The actions delineated below were taken in open session of the Kentucky Agricultural Development Board at the August 20, 2010 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
Louisville Zoo
Louisville, KY
August 20, 2010

Call to Order
Mac Stone, designee for Commissioner Farmer, presiding, called the Kentucky Agricultural Development Board meeting to order at 10:12 a.m. EDT.

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

Members with excused absences: Wayne Hunt

Notification of Media
Mr. Stone received verification that the media has been notified of 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 (KDA) events and activities.

Approval of Minutes
Jim Sidebottom moved to approve the minutes of the July 22, 2010 meeting as presented; Dr. Mary Sias 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 thanked Jean-Marie Lawson and the Louisville Zoo for hosting the meeting.

Mr. Thomas reported on meetings and activities that staff at the Governor's Office of Agricultural Policy (GOAP) had attended since the July 2010 KADB meeting.

Mr. Thomas reported on the August 6, 2010 Tobacco Settlement Agreement Fund Oversight Committee meeting and he invited the KADB members to attend the next meeting on September 1, 2010.

Mr. Thomas announced that the facilitated discussion concerning future KADB programming will be Thursday, September 16, 2010 beginning at 1:00 p.m. EDT at Kentucky State University in Frankfort, Ky.

Mr. Thomas called on Diane Fleming for a legal update. Ms. Fleming reported that progress continues to be made on the arbitration regarding the Tobacco Master Settlement Agreement. The central question is whether or not Kentucky diligently enforced the statutes in accordance with the terms of the agreement.

Concerning the ARRA contracts, many months have been spent working with the Energy and Environment Cabinet to mesh the state and federal requirements associated with the energy assistance applications. Significant issues which have now been resolved include the applicability of the Davis-Bacon Act (prevailing wage) and addressing reporting requirements such as the NEPA questionnaires to increase farmer participation. Ms. Fleming thanked Tim Hughes and the members of the Recipient Review Committee for their time and assistance. All field day and individual contracts have been mailed. The multi-county applicants should receive their legal agreements by the September board meeting.

Ms. Fleming also provided the Board with an update on the status of the Cowtown case in federal court. All filings have been submitted to the judge and the parties are waiting for a ruling.

Finally, Ms. Fleming informed the Board that action was recently taken in the Knotwood case which resulted in the repossession of items valued at approximately $95,000. Further litigation will likely occur in Jackson County and the Board will continue to be provided with updates.

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

Mr. Thomas called on Bill McCloskey to give the Director of Financial Services report for Kentucky Agricultural Finance Corporation (KAFC). Mr. McCloskey reviewed the financial position report which showed the balance of accounts as of July 31, 2010. **Don Goodin moved that the regular KAFC monthly report be accepted; Dr. Sias seconded the motion.**

Vote: Motion Passed, Unanimous

Presentation

Mr. Stone called on Dr. Bruce Pratt and Dr. Don Llewellyn to give a presentation on the Eastern Kentucky University biomass project.

New Business

Mr. Stone called on Joel Neaveill to present the proposed administrative and policy changes (see Appendix C). **Rodney Dick moved to accept the proposed administrative and policy changes with the exception of changing the application review committees to four (4) month terms and moving Sam**

Lawson from the red committee to the white committee. Troy Rankin seconded the motion.

Vote: Motion Passed, Unanimous

The application review committees will meet in the following order: Blue Committee (Karen Curtis, Rodney Dick, Jim Mahan, Troy Rankin, Dr. Mary Sias) will meet September 2010 through December 2010; White Committee (Vickie Yates Brown, Don Goodin, Sam Lawson, Jim Sidebottom, Dean Scott Smith) will meet January 2011 through April 2011; and Red Committee (Pat Henderson, Wayne Hunt, Wayne Mattingly, Sam Moore) will meet May 2011 through August 2011.

New Referral of Projects Applications:
Mr. Stone referenced the following applications for referral:
A2010-0083 Licking River Valley Resource Conservation and Development Council Inc.
A2010-0094 C & C Processing LLC
A2010-0095 Bardstown Mills, Inc.
A2010-0099 Breckinridge County Board of Education
A2010-0104 The University of Kentucky Research Foundation
A2010-0105 Kentucky Dairy Development Council, Inc.
A2010-0106 Kentucky Horticulture Council, Inc.
A2010-0112 Kentucky Department of Agriculture
A2010-0114 Greenleaf Plant Food Wholesale, Inc.
A2010-0115 Kentucky Beef Network, LLC
A2010-0116 Western Kentucky University Research Foundation, Inc.
Mr. Goodin moved to refer the submitted applications; Mr. Sidebottom seconded the motion.

