

The actions delineated below were taken in open session of the Kentucky Agricultural Development Board at the October 15, 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  
Jackson's Orchard and Nursery  
Bowling Green, KY  
October 15, 2010**

**Call to Order**

Mac Stone, designee for Commissioner Farmer, presiding, called the Kentucky Agricultural Development Board meeting to order at 10:00 a.m. (CDT).

**Roll Call**

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

**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**

**Dean Smith moved to approve the minutes of the September 17, 2010 meeting as presented; Wayne Hunt 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 welcomed the board and thanked Jackson's Orchard and Nursery for their hospitality. He also thanked KDA for facilitating and planning the meeting.

Mr. Thomas congratulated Mr. Stone for being nominated and accepted to the National Organic Standards Board.

Mr. Thomas attended the Kentucky Proud Lunch at Boyd's Orchard to celebrate Kentucky Proud and Agritourism month.

Mr. Thomas reported on the last tobacco oversight committee meeting on October 6, 2010 where two months of activity was reported. The September meeting was cancelled. During this meeting, the August and September funding decisions by the Agricultural Development Board (ADB) were reported.

Mr. Thomas reported on various Energy Biomass Field Days/Symposiums around the state including those located in Springfield, Prestonsburg, Robinson Station and Maysville.

Mr. Thomas attended a customer appreciation dinner organized by Capstone Auction Market in Henry County. He encouraged board members to visit the Capstone Auction Market project site funded in part by Kentucky Agricultural Development Funds.

Mr. Thomas reported on various agriculture recognition events featuring Governor Beshear for counties that have made investment in the County Agricultural Investment Program (CAIP). The various locations included Robertson, Mercer, Woodford and Edmonson Counties. Pat Henderson was the emcee for the Edmonson County check presentation.

Mr. Thomas announced the Governor issued an amended request to United States Department of Agriculture (USDA) Secretary Tom Vilsak adding an additional 10 counties to the disaster declaration request bringing the total number of counties to 65. Mr. Thomas spoke to Bob Finch with the Farm Service Agency office in Lexington who anticipates a decision from Secretary Vilsak sometime in early November. Mr. Thomas reported they are looking forward to a favorable decision that will offer some relief to farmers across the state in those requested counties.

Mr. Thomas announced there will be two agriculture and natural resource extension agent meetings over the next couple of weeks. One is scheduled for Tuesday, October 19, 2010 in Winchester and the following week Friday, October 29, 2010 in Russellville. Mr. Thomas and Dr. Gary Palmer along with extension agents from across the state will come together for a short program.

Mr. Thomas discussed the World Equestrian Games (WEG) that ended on Sunday October 10, 2010. Mr. Thomas reported the games were very successful with a reported attendance of 503,000 by the Herald Leader. Mr. Thomas discussed the agricultural partnership between the KDA, Kentucky Farm

Bureau, University of Kentucky, Kentucky State University, and GOAP which was exhibited through WEG.

Mr. Thomas gave Dean Smith the floor as he explained the University of Kentucky's role during the WEG.

Mr. Thomas recognized Angela Blank, Jennifer Hudnall, Mr. Stone and Kristen Branscum for all their hard work with the WEG.

Mr. Thomas introduced and welcomed Representative Fred Nesler.

Mr. Thomas announced the next Tobacco Oversight Committee meeting will be Friday November 5, 2010.

Mr. Thomas announced the Kentucky Agricultural Finance Board meeting will also take place on Friday November 5, 2010.

Mr. Thomas announced the next board meeting will be on Thursday, November 18, 2010 and Friday, November 19, 2010 at Cumberland Falls State Park. It will be the annual two-day planning meeting. Thursday the 18th will begin at 9:00 am (EST) with Lori Garkovich leading a follow up discussion from September's board meeting. The regular board meeting will take place on Friday, November 19, 2010.

Mr. Thomas called on Bill McCloskey to give a report on the financial position of the Kentucky Agricultural Finance Corporation. Mr. McCloskey reviewed the financial position report which showed the balance as of September 30, 2010. .

**Jim Sidebottom moved that the regular KAFC monthly report be accepted; Rodney Dick seconded the motion.**

**Vote: Motion Passed; Unanimous**

**Presentation:**

Mr. Stone called on Mike Tobin to introduce Maury Cox with the Kentucky Dairy Development Council, Inc (KDDC). Mr. Tobin introduced Mr. Cox who gave a presentation on the KDDC accomplishments and two-year funding request.

