

The actions delineated below were taken in open session of the Kentucky Agricultural Development Board at the December 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
Summary Minutes of the Business Meeting
Kentucky Horse Park, Lexington, KY
Friday, December 18, 2009**

Call to Order

Chairman Mac Stone (designee for Commissioner Richie Farmer) called the meeting to order at 10:00 a.m. (EST).

Roll Call

The following members were present: Vickie Yates Brown; Karen Curtis; 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; Mac Stone.

Notification of Media

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

Mr. Stone called on Angela Blank to introduce First Lady Jane Beshear, John Nicholson, Executive Director, Kentucky Horse Park, and John Long, Chairman of the Board, World Equestrian Games. Mrs. Beshear, Mr. Nicholson, and Mr. Long addressed the board concerning the 2010 FEI Alltech World Equestrian Games.

Approval of Minutes

Rodney Dick moved to approve the minutes of the November 20, 2009 meeting as presented. Troy Rankin seconded the motion.

Vote: Motion Passed, Unanimous

Executive Director's Report

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

Mr. Thomas introduced John McCauley, Executive Director for Kentucky, U. S. Department of Agriculture Farm Service Agency. Mr. McCauley addressed the board concerning his recent appointment to the position of Executive Director.

Mr. Thomas announced that the January 15, 2010 meeting of the KADB will be held at the Lexington Center in Lexington, Kentucky during the Kentucky Cattlemen's Association Convention. Mr. Thomas reported that the February meeting will be on February 12, 2010 and will be held in Louisville, Kentucky at the Kentucky Exposition Center during the National Farm Machinery Show.

Mr. Thomas reported on the December 2, 2009 Tobacco Settlement Agreement Fund Oversight Committee Meeting and noted that the next meeting is tentatively scheduled for January 6, 2010. He invited the KADB members to attend.

Mr. Thomas called on Kylee Palmer to give a monitoring and compliance update. Ms. Palmer pointed out changes that had been made to her regular report.

Mr. Thomas called on Diane Fleming for a legal update. Ms. Fleming provided the Board with an update on the status of the Corey Lea case, and her legal work associated with the World Equestrian games and the Kentucky Agricultural Heritage Center. Ms. Fleming called on Todd Harp to provide the board with a report on his recent visit to Lan Mark Farm (A2006-0021), which is proving to be a successful argi-tourism project.

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

Mr. Thomas 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 Folder, which shows the balance of accounts as of November 30, 2009. **Dr. Mary Sias moved that the report be accepted; Pat Henderson seconded the motion.**

Vote: Motion Passed, Unanimous

Report

Mr. Harp introduced Dr. Will Snell and Dr. Steve Isaacs who addressed the board regarding A2008-0407, the Kentucky Agricultural Leadership Program (A2008-0407). Dr. Snell and Dr. Isaacs updated the board on the program's fundraising status and the candidates that had been selected to participate in the next class.

Noting that the next item on the agenda was a presentation by employees of the Kentucky Department of Agriculture, Mr. Stone relinquished the role of meeting Chair to Dr. Sias.

Dr. Sias called upon Jennifer Hudnall to introduce Mr. Stone and Bill Clary who addressed the board concerning the Kentucky Proud project (A2008-0409). Mr. Stone and Mr. Clary presented the findings of the market research study that had recently been completed.

The meeting recessed for lunch at 12:00 p.m. (EST) and reconvened at 1:00 p.m. (EST).

Mr. Stone introduced Mr. Roger Snell who in turn introduced Doug Polk; Joe Natcher of Southern Foods; Mark Critchfield and Larry McMillan of Critchfield Meats; Gary Holbrook and Wayne Brown of Brown Food Service who informed the KADB about a new cooperative program for selling Kentucky Proud beef. **Wayne Mattingly moved to approve the distribution of the 2010 allocation of \$1,655,000 to the Kentucky Department of Agriculture for the continuation of the Kentucky Proud program pending meeting all program guidelines and compliance standards; Wayne Hunt seconded the motion.**

Vote: Motion Passed, Unanimous

Mr. Stone resumed his role as Chair.

Old Business

Mr. Stone called on Ms. Hudnall, Mike Tobin, Christi Marksbury, and Jennifer Daniels to present proposed changes to the 2010 Programs and Projects Guidelines for approval. **Sam Lawson moved that the changes as modified be adopted; Jim Sidebottom seconded the motion.**

Vote: Motion Passed, Unanimous

Mr. Thomas informed the board about a recent meeting between GOAP staff and a group of County Agriculture Extension Agents to discuss changes in programs for 2010. Mr. Thomas also reported on an upcoming meeting to discuss the County Agricultural Investment Program Producer Application. Mr. Thomas appointed a KADB Outreach Committee to consist of Mr. Henderson, Jim Mahan and Dr. Sias and requested that they attend this meeting.

