

Kentucky Agricultural Development Board

Minutes of the April 17, 2009 Board Meeting

The Kentucky Agricultural Development Board meeting was held on Friday, **April 17, 2009** at **10:00am EDT**, at the **Franklin County Extension Office, Frankfort, KY**. Mac Stone (designee for Commissioner Richie Farmer) called the meeting to order, and the Secretary called the roll.

Roll Call

Mac Stone (designee for Commissioner Richie Farmer); 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 (designee for Dr. Mary Sias); Dean Scott Smith

Members with Excused Absences: Vickie Yates Brown

Others Present

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

Guests – Tony Brannon, Bill Lawrence, Murray State University; Nathan Routt, Larry Snell, Kentucky Center for Agriculture and Rural Development (KCARD); Steve Coleman, Division of Conservation; Todd Cassidy, Tourism, Arts, & Heritage Cabinet; Kaycie Len Carter, Community Farm Alliance (CFA); Biff Baker, Legislative Research Commission (LRC); Hampton Henton, Henton Farms Incorporated (HFI); Libby Jones, Purchase of Agricultural Conservation Easements (PACE)

Notification of Media

The Board 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

Mr. Moore moved to approve the minutes of the March 20, 2009 meeting as amended to correct for an error on Appendix A: Amendments (replace the page in the mailed Board book with the page from the update folder). Mr. Rankin seconded the motion. The motion passed without dissent.

Executive Director's Report

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

Mr. Thomas reported that he and Joel Neaveill visited Washington, DC and met with representatives of the United States Department of Agriculture (USDA) and members of the Kentucky congressional delegation.

Mr. Thomas called on Joel Neaveill to report on the Fiscal Year 2009-2010 MSA payment.

Mr. Thomas gave a brief update on the April 15, 2009 Tobacco Settlement Agreement Fund Oversight Committee meeting.

Mr. Thomas gave a report on GOAP activities since the last Board Meeting: the Governor's Office of Agricultural Policy (GOAP) staff met with the staff of Kentucky Department of Agriculture (KDA). The meeting was for the GOAP to give KDA an update on the program changes; Tim Hughes attended the Kentucky Poultry Federation 2009 Grower Educational Conference; Mr. Thomas and Joel Neaveill attended a meeting with Kentucky Finance and Administration Cabinet Secretary Jonathan Miller; Bill McCloskey attended the Opportunities In Agricultural Financing Conference; Michael Judge attended the Kentucky Cattlemen's Association (KCA) Board Meeting; Mr. Hughes attended the Kentucky Market Maker meeting; Mr. Hughes attended the Entrepreneurship Initiative Committee Meeting; Mr. Hughes attended the Kentucky Agriculture Heritage Center Board Meeting; Mr. Hughes, Todd Harp, Mr. Neaveill, and Mr. Judge attended the Kentucky Cattlemen Association's (KCA) Beef Network Review.

Sandy Gardner announced that the Governor's Derby Celebration (a.k.a the derby breakfast) would be held from 8:00 a.m. - noon EDT on Saturday, May 2 in Frankfort between the Capitol and Capitol Annex. Ms. Gardner announced that for the first time there would be a farmers' market at the event with members of the Kentucky Farmers' Market Association and the Kentucky Farm Bureau Certified Roadside Farm Market Program participating. All are welcomed to attend the event.

Mr. Judge asked for the Agricultural Development Board (ADB) members to review the Deceased Farm Animal Disposal Assistance Program application in the update folder. Mr. Judge also pointed out that any applications meeting all program requirements would be brought to the Board on a monthly basis for their review and consideration

Mr. Harp gave an update on Project Analyst activities. All Project Analysts have been to numerous counties within the past month and have more meetings on their calendars in the coming weeks.

Mr. Thomas called on Mr. McCloskey to give a report on the financial position of the KAFC. Mr. McCloskey referred to the report in the Board Book (on file with the Board Secretary), which shows the balance of accounts as of March 31, 2009. **Mr. Dick moved that the report be accepted; Dr. Holmes seconded the motion. The motion passed without dissent.**

Mr. Stone gave a brief report from Commissioner Farmer.

