

Kentucky Agricultural Development Board

Minutes of the February 20, 2009 Board Meeting

The Kentucky Agricultural Development Board meeting was held on **Friday, February 20, 2009 at 10:00 a.m. EST**, at Kentucky State University, Frankfort, KY. Mac Stone, presiding, called the meeting to order, and the secretary called the roll.

Roll Call

Mac Stone (designee for Commissioner Farmer); Rodney Dick; Don Goodin (designee for Secretary Larry Hayes); Pat Henderson; Wayne Hunt; Sam Lawson; Jim Mahan; Wayne Mattingly; Sam Moore; Troy Rankin; Dr. Mary Sias; Jim Sidebottom; Dean Scott Smith

Members with Excused Absences

Vickie Yates Brown

Others Present

Staff - Roger Thomas, Angela Blank, Diane Fleming, Sandy Gardner, Cyndi Hall, Todd Harp, Bill Hearn, Debbie Hollis, Jennifer Hudnall, Tim Hughes, Michael Judge, Christi Marksbury, Bill McCloskey, Joel Neaveill, Kylee Smith, Rebecca Smith, Mike Tobin

Guests – Tonja Fisher, University of Kentucky; Dr. Kimberly Holmes, Lauren Lobel, Torquise Brown, Kendra Joseph, Rachael Stewart, Robert J. Barne, Regina Hill, Marion Simon, and Jonathon Stroujer, Kentucky State University; Janet Eaton, Stephanie Wetzell, Joyce Meece, Edward Meece, Larry Ayres, Craig Lee, Debby Lucas Angel, Walli Johnson, and Lynn Martin, Kentucky Farmers' Markey Association, Inc; Cassia Herren and Susan Hamilton, Louisville Metro Economic Development Department; John Riley, Spencer County Magistrate; Carolyn Oldfield, Thoroughbred RC&D Council, Inc; Kara Keeton, Keeton Communications, Inc; Ryan Smith, South Kentucky Rural Electric Cooperative

Notification of Media

Mac Stone received verification that the media had received notice regarding the Kentucky Agricultural Development Board (KADB) monthly meeting.

Welcome

Mr. Stone welcomed everyone to the KADB meeting.

Approval of Minutes

Troy Rankin moved to approve the minutes of the January 16, 2009 meeting as presented; Wayne Hunt seconded the motion. The motion passed without dissent.

Presentation

Mr. Stone introduced Dr. Mary Sias and Dr. Kimberly Holmes from Kentucky State University (KSU) for a report on the KSU Chapter of Minorities in Agriculture, Natural Resources & Related Sciences Student Organization. Dr. Holmes spoke about the Federal Land-Grant System, the KSU Land-Grant Program mission, and a review of course listings available to Agriculture Department students enrolled at KSU. Dr. Sias

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spoke about diversity issues in Agriculture, Black History Month in relation to her own personal experiences and how this might impact current proposed legislation regarding County Council makeup.

Mr. Stone recognized Roger Thomas. Mr. Thomas thanked Dr. Holmes and Dr. Sias for their report, for all they do to support agriculture at KSU and for hosting the meeting at their facility.

Executive Director's Report

Mr. Stone called on Mr. Thomas to give the Executive Director's Report and review the agenda for the day.

Mr. Thomas introduced Ms. Debbie Hollis, GOAP Administrative Assistant, to the board and explained her responsibilities and duties.

