

The actions delineated below were taken in open session of the KADB at the July 17, 2009 regular board 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 (GOAP), 404 Ann Street, Frankfort, KY 40601

**Kentucky Agricultural Development Board
Summary Minutes of the Business Meeting
Kentucky State University
400 East Main Street
Cooperative Extension Building, Conference Room 238
Frankfort, Ky 40601
Friday, July 17, 2009**

Call to Order

Chairman Richie Farmer called the meeting to order at 10:00 a.m. (EDT).

Roll Call

The following members were present: Commissioner Richie Farmer; Vickie Yates Brown; Karen Curtis; Rodney Dick; Don Goodin (designee for Secretary Larry Hayes); Pat Henderson; Wayne Hunt; Sam Lawson; Jim Mahan; Sam Moore; Troy Rankin; Jim Sidebottom; Dr. Kimberly Holmes (designee for Dr. Mary Sias); Dean Scott Smith

Members with excused absences: Wayne Mattingly

Notification of Media

Commissioner Farmer received verification that the media had been notified of the Kentucky Agricultural Development Board (KADB) monthly meeting.

Welcome

Commissioner Farmer welcomed everyone to the meeting and gave an update on recent Kentucky Department of Agriculture events and activities.

Approval of Minutes

Pat Henderson moved to approve the minutes of the June 19, 2009 meeting as presented. Dean Scott Smith seconded the motion.

Vote: Motion Passed, Unanimous

Executive Director's Report

Commissioner Farmer called on Roger Thomas to give the Executive Director's Report.

Mr. Thomas introduced Karen Curtis as the newly appointed KADB member and recognized Angela Blank as the Governor's Office of Agricultural Policy (GOAP) World Equestrian Games Agricultural Liaison and Director of Public Affairs.

Mr. Thomas informed the KADB that George Begley, Kenneth Burdine and Peggy Peterson were recently appointed to the Kentucky Agricultural Finance Board (KAFC).

Mr. Thomas called attention to the expired application notice found in the update folder regarding A2008-0357 – Lions Club, Inc. of Temple Hill.

Mr. Thomas reminded the board members to turn in their 2009 Kentucky State Fair room requests and related information to Kylee Smith before they leave today and called attention to the invitation to the Kentucky Commodity Appreciation Breakfast in the update folder.

Mr. Thomas gave a report on GOAP activities since the last Board Meeting: Mr. Thomas attended a taping of Bluegrass and Back roads with First Lady Jane Beshear; Mr. Thomas, Mr. Neaveill, and Ms. Blank attended an initial orientation meeting with new KADB member Ms. Curtis; Mr. Thomas attended the First Lady Community Garden press conference, a meeting in Leitchfield with Senator Carroll Gibson, a meeting with representatives from the Kentucky Cabinet for Economic Development and Bel Cheese Inc., and a meeting with Ms. Virginia Flanagan concerning the Agricultural Heritage Center; Mr. Thomas, Joel Neaveill, Angela Blank, Kylee Smith, and Jennifer Daniels attended Kentucky Association of Conservation Districts Annual meeting; Tim Hughes attended the Aquaculture Task Force Meeting; Mr. Thomas, Mr. Hughes, and Michael Judge attended a meeting with representatives from Community Ventures, Inc. and Kentucky State University; Mr. Thomas and Ms. Blank attended the World Equestrian Games Arena Grand Opening; GOAP Staff conducted an orientation meeting with new KAFC board members; Mr. Thomas and Ms. Blank attended the Glasgow Rotary Club meeting.

Mr. Thomas and Commissioner Farmer gave an update on the World Equestrian Games preparations.

Mr. Thomas reported on the July 1, 2009 Tobacco Settlement Agreement Fund Oversight Meeting and that the next meeting would be held on August 5, 2009. He invited any available KADB member to attend.

Mr. Thomas reported that the location of the October 16, 2009 KADB meeting would be at the Carter Caves State Resort Park in Olive Hill in Carter County, Kentucky.

