

Kentucky Agricultural Development Board

Minutes of the March 20, 2009 Board Meeting

The Kentucky Agricultural Development Board meeting was held on Friday, **March 20, 2009** at **9:00 a.m. EDT**, at the **Franklin County Extension Office, Frankfort, KY**. Mac Stone, presiding, called the meeting to order, and the Secretary called the roll.

Roll Call

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

Others Present

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

Guests – Lowell Atchley and Katherine Halloran, Legislative Research Commission (LRC); Larry K. Snell and Brent Lackey, Kentucky Center for Agriculture and Rural Development (KCARD); Don VanErden, Community Farm Alliance (CFA); Kara Keeton, Keeton Communications; Bruce Harper, Kentucky Department of Agriculture (KDA); Ivor Chodowski, Jim Early, Tim Mracek and Susan Schlossnagle, Grasshopper Distribution, Inc.; Keenon Bishop, Franklin County Extension Agent; Angela Blank, Kentucky Farm Bureau; Ona Sidebottom

Notification of Media

Mr. 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.

Discussion of Project Applications

The Kentucky Agricultural Development Board Members, Mr. Thomas, and the Governor's Office of Agricultural Policy (GOAP) Staff held a discussion session concerning pending projects. The members were provided with updates regarding the status of the following applications: A2008-0208; A2008-0210; A2008-0284; A2008-0357; A2008-0418; A2008-0426; A2008-0427; A2008-0439; A2008-0444; A2008-0447; A2008-0473; A2008-0479; A2008-0480; A2008-0492; A2009-0021; A2009-0023; A2009-0024; A2009-0026; A2009-0028; A2009-0029; A2009-0030; A2009-0031; A2009-0032; A2009-0033; A2009-0034. Discussion ensued but no action was taken on any items.

Executive Director's Report

Mr. Stone called on Roger Thomas to give the Executive Director's Report.

Mr. Thomas reported that the March Tobacco Settlement Agreement Fund Oversight Committee Meeting was cancelled. The next meeting is scheduled for April 15, 2009.

Mr. Thomas gave a report on GOAP activities since the last Board Meeting: Mr. Thomas, Michael Judge, and Todd Harp attended the Kentucky Beef Network (KBN) Review Group; Tim Hughes attended the Young Farmer Convention; Mr. Judge attended the Future of Farming Conference in Ohio; Mr. Judge, Christi Marksbury, Pat Henderson, Sam Moore, Jim Sidebottom and Rodney Dick attended the Breathitt Animal Disease Diagnostic Lab to tour the facility; Bill McCloskey attended the Kentucky Dairy Partners Meeting; Mr. Thomas, Joel Neaveill, and Mr. Hughes attended an energy stimulus proposal meeting with Secretary Peters; GOAP Staff and Wayne Hunt, Sam Moore, Don Goodin and Rodney Dick attended a policy discussion in Glasgow; Mr. McCloskey attended the Owensboro Grain Financial Partners Meeting; Mr. Thomas and Bruce Harper attended the Mercer County Farm City Breakfast; Mr. Hughes attended the Kentucky Renewable Energy Consortium Meeting; Mr. Hughes, Mr. McCloskey, Cyndi Hall, and Bill Hearn attended the Farm Credit Services/Kentucky Agricultural Finance Corporation (KAFC) Meeting; Mr. Thomas and Wayne Mattingly attended the Owensboro Farm City Breakfast; Mr. Thomas and Will Snell attended the Hart County Farmer Outreach Meeting.

Mr. Thomas gave a brief Legislative update discussing: Senate Bill 83 as it relates to County Agricultural Diversification Councils; House Bill 284 relating to the Kentucky Agriculture Resources Development Authority (KARDA); House Bill 229 relating to economic development; Senate Bill 48 relating to transportation; House Bill 433 relating to Appropriations; and House and Senate Resolutions on the promotion of Kentucky grown tobacco in foreign markets.

Mr. Thomas gave a review of information in the update packets, reported on the plans for a Derby Farmer's Market to be held at the Derby Breakfast on the Capitol grounds, and noted that Ms. Sandra Gardner is serving as the interim Director of Communications. Mr. Thomas also informed the KADB that reports indicate that the FDA had issued a delay in implementation of the Enhanced Feed Ban Rule and that he would seek Board input on holding a KADB meeting at either the University of Kentucky Princeton Field Day or the University of Kentucky Fall Roundup.

Mr. Thomas expressed to the KADB Governor Beshear's regrets that he was unable to meet with them to sign a proclamation declaring March 20, 2009 as Agriculture Day. Mr. Thomas read the proclamation to the group.

No action was taken on the Executive Director's Report.

The meeting recessed at 12:05 p.m. for lunch.

The meeting reconvened at 12:55 p.m.