Vote: Motion Passed, Unanimous

County Agricultural Investment Program (CAIP) Recommendations[1]
Mr. Stone referenced for the Board's consideration seventeen (17) CAIP applications requesting county funds totaling $3,320,268 that meet program guidelines and compliance standards. **Pat Henderson moved for approval of the submitted CAIP applications as presented; Dr. Sias seconded the motion.**

Vote: Motion Passed, Unanimous

Other Programs Recommended for Approval
Deceased Farm Animal Disposal Assistance
Mr. Stone referenced for the Board's consideration five (5) Deceased Farm Animal Disposal Assistance application requesting county funds totaling $31,405 that meet program guidelines and compliance standards. **Sam Moore moved for approval of the submitted Deceased Farm Animal Disposal Assistance applications as presented; Mr. Sidebottom seconded the motion.**

[1] A detailed list of projects funded under each program *(CAIP, Deceased Farm Animal Disposals)* is attached as Appendix A.

Vote: Motion Passed, Unanimous

Program Amendments[2]

Mr. Stone referenced for the Board's consideration one (1) CAIP program amendment requesting county funds totaling $41,600. **Mr. Goodin moved for approval of the submitted amendment as presented; Vicki Yates-Brown seconded the motion.**

Vote: Motion Passed, Unanimous

Mr. Stone noted for the Board's information, four (4) applications that have been withdrawn by the applicant: A2009-0248 Central Kentucky Meat Goat Producers Association, Inc., A2010-0045 Twinam's Quick/Cuts, Inc., A2010-0065 Hancock County Board of Education and A2010-0093 Taylor County Cattlemen's Association, Inc.

Memo Action Items

Jennifer Hudnall presented a memorandum regarding A2001-0573, Kentucky State University (KSU). KADB awarded $292,750 to KSU at the February 15, 2002 meeting for equipment and supplies for developing a reliable honeybee pollination service and for honey processing facilities. At the May 16, 2008 meeting of the KADB, KSU requested and was approved for a reallocation of funds and a time extension. Dr. Thomas C. Webster, KSU Apiculture Research and Extension Specialist, has requested a second reallocation of funds and a six month time extension, until December 30, 2010. The request was for the reallocation of the $106,921 in remaining funds to go the purchase of an autoclave capable of sterilizing beekeeping equipment. Staff recommended approval of the request for reallocation of funds and to extend the term of the project until December 30, 2010.
Mr. Dick moved to approve the staff recommendation; Mr. Rankin seconded the motion.

Vote: Motion Passed with one abstention, Dr. Sias

Ms. Hudnall presented a memorandum regarding A2008-0200, Taylor County Cattlemen's Association, Inc. The Taylor County Cattlemen's Association, Inc. was granted $13,000 in Taylor County funds to administer a Youth Heifer Chain at the July 27, 2008 KADB meeting. Taylor County Cattlemen's Association, Inc. has requested an additional $15,000 in Taylor County funds to continue the A2008-0200 program through November 30, 2011. For accounting purposes, they have also requested permission to transfer approved participants from A2006-0150 to A2008-0200. This transfer will enable Taylor County Cattlemen's Association to close out the A2006-0150 program. Staff recommended approving this request for an additional $15,000 to A2008-0200, while incorporating a close out date for A2008-0200 for November 20, 2011. Staff also

[2] A detailed list of requested *Amendments and Withdrawals* approved is attached as Appendix B.

recommended approving the request to transfer participants approved in the A2006-0105 to the A2008-0200 program in order to close-out the A2006-0150 program.
Jim Mahan moved to approve the staff recommendation; Mr. Moore seconded the motion.

Vote: Motion Passed, Unanimous

Mike Tobin presented a memorandum regarding A2009-0118, Clark County Conservation District. The Clark County Conservation District was approved at the August 21, 2009 Board meeting to run a welding program for Clark County producers. In the original application, the budget was projected for 15-16 producers at a cost of $400/producer. When the course was taught only 12 producers signed up. This led to a shortfall of total revenue to run the welding program. The applicant has requested $6,870 in Clark County funds in the form of an amendment to cover these costs. This request was approved as a high priority from the Clark County Council. Staff recommended denial of $6,870 in Clark County funds because this would put the total ADF funds at 75% of the total project.
Wayne Mattingly moved to approve the staff recommendation; Mr. Goodin seconded the motion.

Vote: Motion Passed, Unanimous

Christi Marksbury presented a memorandum regarding A2010-0015, Mammoth Cave Resource, Conservation, and Development Area, Inc. The Mammoth Cave Resource, Conservation, and Development Area, Inc. was approved for $10,000 in Kentucky Agricultural Development Funds, $10,000 in American Recovery and Reinvestment Act funds, and a minimum of $5,000 in county funds at the April 16, 2010 KADB meeting. The applicant requested these funds to assist with the audit and grant writing requirements needed by producers to compete for USDA funding in the Renewable Energy for America Program. At the July 15, 2010 KADB meeting revised terms and conditions were approved for the project. In the revision, additional county funds could be allocated to the project by August 6, 2010 and added to Recipient's account balance. Fulton County had met since the last board meeting and the county council has committed $400 to the project with a high county priority. McCracken County had also met since the last board meeting and the county council committed $500 to the project with a high county priority. Staff recommended approval of the additional $400 of Fulton County funds and $500 of McCracken County funds, bringing the total county commitments to $12,400.
Mr. Henderson moved to approve the staff recommendation; Dr. Sias seconded the motion.

