

The actions delineated below were taken in open session of the KADB at the September 18, 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 (KADB)
Summary Minutes of the Business Meeting
Franklin County Extension Office, Frankfort, KY
Friday, September 18, 2009**

Call to Order

Chairman Mac Stone (designee for Commissioner Richie Farmer) called the meeting to order at 10:10 a.m. (EDT).

Roll Call

The following members were present: Vickie Yates Brown; Rodney Dick; Don Goodin (designee for Secretary Larry Hayes); Pat Henderson; Wayne Hunt; Sam Lawson; Wayne Mattingly; Sam Moore; Troy Rankin; Dr. Mary Sias; Jim Sidebottom; Dean Scott Smith; Mac Stone.

Members with excused absences: Karen Curtis, Jim Mahan

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 meeting and gave an update on Kentucky Department of Agriculture events and activities.

Approval of Minutes

Dean Scott Smith moved to approve the minutes of the August 21, 2009 meeting as presented. Jim Sidebottom seconded the motion.

Vote: Motion Passed, Unanimous

Executive Director's Report

Mr. Stone called on Joel Neaveill to give the Executive Director's Report.

Mr. Neaveill gave an update on the health condition of Roger Thomas and Angela Blank following their accident.

Mr. Neaveill reported that the next KADB meeting will be held at Carter Caves State Resort Park near Olive Hill, KY on October 16, 2009. The meeting will convene at 9:00 a.m. (EDT).

Mr. Neaveill informed the KADB that in the update packet there is a monitoring and compliance update memo from Kylee Smith, an updated KADB member standing committee assignment listing, and an article about how farmers markets at attracting new vendors.

Mr. Neaveill reported on the September 2, 2009 Tobacco Settlement Agreement Fund Oversight Committee Meeting and that the next meeting would be held on October 14, 2009. He invited any available KADB member to attend.

Mr. Neaveill reported on the following meetings and activities that Roger Thomas, Executive Director of the Governor's Office of Agricultural Policy (GOAP) attended between the August and September KADB meetings. Mr. Thomas attended the following Kentucky Farm Bureau Ham Breakfast, the Interim Joint Committee on Agriculture, the Kentucky State Fair Sale of Champions, the Kentucky Cattlemen's Association/Kentucky Farm Bureau Veterinarian Loan Committee, the Biomass Task Force Meeting, the Scottsville Kiwanis meeting, the Winchester Wal-Mart Grand Opening, the Kentucky Rural Energy Consortium meeting, the Mercer County Kentucky Farm Bureau Meeting, the press conference on the Farm Energy Efficiency and Renewable Energy Partnership at the Doug Langley Farm in Shelbyville, a meeting with a Chinese Delegation, and the Leadership Kentucky meeting.

KADB member Rodney Dick reported on the Kentucky Horticulture Council Advisory Committee meeting.

Christi Marksburly and Pat Henderson reported on the progress of the Breathitt Veterinary Center project.

No action was taken on the Executive Director's report

Mr. Neaveill called on Bill McCloskey to give a report on the financial position of the Kentucky Agricultural Finance Corporation (KAFC). Mr. McCloskey referred to the report found in the update packet showing the balance of accounts as of August 31, 2009. **Mr. Henderson moved that the report be accepted; Troy Rankin seconded the motion.**

Vote: Motion Passed, Unanimous

Reports

Todd Harp informed the KADB that representatives from Bath County will not be able to attend and give the scheduled report on A2003-0081 – Bath County Agricultural Extension Foundation, Inc. Mr. Harp confirmed with KADB that they wish for that report to be rescheduled for a later meeting.

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
- A2008-0447 - Anderson Victory Haven Training Center, LLC
- A2009-0023 - Marksby Farm Foods, LLC
- A2009-0028 - Owens Garden Center, LLC
- A2009-0031 - Grasshoppers Distribution, L.L.C.
- A2009-0035 - Cravens Farm Greenhouse
- A2009-0037 - Elliott County Extension District Board
- A2009-0057 - University of Kentucky

Dr. Robert Harmon addressed the Board and submitted an addendum to the application.

- A2009-0127 - Kentucky Forage & Grassland Council
- A2009-0128 - The Agriculture Communications Association, Inc.
- A2009-0140 - Jackson's Orchard & Nursery, Inc
- A2009-0159 - Fleming County Fiscal Court
- A2009-0167 - J & Sons Meats & Processing, LLC
- A2009-0181 - Lions Club, Inc. of Temple Hill
- A2009-0185 - Grant County Cattlemens Association, Inc.
- A2009-0186 - Grant County Fair, Inc.
- A2009-0189 - Thoroughbred RC & D Council, Inc.
- A2009-0191 - Southern Wood Designs
- A2009-0194 - Chrisman Mill Vineyards, Inc.