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

Old Business

Mike Tobin presented a Memorandum regarding A2003-0099, Cumberland Farm Products, Inc. Cumberland Farm Products, Inc. requests an extension of the deadline established by the KADB at their January 16, 2009 meeting requiring the sale of the Russell Springs property. The extension request would allow the property to be listed with a realtor through December 31, 2009. **Mr. Henderson moved to grant Cumberland Farm Products, Inc. an extension through December 31, 2009. Mr. Lawson seconded the motion. The motion passed without dissent.**

New Business

President Mary Sias joined the meeting at 11:00 a.m. and assumed her position with the Board.

Referral of May 17, 2009 Projects¹

Mr. Stone noted that the referrals were updated to include all applications received before April 10, 2009. Mr. Stone referenced applications A2009-00034, A2009-0035, A2009-0036, A2009-0037, A2009-0038, A2209-0039, A2009-0040, A2009-0041, A2009-0042, A2009-0043, A2009-0044, A2009-0045, A2009-0046, A2009-0047, and A2009-0048 for referral to the Board's May 15, 2009 meeting. **Mr. Goodin moved that said referrals be approved; Mr. Mahan seconded the motion. The motion passed without dissent.**

Requested Amendments² and Withdrawals³

Mr. Stone reviewed two (2) requested amendments and requested the amendment page in the mailed packet be replaced with the one in the update folder. **Dr. Sias moved that said amendments be approved; Mr. Rankin seconded the motion. The motion passed without dissent.**

Mr. Stone reviewed two (2) requested withdrawals. No Board action necessary.

Memo Action Items

Todd Harp presented a Memorandum regarding A2007-0361, Nicholas County Fiscal Court. The Nicholas County Fiscal Court inadvertently returned excess funds that were not originally part of this application. This occurred as a result of a reporting error and resulted in a refund of an additional \$9,000 that should not have been returned. The Nicholas County Council is requesting that these excess funds be returned to the Nicholas County Fiscal Court to be utilized for a project at the Nicholas County fairgrounds. Staff recommends approving this request. **Mr. Dick moved to accept staff recommendation; Mr. Mahan seconded the motion. The motion passed without dissent.**

Recommendations for Funding

Christi Marksburly presented A2008-0439, Dossey Vineyards, LLC dba Purple Toad Winery. Dossey Vineyards, LLC dba Purple Toad Winery requests \$2,500 in McCracken County Funds and \$50,000 in State funds as a 0% interest loan for building a winery and to purchase equipment for the facility in Paducah, Kentucky. Ms. Marksburly 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 A2008-0439 be approved for \$2,500 in McCracken County funds and \$50,000 in State funds as a 0% interest loan; Mr. Hunt seconded the motion. The motion passed without dissent.**

Christi Marksburly presented A2008-0473, Carolines Garden. Carolines Garden requests \$10,000 in Trigg County Funds and \$5,000 in Christian County Funds to develop a model farm program for educational purposes. Ms. Marksburly reviewed the proposed terms and conditions for the project. Staff recommends approving this project pending meeting all state program guidelines and compliance standards. **Mr. Mattingly moved**

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 B.

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

that A2008-0473 be approved for \$10,000 in Trigg County funds and \$5,000 in Christian County funds; Mr. Hunt seconded the motion. The motion passed without dissent.

Christi Marksbury presented A2008-0479, Murray State University. Murray State University requests \$450,000 in State funds for a feasibility study to analyze the effects of replacing or renovating the Breathitt Veterinary Center. Ms. Marksbury reviewed the proposed terms and conditions for the project. Staff recommends approving this project for \$300,000 in State funds pending meeting all state program guidelines and compliance standards. **Mr. Henderson moved that A2008-0479 be approved for \$300,000 in State funds; Dean Smith seconded the motion. The motion passed without dissent.**