Mr. Stone called on Christi Marksbury to introduce Jeff Hall with the Kentucky Horticulture Council (KHC). Ms. Marksbury introduced Mr. Hall who gave a presentation on the KHC accomplishments and two-year funding request.

Mr. Stone introduced Benny Garland from South Kentucky Rural Electric Corporation Cooperative to give a presentation. Mr. Garland called on Dr. Ron Bowling who discussed the business plan and product development for Kentucky Snack Foods.

Mr. Stone recessed the meeting for lunch at 12:30 p.m.

The meeting reconvened from a lunch break at 1:45 p.m.

### **New Business**

#### **New Project Applications for Referral**

Mr. Stone referenced the following applications for referral:

A2010-0154 Marion County Industrial Foundation, Inc.

A2010-0155 Marion County Industrial Foundation, Inc.

**Mr. Dick moved to refer the submitted applications; Don Goodin seconded seconded the motion.**

**Vote: Motion Passed; Unanimous.**

### **Program Recommendations**

#### **County Agricultural Investment Program (CAIP) Recommendations**

Mr. Stone referenced for the Board's consideration six (6) CAIP applications requesting county funds totaling \$1,677,200 that meet program guidelines and compliance standards. **Mr. Dick moved to refer the submitted CAIP applications; Mr. Goodin seconded the motion.**

**Vote: Motion Passed; Unanimous.**

#### **Deceased Farm Animal Disposal Assistance Program**

Mr. Stone referenced for the Board's consideration three (3) Deceased Farm Animal Disposal Assistance Program (DFADAP) application requesting county funds totaling \$20,000 that meet program guidelines and compliance standards. **Mr. Goodin moved for approval of the submitted DFADAP applications as presented; Sam Moore seconded the motion.**

**Vote: Motion Passed; Unanimous.**

### **Other Programs Recommended for Approval**

#### **Shared-use Equipment**

Mr. Stone referenced for the Board's consideration one (1) Shared-use Equipment application requesting county funds totaling \$10,000 that meet program guidelines and compliance standards. **Pat Henderson moved for approval of the submitted Shared-use Equipment application as presented; Mr. Dick seconded the motion.**

**Vote: Motion Passed; Unanimous.**

**Program Amendments**

Mr. Stone referenced for the Board's consideration three (3) CAIP program amendments requesting county funds totaling \$158,250. **Dean Smith moved for approval of the submitted amendment as presented; Wayne Hunt seconded the motion.**

**Vote: Motion Passed; Unanimous.**

**Memo Action Items**

Mr. Thomas presented a memorandum regarding A2008-0409, Kentucky Department of Agriculture. The Kentucky Department of Agriculture was approved for \$3,330,000 in State funds to continue the promotion of the Kentucky Proud Program and related activities designed to instill in Kentucky consumer's minds the value of "buy local" when shopping for food and fiber products. The applicant has requested an amendment to the Legal Agreement to clarify the draw-down and expenditure of funds pursuant to the terms of the contract. Staff recommends approval of the request. **Mr. Moore moved to approve the staff recommendation; Mr. Hunt seconded the motion.**

**Vote: Motion Passed; Unanimous**

Mr. Tobin presented a memorandum regarding A2009-0023, Marksbury Farm Foods, LLC. Marksbury Farm Foods, LLC was approved for up to \$75,000 in State funds, contingent upon them acquiring county funds up to this level. The applicant was approved for two extensions from the Board, with the last date to acquire county commitments being September 28, 2010. The request received high priority from the counties that have committed to the project including: Garrard, Lincoln, Woodford, Fayette, and Jessamine Counties. Staff recommends funding these county commitments in accordance with the original Board approval for State funding. **Mr. Henderson moved to approve the staff recommendation; Mr. Dick seconded the motion.**

**Vote: Motion Passed, Unanimous**

Mr. Tobin presented a memorandum regarding A2009-0045, Eastern Kentucky University. Eastern Kentucky University was approved for \$200,000 in State funds, \$10,000 in Clark County and \$10,000 in Madison County funds to establish switchgrass plots for studies in animal digestion. The applicant has requested a one year extension that will allow them to complete expenditures listed in the original application. The original application budget included categories that spanned a two-year period. The applicant states the plots were not established until the spring of 2010

because of the seasonal nature of switchgrass. The time extension will allow the switchgrass to mature and will help the applicant with the overall project. The current ending date of the project is October 13, 2010. Staff recommends approving the extension until December 31, 2011. This approval is contingent on applicant being compliant with annual reporting requirements due October 13, 2010. **Mr. Mattingly moved to approve the staff recommendation; Mr. Goodin seconded the motion.**

