-0025) <ol style="list-style-type: none"> a. Victory Foods, PBC requested a six-month time extension to expend approved funding and subordination of the Board's security interest. b. After discussion, <i>Mr. Foree moved to recommend approval of the requested 6-month time extension under the current terms of the Legal Agreement.</i> The motion passed. Action: This recommendation was presented to the full board at its 10 a.m. meeting, January 17, 2020, under Memo Action Items. 4. Motion to Adjourn

Appendix F: White Application Review Committee Minutes



Meeting Date:	1/17/2020
Meeting Location:	Owensboro Convention Center East Ballroom E 501 West 2 nd Street Owensboro, KY
Meeting Chair:	Bill McCloskey
Attendees:	Committee members: Dean Nancy Cox, Fritz Giesecke, Keith Rogers, Matt Hinton and Dr. Gordon Jones GOAP staff: Warren Beeler, Bill McCloskey, Rob Goff and Danielle Milbern
Minutes Issued By:	Danielle Milbern
Meeting Call to Order:	11:00 a.m. CST
Meeting Adjourned:	11:20 a.m. CST

Agenda Items:
1. A2019-0157 PHARM Roadside Market LLC a.) Committee recommends approval of applicant's budget amendment request.

Appendix G: Red Application Review Committee Meeting Minutes



Meeting Date:	1/17/2020
Meeting Location:	Owensboro Convention Center East Ballroom E 501 West 2 nd Street Owensboro, KY
Meeting Chair:	Bill McCloskey
Attendees:	Committee members: Pat Henderson, Dr. Kirk Pomper and Keith Rogers KADB members: Wayne Hunt and Dean Nancy Cox GOAP staff: Warren Beeler, Bill McCloskey, Renee Carrico, Danielle Milbern and Rob Goff KCARD: Aleta Botts and Kelly Padgett
Minutes Issued By:	Danielle Milbern
Meeting Call to Order:	12:00 p.m. CST
Meeting Adjourned:	2:30 p.m. CST

Agenda Items:	
1. A2019-0264	Metcalfe County 4-H Council a) Committee recommends funding \$1,446 in Metcalfe County funds.
2. A2019-0266	UK Research Foundation (Bee Health Research) a) Committee recommends funding \$94,928 in State funds over two years.
3. A2019-0267	Daviess County 4-H Council a) Committee recommends funding \$2,488 in Daviess County funds.
4. A2019-0268	Hancock County Grain Committee a) Project withdrawn by applicant.
5. A2019-0273	On Tapp Dairy, LLC a) Committee recommends funding in multiple County funds matched by State funds up to \$55,000. b) Committee recommends any deficit in county and state grant funds be offered as a 2.75% participation loan.
6. A2019-0274	UK Research Foundation (Blue Water Farms: Edge-of-Field Monitoring in Kentucky) a) Committee recommends pending until further budget details are reviewed.
7. A2019-0283	JSW Farm Chop Shop Inc. a) Committee recommends pending at the applicants' request.