New Business

Referral of Projects Applications:

Mr. Stone noted that the referrals were updated to include all applications received before December 11, 2009 and that an updated listing was located in the update packet. Mr. Stone referenced the following applications:

A2009-0238 Washington County Cattlemen Association, Inc.

A2009-0239 Jessamine County FFA Alumni Association Inc.

A2009-0243 A & S Livestock, Inc.

A2009-0244 Western Kentucky University Research Foundation, Inc.

A2009-0245 Lewis County Conservation District

A2009-0246 Rowan County Fiscal Court

A2009-0247 The Beef Connection

A2009-0248 Kentucky Elite Replacement Doe Sale Committee

Mr. Rankin moved to refer the submitted applications; Sam Moore seconded the motion.

Vote: Motion Passed, Unanimous

County Agricultural Investment Program (CAIP) Recommendations¹

Mr. Stone referenced for the Board's consideration three (3) CAIP applications requesting county funds totaling \$363,000 that meet program guidelines and compliance standards. **Mr. Dick moved for approval of the submitted CAIP applications as presented; Mr. Sidebottom seconded the motion.**

Vote: Motion Passed, Unanimous

Program Amendments²

Mr. Stone referenced for the Board's consideration seven (7) program amendments requesting county funds totaling \$392,729 that meet program guidelines and compliance standards. **Mr. Henderson moved for approval of the submitted amendments as presented; Don Goodin seconded the motion.**

Vote: Motion Passed, Unanimous

Memo Action Items

Ms. Marksbury presented a Memorandum regarding A2009-0032, the Grayson County Conservation District. The Grayson County Conservation District was approved for \$6,000 in Grayson County funds at the April 17, 2009 KADB meeting. These funds were approved to administer an educational welding program for tobacco dependent producers in Grayson County. The program execution date was June 18, 2009. With over six months left on their current legal agreement, the Grayson County Conservation District is requesting to amend their current contract and offer a second welding program. The Grayson County Agricultural Development Council approved, with a high priority, an additional \$4,800 for the program. Staff recommends funding this amendment for an additional \$4,800 in Grayson County funds. **Mr. Moore moved to approve the staff recommendation; Jim Mahan seconded the motion.**

Vote: Motion Passed, Unanimous

Ms. Marksbury presented a Memorandum regarding A2009-0125, the Daviess County Conservation District. The Daviess County Conservation District is requesting \$3,000 in Daviess County funds to amend the current agricultural youth cost-share program. The Daviess County Conservation District was approved for \$15,000 in Daviess County funds at the August 21, 2009 Kentucky Agricultural Development Board Meeting. There were more applicants for the program than

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 *Amendments* approved is attached as Appendix B.

the administrator could fund. The Daviess County Agricultural Development Council approved the request with a high priority. Staff recommends funding this request for \$3,000 in Daviess County funds. **Mr. Henderson moved to approve the staff recommendation; Mr. Rankin seconded the motion.**

Vote: Motion Passed, Unanimous

Ms. Hudnall presented a Memorandum regarding A2007-0369, the Adair County Board of Education. At the October 19, 2007 Kentucky Agricultural Development Board meeting the Adair County Board of Education requested \$75,350 in Adair County funds to develop a 5 acre livestock facility including a barn and livestock handling equipment. At the June 27, 2008 KADB board meeting, this project was awarded an additional \$25,000 in Adair County funds. The Adair County Board of Education has requested an additional \$18,000 of Adair County funds to purchase implements for a tractor including a loader, grader blade, manure spreader, bucket and security system. This request received a high priority from the Adair County Agricultural Development Council. Staff recommends approving this request. **Mr. Mattingly moved to approve the staff recommendation, excluding the requested security system in the original memo. Mr. Mattingly stated the applicant could substitute an item of equal or lesser value with prior staff approval; Mr. Rankin seconded the motion.**

Vote: Motion Passed, Unanimous

Recommendations for Funding

Mr. Tobin presented A2009-0023, Marksbury Farm Foods, LLC. Marksbury Farm Foods, LLC is requesting \$1,728,500 in State funds and \$271,500 in county funds to develop a USDA-approved processing facility and retail distributorship in Garrard County. Staff recommends funding this request, as recommended by the advisory committee (Dean Smith, Mr. Lawson, Mr. Hunt, Mr. Dick and Mr. Goodin), for up to \$75,000 in State funds. County commitments exceeding \$75,000 shall not increase the State fund commitment. County commitments less than \$75,000 shall reduce the State commitment to an amount equal to the county allocations. All funds awarded shall be in the form of a cost-reimbursement grant. **Mr. Dick moved to approve the staff recommendation; Dean Scott Smith seconded the motion. Mr. Lawson moved to amend the motion by adding that the grant is contingent upon the Small Business Association loan being approved and full funding for the project is in place; Mr. Goodin seconded the amendment.**