Mr. Thomas reviewed the meetings attended by Governor's Office of Agricultural Policy staff and Kentucky Agriculture Development Board members since the last Board Meeting: Mr. Thomas attended the 2009 Tobacco Expo; Bill McCloskey attended a Kentucky Pork Producers meeting; Mr. Thomas, Sam Lawson, and Jim Mahan attended a Community Farm Alliance meeting; (Mr. Lawson commented on the meeting. Mr. Mahan and Mr. Thomas indicated they were impressed with the tone of the meeting.) Michael Judge attended a Kentucky Dairy Development Council meeting; Joel Neaveill attended a Kentucky Feed and Grain Association Meeting; Mr. Thomas attended a House Agriculture and Small Business Committee Meeting; Mr. Neaveill attended a Louisville Agribusiness Industry Network Meeting; Mr. Thomas hosted a Senate Standing Agriculture Committee meeting on Dead Animal Removal; Mr. Thomas attended a Larue County Leadership Meeting; Mr. McCloskey attended a Kentucky Agriculture Council meeting; Mr. Thomas, Mr. McCloskey, and Christi Marksbury attended an Agritourism Conference; Mr. Judge attended a Kentucky Association of Milk, Food & Environmental Sanitarians meeting; and Mr. Thomas and Angela Blank attended a Bath County Educational Meeting.

Mr. Thomas gave the Board Legislative update. Senate Bill 83 concerning County Councils passed as written out of the Senate. Mr. Thomas gave an update on other House and Senate Bills regarding any proposed legislation concerning agriculture. Dr. Sias asked Mr. Thomas about the stimulus funding for agriculture. Mr. Thomas asked Dean Scott Smith to report any information he might have. Mr. Thomas reported that Governor Beshear signed House Bill 144 which included an increase in the liquor and tobacco tax.

Mr. Thomas informed the Board that Mr. Bob Finch; Acting Director, USDA Kentucky Farm Service Agency, reported that 92 counties have been designated an FSA Administrator's disaster declaration making farmers eligible for emergency loans.

Mr. Thomas informed the Board that the Governor had sent the letter (United States Dairy Association) USDA to Secretary Tom Vilsack requesting disaster assistance for damaged areas.

Mr. Thomas reported that staff is gathering feedback for the proposed County

Agriculture Investment Program. Mr. Neaveill gave an overview. Mr. Judge talked about the Beef Genetics program and feedback. Todd Harp gave a report on the extension meeting. Kylee Smith gave a report on an input meeting which provided details on the status of the universal producer application for the board. Ms. Smith said multiple committee meetings were held to develop the application. Wayne Mattingly raised a question concerning requiring submission of the IRS Form 1040 and Schedule F. Mr. Lawson wondered if we are asking for too much information on tax returns. Mr. Mattingly said we really need to have a good reason to request the information. Diane Fleming advised the board that there are privacy concerns to be addressed when asking for schedule F tax returns. Pat Henderson asked about listing the scope of the farming operation on the application. Rodney Dick stated that the staff never mentioned requiring the schedule F, but that the persons who attended the meeting did. Additional discussion on the application by multiple board members continued. Ms. Blank updated the board on Communication issues. Mr. Neaveill gave an overview of staff involvement with all meetings.

Mr. Thomas called on Mr. Neaveill to discuss the plans for the March Board meeting and what to expect in the Board Packet.

Mr. Thomas called on Bill Hearn to give a budget update.

Mr. Thomas called on Mr. Judge to review the active project listing.

Mr. Thomas gave an update on the Dead Animal Removal issue (DAR). He called on Tim Hughes and Mr. Judge to discuss the findings of the staff research. Mr. Thomas attended a meeting at the Kentucky Department of Agriculture and multiple committee meetings. Mr. Judge asked for the board's input on the issue of requiring a farmer to contribute a percentage of the removal cost. Mr. Lawson asked about the possible impact of the application. Mr. Mattingly asked if there would be a legislative decision on the Dead Animal Removal. Mr. Stone reviewed the current law regarding disposal of dead animals on farm land. Mr. Hunt asked about funding for DAR. **Mr. Mattingly moved that the Todd County application (A2008-0481 – Todd County Fallen Animal Pickup Program) be pulled from pending status for consideration; Mr. Hunt seconded the motion. One opposed the motion. The motion passed with dissent. Mr. Mattingly moved that application A2008-0481 be approved; Mr. Hunt seconded the motion. Three opposed the motion. The motion passed with dissent.**

Mr. Thomas called on Mr. Judge to review the memorandum on expired applications.