Mr. Thomas called on Bill McCloskey to give a report on the financial position of the KAFC. Mr. McCloskey referred to the report, found in the Board Book (on file with the Board Secretary), which shows the balance of accounts as of February 28, 2009. **Mr. Hunt moved that the report be accepted; Mr. Dick seconded the motion. The motion passed without dissent.**

Approval of Minutes

Mr. Sidebottom moved to approve the minutes of the February 20, 2009 meeting as presented. Mr. Hunt seconded the motion. The motion passed without dissent.

New Business

Requested Amendments¹ and Withdrawals²

Mr. Stone reviewed four (4) requested amendments for approval. It was noted that A2008-0347 should be changed to “the request received a high priority from the Elliott County Agricultural Diversification Council” and that A2008-0450 should be changed to “the request received a high priority from the Fayette County Agricultural Diversification Council.” **Dr. Kimberly Holmes moved that said amendments be approved as corrected; Mr. Mahan seconded the motion. The motion passed without dissent.**

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

Approval of Model Programs³

Mr. Stone submitted projects requesting funds for county model programs (shared-use equipment projects only) meeting state program guidelines and compliance standards. **Mr. Dick moved that said applications be approved for the named model programs (shared-use equipment only); Dr. Holmes seconded the motion. The motion passed without dissent.**

Approval of Menu Projects

No Menu Projects were presented for approval this month.

Memo Action Items

Todd Harp presented a Memorandum regarding A2008-0407, Kentucky Agricultural Leadership Program. The Kentucky Agricultural Leadership Program requests a clarification of terms and conditions regarding the project approved at the November 21, 2008 KADB meeting. Mr. Harp stated that the applicant wanted assurance that student fees, gifts and pledges could be considered as match and that, with appropriate reporting and documentation, it was acceptable that commitments to secure the \$850,000 in match could be confirmed within three years from the execution of the legal agreement. **Mr. Mahan moved that this clarification of terms and conditions for project A2008-0407 be approved. Mr. Henderson seconded the motion. The motion passed without dissent.**

Todd Harp presented a Memorandum regarding A2008-0414 and A2008-0420, Harrison County Council Request. The Harrison County Agricultural Diversification Council requests a change in the percentage of cost share allowance on the Hay, Straw, & Commodity Storage (A2008-0414) and On-Farm Water Enhancement (A2008-0420) from 50/50 to 25/75 in county funds on those producers that provided their own labor for the project. Todd Harp reviewed the proposed terms and conditions for the project. Staff recommends approval of this request. **Mr. Rankin moved that staff recommendation be approved; Mr. Hunt seconded the motion. The motion passed without dissent.**

Jennifer Hudnall presented a Memorandum on A2006-0337, The Kentucky Horticulture Council, Inc. The Kentucky Horticulture Council (KHC) is requesting extending A2006-0337 through Dec. 31, 2010 to allow them to expend leftover grant funds and accrued interest from all previous KADB grants. Based on the guidance of the advisory committee staff

¹ A detailed list of requested amendments approved is attached as Appendix A.

² A detailed list of requested withdrawals approved is attached as Appendix B.

³ A detailed list of projects funded under each model program category is attached as Appendix C.

recommends approving this request with the following conditions: a maximum expenditure of \$998,000 per calendar year (including accrued interest) is allowed, a budget indicating how reductions will be made is to be submitted, prior approval for budget category variance is required in advance, any funds remaining at the end of the contract period shall be returned, compliance with agreed upon reporting, a plan for becoming a self-funded entity, and withdrawal of application A2008-0426. **Mr. Mahan moved that staff recommendation be approved; Mr. Dick seconded the motion. The motion passed without dissent. Dean Scott Smith abstained. Mr. Thomas appointed a Recipient Review Committee consisting of the following members: Mr. Mahan, Dick, Mr. Rankin, Dr. Sias or Dr. Holmes.**

Jennifer Hudnall presented a Memorandum regarding A2008-0451, Boyle County Educational Endowment Fund, Inc. The Boyle County Educational Endowment Fund, Inc. requests that the \$40,000 in county funds approved for purchase and construction of a 30 ft. by 96 ft. free-standing greenhouse and a 30 ft. by 26 ft. head house be revised so that a portion of the funds may be used for retrofitting an existing classroom to be used as the head house. Staff recommends approval of this request. **Mr. Sidebottom moved that staff recommendation be approved; Mr. Goodin seconded the motion. The motion passed without dissent.**

Jennifer Hudnall presented a Memorandum regarding A2008-0484, Central Kentucky Custom Meats. At the February 20, 2008 KADB meeting, Central Kentucky Custom Meats was approved for \$104,679 in STATE funds as a 0% loan with the option of applying any county funds received within six months as a grant to reduce the amount of the loan. The Casey County Agricultural Diversification Council has committed \$50,000 with a high priority to this project. Staff recommends approving this amount as a grant. **Mr. Dick moved to approve staff recommendation; Mr. Goodin seconded the motion. The motion passed without dissent.**

Michael Judge presented a Memorandum regarding updating the approved species listing for the Forage Improvement & Utilization program. Based on a request from Dr. Ray Smith, U.K. Forage Extension Specialist, staff recommends adding Festulolium to the Cool Season Grasses section of the Forage Program Seed List. **Mr. Henderson moved to approve staff recommendation; Mr. Moore seconded the motion. The motion passed without dissent.**

Recommendations for Funding

There were no Recommendations for Funding presented for approval this month.