Mr. Thomas recognized Representative Lonnie Napier for attending the meeting.

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

Discussion of Project Applications and Presentations/Reports

The KADB members and the GOAP staff held a discussion session regarding pending applications. The members were provided updates regarding the status of the following applications:

- A2008-0444 - Katelyn's Honey, Inc.
- A2008-0447 - Anderson's Victory Haven Training Center, LLC
- A2009-0023 - Marksberry Farm Foods, LLC
- A2009-0028 - Owens Garden Center, LLC - Mark Owens addressed the Board concerning this application.
- A2009-0031 - Grasshoppers Distribution, LLC
- A2009-0035 - Cravens Farm Greenhouse
- A2009-0037 - Elliott County Extension District Board
- A2009-0038 - Elliott County Extension District Board
- A2009-0039 - Crystal Bridge Fish Farm Limited Liability Company - Rocky Allen, Angela Caporelli and Dr. James Tidwell addressed the Board concerning this application.
- A2009-0041 - Kentucky Organic Farm and Feed, Inc.
- A2009-0045 - Eastern Kentucky University - Dr. Don Llewellyn addressed the Board concerning this application.
- A2009-0047 - The Kentucky Center for Agriculture and Rural Development, Inc.
- A2009-0057 - University of Kentucky - University of Kentucky Food Systems Innovation Center- Dr. Greg Rentfrow made a presentation concerning this application. Dr. Rentfrow introduced application participants Dr. Timothy Woods and Dr. Wuyang Hu. Mr. Thomas appointed an Application Advisory Committee for this application consisting of Rodney Dick, Jim Sidebottom, Mr. Henderson, and Sam Moore.
- A2009-0071 - Washington County Cattlemen Association, Inc. - Rick Greenwell addressed the Board concerning this application.

The meeting adjourned for lunch at 12:12 p.m. and reconvened at 1:12 p.m.

Mac Stone (designee for Commissioner Farmer) assumed the responsibilities of the chair.

- A2009-0074 - Breckinridge County Board of Education
- A2009-0088 - Bath County Agricultural Extension Foundation, Inc.
- A2009-0089 - Bluegrass Community & Technical College Foundation, Inc.
- A2009-0103 - Owensboro Regional Farmers' Market, Inc.
- A2009-0111 - Mercer County 4-H Council, Incorporated
- A2009-0115 - Daviess County Soil Conservation District
- A2009-0116 - Kentuckiana Livestock Market, Inc.
- A2009-0118 - Clark County Conservation District
- A2009-0119 - Elliott County Extension District Board
- A2009-0120 - Harrison County Extension District Board
- A2009-0121 - Robertson County Board of Education
- A2009-0122 - Kentucky Beef Network, LLC, - Dave Maples, and Charles Miller made a presentation concerning this application. Mr. Maples introduced application participants Kelly Tucker, John Stevenson, Becky Bennett, Ben Lloyd, Sam White, Ron Shrout, Greg Cole, Dr. Les Anderson, and

Greg Robey. Mr. Thomas appointed an Application Advisory Committee for this application consisting of Jim Mahan, Don Goodin, Sam Lawson, and Mr. Moore.

A2009-0123 - Crocker Farm Winery LLC

A2009-0124 - City of Beaver Dam

A2009-0125 - Daviess County Soil Conservation District

A2009-0126 - Sara Cavill DBA Twilight Riding School - Greg Cavill addressed the Board concerning this application.

A2009-0127 - Kentucky Forage & Grassland Council - Dr. Ray Smith addressed the Board concerning this application. Dr. Smith introduced application participant Tom Keene. Mr. Thomas appointed an Application Advisory Committee for this application consisting of Troy Rankin, Mr. Henderson, Wayne Hunt and Ms. Curtis.

A2009-0128 - The Agriculture Communications Association, Inc.