Mr. Thomas called on Mr. McCloskey to go over the Kentucky Agricultural Financial Corporation report. **Mr. Hunt moved that the K AFC report be accepted; Mr. Dick seconded the motion. The motion passed without dissent.**

Mr. Thomas called on Ms. Fleming to discuss open records requests for the board member contact information.

The meeting adjourned for lunch at 12:10 p.m.

The meeting reconvened at 1:07 p.m.

Deferred Presentations and Project Reports

Mr. Stone called on Jennifer Hudnall who introduced Ms. Susan Hamilton, Assistant Director of Industrial and Commercial Development for Louisville Metro Economic Development Department, to report on project A2006-0402 – Building Louisville's Local Food Economy.

Old Business

Mr. Stone called on Ms. Hudnall to present a memorandum regarding A2006-0293, Kentucky Department of Agriculture. The Kentucky Department of Agriculture requests to reallocate \$217,794.30 in State funds from the previous grant number A2006-0293 to A2008-0409 for Kentucky Proud "Access to Markets". **Mr. Henderson moved that A2008-0293 be approved for \$217,794.30 in State funds from the previous grant number A2006-0293 to be reallocated to A2008-0409 for Kentucky Proud "Access to Markets"; Mr. Mahan seconded the motion. The motion passed without dissent.**

New Business

Referral of March Projects¹

Mr. Stone noted that the referrals were updated to include all applications received before February 13, 2009. **Sam Moore moved that said referrals be approved; Mr. Dick seconded the motion. The motion passed without dissent**

Model Programs and Menus

There were no Model Programs or Menus presented for approval this month.

Requested Amendments² and Withdrawals³

Mr. Stone reviewed two (2) requested amendments. **Mr. Rankin moved that said amendments be approved; Jim Sidebottom seconded the motion. The motion passed without dissent.**

Mr. Stone reviewed one (1) requested withdrawal. No action necessary.

Memo Action Items

Mike Tobin presented a Memorandum regarding A2008-0208, Metcalfe County Fiscal Court. The Metcalfe County Fiscal Court requests an additional \$12,987.32 in County funds for a fairgrounds facility development project. Staff recommends approving this amendment, pending meeting all state program guidelines and compliance standards. **Mr. Moore moved that A2008-0208 be approved for an additional \$12,987.32 in County funds; Mr. Lawson seconded the motion. The motion passed without dissent.**

Christi Marksburly presented a Memorandum regarding A2008-0023, Porchetta Primata, LLC. The company is requesting to use \$28,500 of the State funds already

¹ A detailed list of the referred projects is attached as Appendix A.

² A detailed list of requested amendments approved is attached as Appendix D.

³ A detailed list of requested withdrawals approved is attached as Appendix E.

granted for operating capital. In addition Porchetta Primata, LLC. Is requesting a six (6) month extension of the Legal Agreement. **Mr. Mattingly moved that A2008-0023 be approved for a six (6) month extension, requiring that the Security Agreement be signed, and not to fund the requested reallocation for \$28,500 in State funds as operating capital; Dr. Sias seconded the motion. The motion passed without dissent.**

Recommendations for Funding

Todd Harp presented A2008-0461, Kentucky Cattlemen's Foundation, Inc. Kentucky Cattlemen's Foundation, Inc. requests \$1,000,000 in State funds to create a large/food animal veterinary incentive program. Mr. Harp reviewed the proposed terms and conditions for the project. Staff recommends approving this project pending meeting all state program guidelines and compliance standards. **Mr. Lawson moved that A2008-00461 be approved for \$1,000,000 in State funds; Mr. Moore seconded the motion. Four opposed the motion. The motion passed with dissent.**

Michael Tobin presented A2008-0469, South Kentucky Rural Electric Cooperative Corporation. South Kentucky Rural Electric Cooperative requests \$130,000 in State funds to develop an in-depth business plan for a beef processing plant. Mr. Tobin reviewed the proposed terms and conditions for the project. Staff recommends approving this project pending meeting all state program guidelines and compliance standards. **Mr. Dick moved that A2008-0469 be approved for \$130,000 in State funds; Mr. Moore seconded the motion. One opposed the motion. The motion passed with dissent.** Mr. Stone recognized Mr. Thomas who appointed Sam Moore, Rodney Dick and Don Goodin to the Recipient Review Committee for this project.