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

Mr. Tobin presented A2009-0028, Owens Garden Center, LLC. The Owens Garden Center, LLC is requesting \$221,788 in State funds and \$15,000 in county funds to purchase greenhouse structures to expand their business to a full-line garden

center. Staff recommends funding this request for \$94,470 in a combination of State and county funds. Grant: Pulaski County funds in the amount of \$4,000 and matching state funds \$4,000 shall be awarded in the form of a cost-reimbursement grant. Loan: remaining State funds totaling \$86,470 shall be awarded in the form of a 0% interest loan amortized over 10 years with a one-year grace period.

Mr. Mahan requested that Mark Owens, the applicant, address the board regarding this project. Mr. Owens explained his request in greater detail. **Mr. Hunt moved to approve the staff recommendation; Mr. Dick seconded the motion.**

Vote: Motion Passed, Unanimous

Ms. Hudnall presented A2009-0167, J & Sons Meats & Processing, LLC. The J & Sons Meats & Processing, LLC is requesting \$10,000 in Lincoln County funds and \$90,785 in State funds to expand the custom meat processing capabilities of an existing meat processing facility in Stanford, Kentucky. Ms. Hudnall informed the KADB that the applicant had withdrawn the request for State funds. Staff recommends funding this request for \$10,000 in Lincoln County, and \$10,000 in Garrard County funds in the form of a cost-reimbursement grant. **Mr. Dick moved to approve the staff recommendation; Mr. Rankin seconded the motion.**

Vote: Motion Passed, Unanimous

Mr. Tobin presented A2009-0193, Bluegrass Lamb & Goat. The Bluegrass Lamb & Goat is requesting county funds totaling \$16,575 from Mercer, Taylor, LaRue, Scott, Woodford, Clark, Madison, Washington, and Lincoln counties to continue expanding their goat and sheep harvesting facility in Garrard County. Mr. Tobin informed the board that the request for county funds had increased. Staff recommends funding this request for the amount of \$29,500 in county funds as follows Jessamine County \$5,000, Taylor County \$5,000, Hart County \$1,000, Woodford County \$1,000, LaRue County \$5,000, Mercer County \$2,500, Clark County \$5,000, and Fayette County \$5,000 in the form of a cost-reimbursement grant. **Mr. Mahan moved to approve the staff recommendation; Mr. Henderson seconded the motion.**

Vote: Motion Passed, Unanimous

Mr. Tobin presented A2009-0195, Laurel County Agricultural Extension Foundation, Incorporated. The Laurel County Agricultural Extension Foundation, Incorporated is requesting \$37,500 in State funds and \$10,000 in Laurel County funds to complete the demonstration kitchen at the London-Laurel County Farmers Market facility. Staff recommends funding this request for \$10,000 in Laurel County funds and no funding the request for \$37,500 in State funds. **Mr.**

Dick moved to approve the staff recommendation; Mr. Goodin seconded the motion.

Vote: Motion Passed, Unanimous

Mr. Tobin presented A2009-0219, Jessamine County FFA Alumni Association Inc. The Jessamine County FFA Alumni Association Inc. is requesting \$15,000 in Jessamine County funds to administer a welding program for local producers. Staff recommends funding this request for the amount of \$15,000 in Jessamine County funds for producer welding and safety classes. **Mr. Rankin moved to approve the staff recommendation; Mr. Mahan seconded the motion.**

Vote: Motion Passed, Unanimous

Ms. Marksbury presented A2009-0220, Breckinridge County Board of Education. The Breckinridge County Board of Education is requesting \$16,000 in Breckinridge County funds to administer a welding program for area producers. Twenty-four producers will be trained in basic and advanced MIG welding courses taught by the Breckinridge County Area Technology School. Staff recommends funding this request for \$16,000 in Breckinridge County funds for producer welding. **Mr. Moore moved to approve the staff recommendation; Mr. Rankin seconded the motion.**

Vote: Motion Passed, Unanimous

Ms. Marksbury presented A2009-0221, Marshall County Conservation District. The Marshall County Conservation District is requesting \$5,460 in Marshall County funds to administer a welding program for area producers. Twelve producers will be trained in basic and advanced MIG welding courses taught by the Marshall County Area Vocational School. Staff recommends funding this request for \$5,460 in Marshall County funds for producer welding classes. **Mr. Moore moved to approve the staff recommendation; Mr. Hunt seconded the motion.**