A2009-0132 - The Kentucky Sheep and Goat Development Office – Kathy Meyer and Ray Bowman made a presentation concerning this application.

No action was taken on any items during the discussion session.

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 update folders showing the balance of accounts as of June 30, 2009. **Dr. Kimberly Holmes moved that the report be accepted; Mr. Sidebottom seconded the motion.**

Vote: Motion Passed, Unanimous

New Business

County Agricultural Investment Program (CAIP) Recommendations¹

Mr. Stone referenced for the Board's consideration twenty (20) CAIP applications, requesting county funds totaling \$4,414,270, which meet program guidelines and compliance standards. **Mr. Moore moved for approval of the submitted CAIP applications as presented; Mr. Lawson seconded the motion.**

Vote: Motion Passed, Unanimous

Other Programs Recommended for Approval²

Deceased Farm Animal Disposal Assistance Program (DFADAP)

Mr. Stone referenced for the Board's consideration six (6) DFADAP applications, requesting county funds totaling \$32,590, which meet program guidelines and compliance standards. **Dr. Holmes moved for approval of the submitted DFADAP applications as presented; Mr. Mahan seconded the motion.**

Vote: Motion Passed, Unanimous

Shared-use Equipment Program

¹ A detailed list of projects funded under each C.A.I.P. Recommendations is attached as Appendix A.

² A detailed list of requested Programs Recommended for Approval is attached as Appendix B.

Mr. Stone referenced for the Board's consideration two (2) Shared-use Equipment applications, requesting county funds totaling \$16,560, which meet program guidelines and compliance standards. **Mr. Sidebottom moved for approval of the submitted Shared-use Equipment Program applications as presented; Mr. Rankin seconded the motion.**

Vote: Motion Passed, Unanimous

Program Amendments³

Mr. Stone referenced for the Board's consideration three (3) program amendments requesting county funds totaling \$172,500. **Dean Smith moved for approval of the submitted amendments as presented; Mr. Rankin seconded the motion.**

Vote: Motion Passed, Unanimous

Memo Action Items

Kylee Smith presented a Memorandum regarding A2006-0021, Lan Mark Farm LLC. On March 12, 2006 the KADB approved A2006-0021 for \$50,000 in State funds in the form of an agri-tourism awards forgivable loan to construct a retail shop building to sell Kentucky products. The project legal agreement states that forgiveness shall be based on the purchase of Kentucky products raised, grown, or produced on a Kentucky farm with a history of tobacco dependence. Staff recommends modifying the legal agreement to state that forgiveness shall be based on the purchase of Kentucky products raised, grown, or produced on a Kentucky farm. **Mr. Lawson moved to accept the staff recommendation; Dr. Holmes seconded the motion.**

Vote: Motion Passed, Unanimous

Christi Marksburly presented a Memorandum regarding A2008-0126, Webb's Butcher Block, LLC. On August 15, 2008 Webb's Butcher Block, LLC. was approved for \$1,000 in Meade County funds as a grant and \$124,000 in State funds as a 0% interest loan. To date, \$13,750 has been spent. Webb's is requesting to use remaining funds to purchase an additional smokehouse for their business. This smokehouse will enhance the volume of value-added products being sold to consumers. Staff recommends approving this request for the additional purchase. **Mr. Mahan moved to accept the staff recommendation and added that staff is to confirm that this purchase fits within the terms and conditions of the original legal agreement; Dr. Holmes seconded the motion. Mr. Lawson moved to amend the motion by adding that the purchase be limited to \$60,000 and that any funds remaining revert back to the KADB; Mr. Hunt seconded the amendment.**

**Vote: Amendment Passed, Unanimous
Motion as Amended Passed, Unanimous**

Todd Harp presented a Memorandum regarding A2008-0339, Buffalo

³ A detailed list of requested *amendments* approved is attached as Appendix C.
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Trace Development District, Inc. The Buffalo Trace Development District, Inc. is requesting an additional \$50,000 in Bracken County funds to continue their "Hillside Reclamation" project that was approved at the August 15, 2008 meeting of the KADB. The request received a high priority from Bracken County Agricultural Development Council. Staff recommends approving this request. **Mr. Goodin moved to accept the staff recommendation; Mr. Lawson seconded the motion.**