Jennifer Hudnall presented A2008-0484, Central KY Custom Meats, Inc. Central KY Custom Meats, Inc. requests \$84,679 in State funds and a total of \$20,000 in county funds from Washington, Casey, Pulaski, Russell, and Lincoln counties for purchase of necessary equipment and renovations to expand its product and service offerings. Mrs. Hudnall reviewed the proposed terms and conditions for the project. Staff recommends approving this project for \$104,679 in State funds as a 0% interest loan. Staff recommends that Central Kentucky Custom Meats, Inc. have six (6) months from the date of execution of the Legal Agreement in which to obtain county funds. Committed county funds will be awarded as a grant and applied to the outstanding loan balance. Funds are pending meeting all state program guidelines and compliance standards. **Mr. Goodin moved that A2008-0484 be approved for \$104,679 in State funds as a 0% interest loan and county funds committed during the six (6) month period from the execution of the legal agreement be applied to the outstanding loan balance; Mr. Mahan seconded the motion. The motion passed without dissent.**

Todd Harp presented A2008-0488, Media Working Group, Inc. Media Working Group Inc. requests \$50,000 in State funds in order to produce a television documentary titled "The Good Farmer". Mr. Harp reviewed the proposed terms and conditions for the project. Staff recommends approving this project pending meeting all state program guidelines and compliance standards. **Mr. Lawson**

moved that A2008-0488 be approved for \$50,000 in State funds; Mr. Henderson seconded the motion. The motion passed without dissent.

Christi Marksbury presented A2009-0001, Bullitt County Board of Education. Bullitt County Board of Education requests \$12,500 in County funds for purchasing computers for the Bullitt Central High School Vocational Agriculture Department. Ms. Marksbury reviewed the proposed terms and conditions for the project. Staff recommends approving this project pending meeting all state program guidelines and compliance standards. **Mr. Mahan moved that A2009-0001 be approved for \$12,500 in County funds; Mr. Dick seconded the motion. Three opposed the motion. The motion passed with dissent.**

Jennifer Hudnall presented A2009-0021, Thoroughbred RC&D Council, Inc. Thoroughbred RC&D Council, Inc. requests \$883,400 in State funds and \$5,000 in Scott County funds for the purchase of conservation easements in Scott County. Thoroughbred RC&D is requesting \$8,400 in State funds for general operating support. Mrs. Hudnall reviewed the proposed terms and conditions for the project. Staff recommends no funding the request for \$833,400 in State funds and recommends funding the request for \$5,000 in Scott County funds pending meeting all state program guidelines and compliance standards **Mr. Rankin moved to place this application in pending status for the staff to review additional information concerning the use of state funds for this project; Mr. Dick seconded the motion. The motion passed without dissent.**

Jennifer Hudnall presented A2009-0022, Kentucky Farmers' Market Association, Inc. Kentucky Farmers' Market Association, Inc. requests \$90,000 in State funds for support of a multi-faceted approach to increase sales at farmers markets throughout the state of Kentucky. Mrs. Hudnall reviewed the proposed terms and conditions for the project. Staff recommends approving this project for \$60,000, in State Funds pending meeting all state program guidelines and compliance standards. **Dr. Sias moved that A2009-0022 be approved for \$60,000 in State funds; Mr. Lawson seconded the motion. The motion passed without dissent**

Ms Fleming was recognized to present changes in standard terms and conditions for Legal Agreements. **Mr. Moore moved that the board approve the proposed terms and conditions from Ms. Fleming. Dr. Sias seconded the motion. The motion passed without dissent.** Ms. Fleming will provide the board members with a memorandum summarizing her presentation next week.