Denise Nelson and Susan Easley addressed the Board concerning this application.

The meeting recessed for lunch at 12:10 p.m. (EDT) and reconvened at 12:53 p.m. (EDT).

- A2009-0190 - Valley Vegetables, Inc.
Randy Qualls, Jerry Twinam, and Clarence Doyle addressed the Board concerning this application. An application advisory committee consisting of Mr. Dick, Jim Mahan, Mr. Rankin, and Dr. Sias was assigned to this application.
- A2009-0122 - The Kentucky Beef Network-Value Added Marketing
Dr. Lee Meyer addressed the KADB concerning an amendment to this project and reported on the progress of the related project A2005-0460.
- A2009-0192 - Pelly's Farm Fresh
David and Esli Pelly addressed the KADB concerning this application.
- A2009-0193 - Bluegrass Lamb & Goat, LLC
Gil Myers addressed the KADB concerning this application.
- A2009-0195 - Laurel County Extension District
- A2009-0196 - The Little Kentucky River Winery, LLC
- A2009-0197 - Fayette County Rural Land Management Board, Inc.
Billy Van Pelt addressed the Board concerning this application.
- A2009-0198 - Nicholas County Fiscal Court

A2009-0199 - Washington County Cattlemen Association, Inc.
A2009-0200 - Flaggy Meadow Fiber Works, LLC

Discussion ensued but no action was taken on any items.

Old Business

Diane Fleming gave the KADB an update on legal issues. Ms. Fleming informed the KADB about the latest auditor's report, gave an update on projects related to Cumberland Farm Products Association, Inc., Blazing Blocks Firewood, Farmer Bill's, LLC, and reported that the compliance staff are working on a master list of past projects.

Mr. Harp reported on the progress of the Bramble Ridge Orchard, LLC project located in Montgomery County.

New Business

County Agricultural Investment Program (CAIP) Recommendations¹

Mr. Stone referenced for the Board's consideration five (5) CAIP applications, requesting county funds totaling \$917,239 that meet program guidelines and compliance standards. **Don Goodin moved for approval of the submitted CAIP applications as presented; Mr. Sidebottom 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 four (4) DFADAP applications, requesting county funds totaling \$17,559, that meet program guidelines and compliance standards. **Mr. Dick moved for approval of the submitted DFADAP applications as presented; Mr. Goodin seconded the motion.**

Vote: Motion Passed, Unanimous

Program Amendments³

Mr. Stone referenced for the Board's consideration two (2) program amendments requesting county funds totaling \$319,752. **Mr. Mattingly moved for approval of the submitted amendments as presented; Mr. Rankin seconded the motion.**

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.

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

Vote: Motion Passed, Unanimous

No Funding Recommendations

A2009-0208 - Montgomery County Soil Conservation District. Montgomery County Soil Conservation District is requesting \$278,000 in Montgomery County funds to administer the County Agricultural Investment Program for producers in Montgomery County. Staff recommends to No Fund this application due to the Montgomery County Agricultural Council having chosen a different administrator. **Sam Moore moved for approval of the submitted amendments as presented; Dr. Mary Sias seconded the motion.**

Vote: Motion Passed, Unanimous

Memo Action Items

Jennifer Hudnall presented a Memorandum regarding A2003-0493, Broad Run Vineyards. At the July 18, 2003 KADB meeting, Broad Run Vineyards was approved for a forgivable loan consisting of \$47,750 in State funds and \$1,000 in Jefferson County funds for an expansion of its winery facility in Jefferson County. Forgiveness for this project currently includes the purchase of grapes, honey, fruits and juices that are grown or produced in Kentucky. Broad Run Vineyard is requesting to modify their contract to include forgiveness for other Kentucky Proud food products that are ideally suited for wine tastings and for sale at a winery gift shop such as sauce, jam, salsa and cheese. Staff recommends approving this request. **Wayne Hunt moved to accept the staff recommendation; Wayne Mattingly seconded the motion.**

Vote: Motion Passed, Unanimous

Jennifer Hudnall presented a Memorandum regarding A2007-0420, Kentucky Community & Technical College System (KCTCS). At the December 27, 2007 KADB meeting, KCTCS was approved for \$210,000 in State funds for the continuation of the advanced and basic computer training for farmers. To date, this program has served over 1500 students. KCTCS has requested to extend the program through January 1, 2010 to expend \$33,851 in leftover funds to serve additional students. Staff recommends approving this request. **Mr. Dick moved to accept the staff recommendation; Mr. Rankin seconded the motion.**