Vote: Motion Passed, Unanimous

Christi Marksbury presented a Memorandum regarding A2009-0043, Logan County Extension District. The Logan County Extension District was approved for \$100,000 in Logan County funds and \$5,000 in Todd County funds at the June 19, 2009 KADB meeting. Since this approval, the Simpson County Agricultural Development Council and the Warren County Agricultural Development Council have committed \$5,000 each in county funds toward this project. Staff recommends approval of the additional \$10,000 from Simpson and Warren counties toward this project. **Mr. Moore moved to accept the staff recommendation; Mr. Mahan seconded the motion.**

Vote: Motion Passed, Unanimous

Christi Marksbury presented a Memorandum regarding A2009-0099, The Hardin County Fiscal Court. The Hardin County Fiscal Court was approved for \$5,226 in county funds at the June 19, 2009 KADB meeting to implement the Deceased Farm Animal Disposal Assistance Program. Due to contract services cost increases the final budget will be \$37,500 for the fiscal year beginning July 1, 2009. Hardin County is now eligible for the full \$7,500 allowed by the DFADAP. The Hardin County Fiscal Court is requesting the additional \$2,274 in Hardin County funds for the program and staff recommends approving this request. **Dean Smith moved to accept the staff recommendation; Dr. Holmes seconded the motion.**

Vote: Motion Passed, Unanimous

Jennifer Hudnall presented a Memorandum regarding A2009-0112, The Carroll County Agriculture Development Fund, Inc. At the June 19, 2009 Agricultural Development Board Meeting, the Carroll County Agricultural Development Fund, Inc. was approved for a CAIP in the amount of \$149,000 in Carroll County funds. There were insufficient funds in the Carroll County account to cover both this program and the requested administrative funds. The applicant has requested to amend this amount down to \$147,995. Staff recommends approving this request. **Dean Smith moved to accept the staff recommendation; Mr. Goodin seconded the motion.**

Vote: Motion Passed, Unanimous

Old Business

Mr. Lawson moved that the KADB enter into closed session to discuss pending litigation pursuant to KRS 61.810 (1) (c) and to discuss the appointment of an employee pursuant to KRS 61.810 (1) (f). Mr. Sidebottom seconded the motion.

Vote: Motion Passed, Unanimous

The room was secured and the KADB meeting entered closed session at 3:37 p.m. Mr. Lawson moved to return to open session; Mr. Goodin seconded the motion.

Vote: Motion Passed, Unanimous

Open session reconvened at 4:00 p.m. No action was taken was taken during closed session.

Closing Remarks

The next meeting of the Kentucky Agricultural Development Board will convene on Friday, August 21, 2009 at the Kentucky Exposition Center in Louisville, Ky. Ample notification of room location and meeting start time will be provided.

Mr. Mahan moved to adjourn; Mr. Sidebottom seconded the motion.

Vote: Motion Passed, Unanimous

The meeting adjourned at 4:15 p.m. EDT

APPROVED: _____

PRESIDING OFFICER: _____

SECRETARY: _____

APPENDIX A: County Agricultural Investment Program (C.A.I.P.)
Recommended for Approval