Jennifer Hudnall presented A2009-0021, Thoroughbred RC&D Council, Inc. The Thoroughbred RC&D Council, Inc. requests \$883,400 in State funds and \$5,000 in Scott County funds for a purchase of conservation easements program in Scott County. Ms. Hudnall reviewed the proposed terms and conditions for the project. Staff recommends approving this project for \$5,000 in Scott County funds pending meeting all state program guidelines and compliance standards. Mr. Stone recognized Ms. Libby Jones who read a letter from the PACE Board supporting the project. Discussion followed. **Mr. Lawson moved to pend A2009-0021 and to refer it to the ADB Farmland Preservation Committee for further study to see if KAFC bonding authority could be utilized to develop a limited pool of funds to support programs of this type; Mr. Rankin seconded the motion. The motion passed without dissent.**

Mr. Thomas confirmed that the Farmland Preservation Committee consisted of the following ADB members: Jim Mahan (Chairman), Rodney Dick, and Commissioner Richie Farmer. Mr. Thomas appointed Wayne Hunt to fill the vacant position on the committee. Mr. Thomas announced that a meeting of the committee would be scheduled in the near future.

Jennifer Hudnall presented A2009-0024, Washington County Cattlemen Association, Inc. The Washington County Cattlemen Association, Inc. requests \$51,000 in Washington County funds to offer a seeding program to establish switchgrass plots in Washington County. Ms. Hudnall reviewed the proposed terms and conditions for the project. Staff recommends approving this project pending meeting all state program guidelines and compliance standards. **Mr. Goodin moved that A2009-0024 be approved for \$51,000 in Washington County funds; Mr. Hunt seconded the motion. The motion passed without dissent.**

Jennifer Hudnall presented A2009-0026 Lincoln County Beekeepers, Inc. The Lincoln County Beekeepers, Inc. requests \$6,500 in Lincoln County funds to educate farmers and beekeepers on honey production and provide cost share assistance to acquire equipment for production, packaging and marketing of honey. Ms. Hudnall 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 A2009-0026 be approved for \$6,500 in Lincoln County funds; Mr. Moore seconded the motion. The motion passed without dissent.**

Michael Tobin presented A2009-0029, Jessamine County FFA Alumni Association, Inc. The Jessamine County FFA Alumni Association, Inc. requests \$9,000 in Jessamine County

funds for a student project cost-share program. 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. Mahan moved that A2009-0029 be approved for \$9,000 in Jessamine County funds; Mr. Rankin seconded the motion. The motion passed without dissent.**

Michael Tobin presented A2009-0030, Shady Lawn Farm. Shady Lawn Farm requests \$2,639 in State funds and \$5,000 in Bracken County funds for an expansion of their dairy goat operation. Mr. Tobin reviewed the proposed terms and conditions for the project. Staff recommends approving this project for \$5,000 in Bracken County funds only pending meeting all state program guidelines and compliance standards. **Mr. Hunt moved that A2009-0030 be approved for \$5,000 in Bracken County funds; Mr. Dick seconded the motion. The motion passed without dissent.**

Christi Marksbury presented A2009-0032, Grayson County Conservation District. The Grayson County Conservation District requests \$6,000 in Grayson County funds to administer an educational welding program for tobacco dependent farmers. 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. Rankin moved that A2009-0032 be approved for \$6,000 in Grayson County funds; Mr. Henderson seconded the motion. The motion passed without dissent.**

Recommendations for No Funding

Christi Marksbury presented A2008-0427, Crooked River Farms, LLC. The Crooked River Farms, LLC requests \$68,000 in State funds to build a farmers market and develop an agri-tourism area. Staff recommends no-funding this project since the applicant was unable to document significant benefit to other producers. **Dr. Sias moved to accept staff recommendation; Mr. Lawson seconded the motion. The motion passed without dissent.**

Christi Marksbury presented A2008-0480, Western Kentucky University Research Foundation, Inc. The Western Kentucky University Research Foundation, Inc. requests \$125,535 in State funds to develop a pilot program for a food manufacturing laboratory. Staff recommends no-funding this project due to lack of benefit for Kentucky producers. **Mr. Mattingly moved to accept staff recommendation; Dr. Sias seconded the motion. The motion passed without dissent.**

Closing Remarks

The next meeting of the Kentucky Agricultural Development Board will convene at 10:00 a.m. EDT on **Friday, May 15, 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 12:12 p.m.

APPROVED: _____

PRESIDING OFFICER: _____

SECRETARY: _____