Vote: Motion Passed, Unanimous

Mr. McCloskey presented a memorandum regarding A2009-0023, Marksbury Farm Foods, LLC. Marksbury Farm Foods, LLC requested an extension until September 28, 2010 to pursue county agricultural development funds. This was the second extension request by the applicant. On April 16, 2010 the Board approved the first extension, allowing applicant to pursue county agricultural development funds three months beyond the original deadline of April 30, 2010 to July 30, 2010. Staff recommended approving the second request, which would extend the period of time for the recipient to seek county contributions for this project to September 28, 2010.
Dean Scott Smith moved to approve the staff recommendation; Sam Lawson seconded the motion.

Vote: Motion Passed, Unanimous

Recommendations for Funding

Mr. Tobin presented A2010-0039, Garrard County Fair Board, Inc. The Garrard County Fair Board, Inc. requested $4,439 in Garrard County funds to construct a wash rack as an extension of the livestock barn at the county fair grounds. Staff recommended funding the request for $4,439 in Garrard County funds.
Mr. Mahan moved to approve the staff recommendation; Mr. Sidebottom seconded the motion.

Vote: Motion Passed, Unanimous

Mr. Tobin presented A2010-0042, Jessamine County FFA Alumni Association, Inc. The Jessamine County FFA Alumni Association, Inc. requested $12,500 in Jessamine County funds to purchase new equipment to replace out-dated equipment in the high school vocational agriculture work shop. Staff recommended funding this request for $12,500 in Jessamine County funds.
Mr. Rankin moved to approve the staff recommendation; Dr. Sias seconded the motion.

Vote: Motion Passed, Unanimous

Ms. Marksbury presented A2010-0043, East Buck Creek Watershed Conservancy District. The East Buck Creek Watershed Conservancy District requested $10,000 in McLean County funds to remove sediment and debris from East Buck Creek Watershed. Staff recommended funding this request for $10,000 in McLean County funds. **Mr. Henderson moved to approve the staff recommendation; Mr. Dick seconded the motion.**

Vote: Motion Passed, Unanimous

Mr. Tobin presented A2010-0044, Cumberland County Extension District Board. The Cumberland County Extension District Board requested $49,919 in Cumberland County funds to construct a demonstration kitchen facility. Staff recommended funding this request for $49,919 in Cumberland County funds.

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

Vote: Motion Passed, Unanimous

Mr. Tobin presented A2010-0046, Fayette County 4-H Council, Inc. The Fayette County 4-H Council, Inc. requested $34,800 in Fayette County funds to construct a livestock barn to assist youth in housing their project animals. Staff recommended funding this request for $34,800 in Fayette County funds. **Mr. Mattingly moved to approve the staff recommendation; Mr. Mahan seconded the motion.**

Vote: Motion Passed, Unanimous

Ms. Marksbury presented A2010-0055, Kentucky Pork Producers Association, Inc. The Kentucky Pork Producers Association, Inc. requested $164,900 in State County funds to expand the existing cooking structure at the Kentucky Exposition Center (KEC) and to construct new cooking buildings for the Kentucky Cattlemen's Association (KCA) and the Kentucky Aquaculture Association (KAA). Staff recommended funding this request for $164,900 in State funds. **Mr. Lawson moved to approve the staff recommendation; Mr. Henderson seconded the motion.**

Vote: Motion Passed with three members abstaining, Mr. Moore, Dean Smith, Dr. Sias

Ms. Hudnall presented A2010-0056, Mercer County Board of Education. The Mercer County Board of Education requested $1,500 in Mercer County Funds to purchase livestock pens for agriculture education events in Mercer County. Staff recommended funding this request for $1,500 in Mercer County funds. **Mr. Moore 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:
A2010-0052 Heart of Scottsville, Inc.
A2010-0053 Allen County Board of Education Agriculture Department
A2010-0054 Eddie Rich Sausage, LLC

Mr. Stone called on Angela Blank for an update on the World Equestrian Games (WEG).

Closing Remarks

The next meeting of the KADB will convene on September 17, 2010 at University of Kentucky's E.S. Good Barn, Lexington, Ky. The meeting will begin at **10:30** a.m. EDT.

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

Vote: Motion Passed, Unanimous

The meeting adjourned at 1:30 p.m. EDT.

PRESIDING OFFICER: Mac Stone

SECRETARY: Amanda Koehler