C.A.I.P.			
<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2009-0129	Simpson County Conservation District	Simpson	\$84,420.00
A2009-0131	Lyon County Conservation District	Lyon	\$30,199.00
A2009-0133	Gallatin County Livestock Association, Incorporated	Gallatin	\$111,000.00
A2009-0135	Adair County Cattlemen's Association, Inc.	Adair	\$200,000.00
A2009-0136	Anderson County Farm Bureau, Inc.	Anderson	\$129,651.00
A2009-0137	Barren County Conservation District	Barren	\$400,000.00
A2009-0138	Clinton/Cumberland Cattlemen's Assoc., Inc.	Cumberland	\$150,000.00
A2009-0139	Shelby County Cattlemen, Inc.	Shelby	\$334,513.00
A2009-0141	Warren County Conservation District	Warren	\$212,457.00
A2009-0142	Kenton County Farm Bureau, Inc.	Kenton	\$120,000.00
A2009-0144	Jackson County Cattlemen's Association Incorporated	Jackson	\$200,000.00
A2009-0145	LaRue County Beef Cattle Association, Inc.	LaRue	\$130,000.00
A2009-0148	Scott County Conservation District	Scott	\$387,678.00
A2009-0149	Marion County Extension District Building Foundation, Inc.	Marion	\$290,000.00
A2009-0151	Green County Cattlemen's Association, Inc.	Green	\$315,000.00
A2009-0154	Hart County Cattlemen's Association, Inc.	Hart	\$342,424.00
A2009-0155	Clinton County Farm Bureau, Inc./ Of Albany, Kentucky	Clinton	\$160,000.00
A2009-0158	Buffalo Trace Area Development District, Inc	Bracken	\$300,000.00
A2009-0160	Fleming County Conservation District	Fleming	\$316,472.00
A2009-0163	Elliott County Conservation District	Elliott	\$200,456.00
			\$4,414,270.00

Total County Funds Recommended for Approval in County Agricultural Investment Programs
\$4,414,270.00

APPENDIX B: Programs Recommended for Approval

Deceased Farm Animal Disposal Assistance Program

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2009-0130	Simpson County Conservation District	Simpson	\$3,600.00
A2009-0134	Adair County Soil Conservation District	Adair	\$2,890.00
A2009-0146	Meade County Conservation District	Meade	\$3,600.00
A2009-0153	Boyle County Farm Bureau Federation	Boyle	\$7,500.00
A2009-0156	Clark County Fiscal Court	Clark	\$7,500.00
A2009-0161	Montgomery County Fiscal Court	Montgomery	\$7,500.00
			\$32,590.00

Shared-use Equipment

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2009-0143	Northern Kentucky Cattle Association, Inc.	Kenton	\$6,560.00
A2009-0162	Elliott County Conservation District	Elliott	\$10,000.00
			\$16,560.00

Total County Funds Recommended for Approval in Programs: **\$49,150.00**

APPENDIX C: Requested Amendments-Projects & Programs

App # **A2008-0277**
Applicant Name **LaRue County Goat Producers Association, Inc.**
 Amount Approved \$5,000.00
 Date June 27, 2008
 Requested Change The applicant requests an additional \$2,365 for the *Goat & Sheep Diversification Model Program*. The request received a high priority from the LaRue County Agricultural Development Council. The term of the program shall remain 12-months from the execution date of the original Legal Agreement. Approval of this request brings the program total to \$7,365.
 Recommendation Approval

App # **A2008-0365**
Applicant Name **Woodford County Agriculture Advancement Council**
 Amount Approved \$95,000.00
 Date May 7, 2009
 Requested Change The applicant requests an additional \$3,818 for a menu approach program, including the following programs: *Agricultural Diversification, Hay, Straw, & Commodity Storage, and Technology Model Program, in.* The request received a high priority from the Woodford County Agricultural Development Council. The term of the program shall remain 18-months from the execution date of the original Legal Agreement. Approval of this request brings the program total to \$98,818.
 Recommendation Approval

App # **A2009-0073**
Applicant Name **Green River Area Beef Improvement Group, Inc.**
 Amount Approved \$72,500.00
 Date June 19, 2009
 Requested Change The applicant requests an additional \$6,700 for the C.A.I.P. program. The request received a high priority from the McLean County Agricultural Development Council. The term of the program shall remain 12-months from the execution date of the original Legal Agreement. Approval of this request would bring the program total to \$79,200.
 Recommendation Approval