Vote: Motion Passed, Unanimous

Ms. Marksbury presented A2009-0224, Mammoth Cave Resource Conservation and Development Area, Inc. The Mammoth Cave Resource Conservation and Development Area, Inc. is requesting \$1,000 in Allen County funds to administer a regional leadership program. Staff recommends funding this request \$1,000 in Allen County funds. **Mr. Dick moved to approve the staff recommendation; Mr. Hunt seconded the motion.**

Vote: Motion Passed, Unanimous

Recommendations for No Funding

Ms. Hudnall presented A2009-00223, Kentucky Community and Technical College System Foundation, Inc. The Kentucky Community and Technical College System Foundation, Inc. (KCTCS) is requesting \$252,000 in State funds to teach basic computer skills to farmers and their spouses. Staff recommends no funding this request for State funds and encourages the applicant to solicit county funds for support of this program. **Mr. Henderson moved to approve the staff recommendation; Mr. Dick seconded the motion.**

Vote: Motion Passed, Unanimous

Recommendations for Pending

The following applications were presented, but no action was taken: A2009-0225 Two Brothers garden Center and Nursery; A2009-0227 Fairyhouse Productions, LLC; A2009-0229 Boston Community Center, Inc.; and, A2009-0230 Capstone Auction Service, LLC.

Closing Remarks

The next meeting of the Kentucky Agricultural Development Board will be held on Friday, January 15, 2010 at 10:00 a.m. (EST) during the Kentucky Cattlemen's Association Convention at the Hyatt Regency in Lexington, Kentucky. Note time and location of meeting subject to change; ample notification will be given if such a change occurs.

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

Vote: Motion Passed, Unanimous

The meeting adjourned at 3:16 p.m. (EST)

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>
A2009-0240	Trigg County Conservation District	Trigg	\$100,000.00
A2009-0241	Grayson County Cattlemens Association Inc.	Grayson	\$100,000.00
A2009-0242	County Agriculture Investment Program Council, Inc.	Russell	\$163,000.00
			\$363,000.00

Total County Funds Recommended for Approval in County Agricultural Investment Programs
\$363,000.00

**APPENDIX B:
Requested Amendments-Projects & Programs**

App #	A2008-0414
Applicant Name	Harrison County Beef Cattle Association, Inc.
Amount Approved	\$200,000.00
Date Approved	September 19, 2008
Dated Executed	October 13, 2008
Requested Change	The applicant requests an additional \$30,000 for the Hay, Straw, & Commodity Storage. The request received a high priority from the Harrison 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 \$230,000.
Recommendation	Approval
App #	A2009-0059
Applicant Name	Green River Area Beef Improvement Group, Inc.
Amount Approved	\$150,000.00
Date Approved	May 15, 2009
Dated Executed	June 11, 2009
Requested Change	The applicant requests an additional \$61,346 for C.A.I.P. The request received a high priority from the Daviess 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 \$211,346.
Recommendation	Approval
App #	A2009-0080
Applicant Name	Metcalfe County Conservation District
Amount Approved	\$244,409.00
Date Approved	June 19, 2009
Dated Executed	August 3, 2009
Requested Change	The applicant requests an additional \$59,552 for C.A.I.P. The request received a high priority from the Metcalfe 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 \$303,961.
Recommendation	Approval
App #	A2009-0135
Applicant Name	Adair County Cattlemen's Association, Inc.
Amount Approved	\$200,000.00
Date Approved	July 17, 2009
Dated Executed	August 10, 2009
Requested Change	The applicant requests an additional \$33,280 for C.A.I.P. The request received a high priority from the Adair 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 \$233,280.
Recommendation	Approval

Requested Amendments-Projects & Programs

App #	A2009-0170
Applicant Name	Green River Area Beef Improvement Group, Inc.
Amount Approved	\$46,218.00
Date Approved	August 21, 2009
Dated Executed	September 25, 2009
Requested Change	The applicant requests an additional \$6,249 for C.A.I.P. The request received a high priority from the Henderson 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 \$52,467.
Recommendation	Approval
App #	A2009-0182
Applicant Name	Christian County Conservation District
Amount Approved	\$200,000.00
Date Approved	August 21, 2009
Dated Executed	September 24, 2009
Requested Change	The applicant requests an additional \$187,302 for C.A.I.P. The request received a high priority from the Christian 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 \$387,302.
Recommendation	Approval
App #	A2009-0205
Applicant Name	Knox County Soil Conservation District
Amount Approved	\$131,090.00
Date Approved	September 18, 2009
Dated Executed	October 5, 2009
Requested Change	The applicant requests an additional \$15,000 for C.A.I.P. The request received a high priority from the Knox 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 \$146,090.
Recommendation	Approval