Recommendations for No Funding

Christi Marksbury presented A2008-0482, Cowtown Foundation. Cowtown Foundation requests \$250,000 in State funds for implementing a program for underserved and socially disadvantaged farmers. Staff recommends that this application not be funded since it is similar to USDA-funded programs already being implemented through the Cooperative Extension Service, including the Small Farm Program of Kentucky State University. Mr. Corey Lea was called upon to address the Board concerning this application. **Mr. Lawson moved to accept**

staff recommendation; Dean Smith seconded the motion. The motion passed without dissent. Dr. Sias abstained.

Todd Harp presented A2008-0490, Red River Goat Association, Inc. Red River Goat Association, Inc. requests \$25,000 in County funds to administer a Goat & Sheep Diversification Model Program. Staff recommends this application not be funded due to a low priority from the Powell County Agricultural Development Council. **Dean Smith moved to accept staff recommendation; Mr. Mahan seconded the motion. The motion passed without dissent.**

Pending Recommendations

Mr. Stone noted that no applications are pending this month due to the scheduled blackout period.

Closing Remarks

The next meeting of the Kentucky Agricultural Development Board will convene at **9:00 a.m. on Friday, March 20, 2009 at the Franklin County Extension Office in Frankfort, KY.** Note time and location of meeting subject to change; ample notification will be given if such a change occurs.

The meeting adjourned at 4:45 p.m.

APPROVED: _____

PRESIDING OFFICER: _____

SECRETARY: _____

APPENDIX A: New Applications for Referral

App #	Applicant	Request Type
A2009-0024	Washington County Cattlemen Association, Inc.	Project
A2009-0025	Estill County Conservation District	Shared-use Equipment
A2009-0026	Lincoln County Beekeepers, Inc.	Project
A2009-0027	Lee County Conservation District	Shared-use Equipment
A2009-0028	Owens Garden Center, LLC	Project
A2009-0030	Shady Lawn Farm	Project

APPENDIX B: Requested Amendments-Projects & Programs

App #	A2008-0165
Applicant Name	Henry County Cattleman's Association, Inc.
Amount Approved	\$292,530
Date	6/27/08
Requested Change	The applicant requests an <u>additional</u> \$16,000 for a menu approach of the following programs: <i>Agricultural Diversification; Cattle Genetics Improvement; Cattle Handling Facilities; Dairy Diversification; Farm Livestock Fencing Improvement; Forage Improvement & Utilization; Goat and Sheep Diversification; Hay, Straw & Commodity Storage; Technology and Timber Production & Utilization</i> Programs. The request received a <u>high</u> priority from the Henry County Agricultural Development Council. The term of the program shall remain 18-months from the execution date of the original agreement. Approval of this request would bring the program total to \$308,530.
Recommendation	Approval

App #	A2008-0424
Applicant Name	Grayson County Cattlemens Association, Inc.
Amount Approved	\$100,000
Date	9/19/08
Requested Change	The applicant requests an <u>additional</u> \$13,000 for a menu approach of the following programs: <i>Cattle Genetics Improvement; Cattle Handling Facilities; Dairy Diversification; Forage Improvement & Utilization; Hay, Straw & Commodity Storage</i> Programs. The request received a <u>high</u> priority from the Grayson County Agricultural Development Council. The term of the program shall remain 18-months from the execution date of the original agreement. Approval of this request would bring the program total to \$113,000.
Recommendation	Approval

APPENDIX C: Requested Withdrawals-Projects & Programs

App#	A2009-0011
Applicant Name	Green Market Cooperative, Inc.
Date of Application	January 5, 2009
Requested Change	The applicant has <u>withdrawn</u> this application.