Vote: Motion Passed, Unanimous

Todd Harp presented a Memorandum regarding A2008-0339, Buffalo Trace Area Development District, Inc. At the July 17, 2009 KADB meeting, the Buffalo Trace Area Development District, Inc. was approved for an additional \$50,000 to continue their "Hillside Reclamation" project. The project has been approved for a total of \$100,000 in Bracken County funds. The Buffalo Trace Area Development District, Inc. is requesting to extend the term of the project until September 30,

2010. All other terms and conditions of the existing legal agreement shall remain in effect. Staff is recommending approval of this request. **Mr. Moore moved to accept the staff recommendation; Mr. Henderson seconded the motion.**

Vote: Motion Passed, Unanimous

Christi Marksbury presented a Memorandum regarding A2009-0042, Memphis Bioworks Foundation. At the June 19, 2009 KADB meeting Memphis Bioworks Foundation - AgBio was approved for \$1,000 in county funds, consisting of \$250 each from Ballard, Carlisle, Calloway, and Graves counties, Funds will be used to develop a regional business plan and implementation strategy called the "Regional Strategy for Biobased Products in the Mississippi Delta" for the Purchase area. Memphis Bioworks Foundation had applied to additional counties for funding towards this project. Marshall County committed \$250 to this project. Staff recommends approval of the additional \$250 from Marshall County. **Mr. Goodin moved to accept the staff recommendation; Mr. Sidebottom seconded the motion.**

Vote: Motion Passed, Unanimous

Christi Marksbury presented a Memorandum regarding A2007-0487, O'Bryan Grain Farm, Inc. O'Bryan Grain Farm was awarded \$364,030 in State funds, \$4,777 in Daviess County funds, and \$432 in Henderson County funds as a cost-reimbursement grant to construct and evaluate a swine facility that will allow producers to compost swine manure within the facility. \$25,000 of the State funds awarded was disbursed to the University of Kentucky Research Foundation for the research portion of the project. To date \$304,264 has been spent in approved budget categories. O'Bryan Grain Farm, Inc. is requesting to amend the legal agreement to include for the purchase of a compost windrow turner and polypropylene sheeting for pen dividers for a total of \$42,642. Staff recommends approval of this change in the legal agreement. **Mr. Henderson moved to accept the staff recommendation and that any funds remaining in the original allocation after this amendment would revert back to the Kentucky Agricultural Development fund; Wayne Lawson seconded the motion.**

Vote: Motion Passed, Unanimous

Closing Remarks

The next meeting of the Kentucky Agricultural Development Board is scheduled to convene on **Friday, October 16, 2009** at Carter Caves State Resort Park at 9:00 a.m. (EDT). Note time and location of meeting subject to change; ample notification will be given if such a change occurs.

Dr. Sias moved to adjourn; Mr. Henderson seconded the motion.

Vote: Motion Passed, Unanimous

The meeting adjourned at **3:37 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>
A2009-0201	Allen County Conservation District	Allen	\$180,580.00
A2009-0204	Rockcastle County Conservation District	Rockcastle	\$270,000.00
A2009-0205	Knox County Soil Conservation District	Knox	\$131,090.00
A2009-0206	Caldwell-Lyon Cattlemen's Association	Caldwell	\$65,569.00
A2009-0207	Montgomery County Cattlemen's Association, Inc.	Montgomery	\$270,000.00
			<hr/> \$917,239.00

Total County Funds Recommended for Approval in County Agricultural Investment Programs
\$917,239.00

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>
A2009-0075	Lincoln County Fiscal Court	Lincoln	\$7,500.00
A2009-0188	Barren County Conservation District	Barren	\$3,333.00
A2009-0202	Allen County Conservation District	Allen	\$5,226.00
A2009-0209	Pendleton County Soil Conservation District	Pendleton	\$1,500.00
			\$17,559.00

Total County Funds Recommended for Approval in Programs: **\$17,559.00**

Appendix C: Requested Amendments-Projects & Programs

App #	A2009-0049
Applicant Name	Owsley County Conservation District
Amount Approved	\$116,000
Date Approved	May 15, 2009
Date Executed	June 29, 2009
Requested Change	The applicant requests an additional \$307,752 for C.A.I.P. The request received a high priority from the Owsley County Agricultural Development Council. 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 \$423,752.
Recommendation	Approval
App #	A2009-0131
Applicant Name	Lyon County Conservation District
Amount Approved	\$30,199
Date Approved	July 17, 2009
Date Executed	August 13, 2009
Requested Change	The applicant requests an additional \$12,000 for C.A.I.P. The request received a high priority from the Lyon County Agricultural Development Council. 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 \$42,199.
Recommendation	Approval