Recommendations for No Funding

There were no Recommendations for No Funding presented for approval this month.

Recommendations for Pending Funding

There were no Recommendations for Pending Funds presented for approval this month.

Old Business

Discussion of Concept Changes to Model/Menu Programs

A discussion regarding acceptance of the Concept Changes to Model/Menu programs and their conversion into the County Agricultural Investment Program was led by Todd Harp. **Mr. Hunt moved to approve conceptual Changes to the Model/Menu Programs; Mr. Sidebottom seconded the motion. Mr. Sam Lawson moved to amend the motion**

by lowering the annual limit in Concept 4 from \$7,500 to \$5,000; Mr. Henderson seconded the amendment. The amendment failed. Dean Smith moved to amend the motion by lowering the amount in Concept 5 in that the secondary investment area must be at least 25% of the dollar amount that is allocated to the primary investment area; Mr. Lawson seconded the amendment. The amendment failed. Mr. Lawson moved to amend the motion by lowering the points allowed in Concept 8 for beginning farmers from 10 to 5; Mr. Sidebottom seconded the amendment. The amendment failed. Question was called on the original motion. The motion passed without dissent.

Mr. Lawson requested that the documents containing the guidelines and prioritization sheets be emailed to the KADB members prior to their release. Mr. Thomas committed that the documents would be transmitted to the Board prior to the close of business on Tuesday, March 24.

A discussion regarding the inclusion of the On-Farm Energy Efficiency & Production proposal as an Investment Area was led by Tim Hughes. **Mr. Henderson moved to add On-Farm Energy Efficiency & Production proposal to the County Agricultural Investment Program as an Investment Area and grant the Executive Director the authority to modify the standards and eligible cost share items as necessary; Mr. Lawson seconded the motion. The motion passed without dissent.**

A discussion regarding the 2009 County Agricultural Investment Program Revisions was led by Kylee Smith. **Mr. Lawson moved to approve the 2009 County Agricultural Investment Program Revisions; Mr. Mattingly seconded the motion. The motion passed without dissent.**

A discussion regarding revisions to the 2009 Project Application was led by Michael Judge. **Mr. Mattingly moved to approve the revisions to the Project Application as presented; Mr. Dick seconded the motion. The motion passed without dissent.**

A discussion regarding the Deceased Farm Animal Disposal Assistance Program was led by Tim Hughes and Michael Judge. **Dean Smith moved to approve the Deceased Farm Animal Disposal Assistance Program as presented for a one year time period; Mr. Henderson seconded the motion. The motion passed without dissent.**

Closing Remarks

The next meeting of the Kentucky Agricultural Development Board will convene on Friday, April 17, 2009 at the Franklin County Extension Office, 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: Requested Amendments-Projects & Programs

App # A2008-0041
Applicant Name Bourbon County Fiscal Court
Amount Approved \$20,000.00
Date 3/14/08
Requested Change The applicant requests an additional \$20,000 for the *Hay, Straw, & Commodity Storage* Program. The request received a high priority from the Bourbon County Fiscal Court. 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 \$115,000

Recommendation Approval

App # A2008-0255
Applicant Name LaRue County Farm Bureau of LaRue County, Kentucky
Amount Approved \$60,000
Date 6/27/2008
Requested Change The applicant requests an additional \$38,000 for the *Hay, Straw, & Commodity Storage* Program. The request received a high priority from the LaRue County Farm Bureau of LaRue County, Kentucky. 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 \$98,000.

Recommendation Approval

App # A2008-0347
Applicant Name Elliott County Conservation District
Amount Approved \$24,582.00
Date 7/18/08
Requested Change The applicant requests an additional \$24,582 for the *Hay, Straw, & Commodity Storage* Program. The request received a high priority from the Elliott County Agriculture Diversification 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 \$49,164.00.

Recommendation Approval

App # A2008-0450
Applicant Name Fayette County Conservation District
Amount Approved \$40,000.00
Date 11/21/08
Requested Change The applicant requests an additional \$40,000 for the *On-farm Water Enhancement* Program. The request received a high priority from the Fayette County Agriculture Diversification 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 \$110,000.

Recommendation Approval

APPENDIX B: Requested Withdrawals-Projects & Programs

App#	A2009-0015
Applicant Name	Metcalfe County Fiscal Court
Date of Application	January 5, 2009
Requested Change	The applicant requests to <u>withdraw</u> this project.

Model Programs Recommended for Approval

Shared-use Equipment

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2009-0025	Estill County Conservation District	Estill	\$11,440.00
A2009-0027	Lee County Conservation District	Lee	\$17,000.00
A2009-0033	Woodford Couy Conservation District	Woodford	\$11,594.00
			<hr/> \$40,034.00

Total County Funds Recommended for Approval in Model Programs: **\$40,034.00**