**Vote: Motion passed; Unanimous**

Ms. Marksbury presented a Memorandum regarding A2010-0026, Western Regional Center for Emerging Technology, Inc. Western Regional Center for Emerging Technology, Inc. was approved for \$25,000 in American Recovery and Reinvestment Act funds, and a minimum of \$10,000 in county funds at the May 21, 2010 Kentucky Agricultural Development Board meeting. The applicant requested these funds to implement a multi-county program to help western Kentucky producers become leaders in the emerging bio-energy field. Within the terms and conditions of the project's legal agreement, the applicant was to secure county funds from at least two counties by July 1, 2010. However, after July 1, more county funds were secured by the applicant. Staff recommends approval of the additional county funds after July 1, bringing the total county commitments to \$15,000. **Mr. Henderson moved to approved the staff recommendation; Mr. Sidebottom seconded the motion.**

**Vote: Motion Passed, Unanimous**

**Recommendations for Funding**

Christi Marksbury presented A2010-0053, Allen County Board of Education. The Allen County Board of Education is requesting \$35,000 in Allen County funds to build a new greenhouse for the Allen County High School Agriculture Department. Application Review Committee recommends funding this request for \$35,000 in Allen County funds. **Mr. Dick moved to approve the staff recommendation; Troy Rankin seconded the motion.**

**Vote: Motion Passed, Unanimous**

Ms. Marksbury presented A2010-0094, C&C Processing, LLC. C&C Processing, LLC is requesting \$62,500 in state funds to purchase equipment and construct a slaughter processing facility in Clarkson, KY. Application Review Committee recommends funding this request for \$5,000 in Grayson County funds and \$5,000 in Hart County funds. State funds will be awarded in the amount not to exceed \$15,000 contingent upon receiving additional county commitments up to \$5,000. Applicant will be

referred to Kentucky Agricultural Finance Corporation for additional financing.

**Mr. Moore moved to approve the committee recommendation; Dean Smith seconded the motion.**

**Vote: Motion Passed, Unanimous**

Ms. Marksbury presented A2010-0095, Bardstown Mills, Inc. Bardstown Mills Inc. Is requesting \$90,000 to \$100,000 in Nelson County funds to construct a new retail outlet, including a community farming center. The Nelson County Agricultural Development Council committed \$10,000 with high priority in Nelson County Agricultural Development funds. Application Review Committee recommends funding this request for \$10,000 in Nelson County funds specifically for the greenhouse project.

**Mr. Hunt moved to approve the committee recommendation; Mr. Goodin seconded the motion.**

**Vote: Motion Passed, Unanimous**

Ms. Marksbury presented A2010-0116, Western Kentucky University Research Foundation, Inc. Western Kentucky University Research Foundation, Inc. is requesting \$9,262 in county funds from Barren (\$2,315), Hardin (\$2,315), Harrison (\$2,315), and Shelby (\$2,315) to add soil moisture/temperature and leaf wetness sensors to the current Mesonet stations located in those counties. The Harrison County Council and Shelby County Council assigned a low priority for this county request. The Application Review Committee recommends funding this request for \$2,315 in Hardin County Agricultural Development Funds and \$2,315 in Barren County Agricultural Development Funds for a total of \$4,630.

**Mr. Dick moved to approve the committee recommendation; Mr. Rankin seconded the motion.**

**Vote: Motion passed, Unanimous**

Michael Tobin presented A2010-0130, Estill County Extension District Public Properties Corporation. The Estill County Extension District Public Properties Corporation is requesting \$24,000 in Estill County funds to renovate their partially developed kitchen at the new extension office location. The Application Review Committee recommends funding this request for \$24,000 in Estill County funds to renovate and equip a certified kitchen complex at the new extension office.

**Mr. Rankin moved to approve the committee recommendation; Mr. Dick seconded the motion.**

**Vote: Motion passed, Unanimous**

**Mr. Stone clarified during this presentation that it is not deemed a “certified kitchen.” The correct terminology is a “permitted kitchen.”**

Ms. Marksbury presented A2010-0142, ATP Greenhouses, LLC. ATP Greenhouses, LLC is requesting \$40,000 in Butler County funds and \$60,000 in State funds to purchase equipment for a greenhouse to raise and sell hydroponic tomatoes to consumers in Butler and surrounding counties. The Application Review Committee recommends funding this request for a reduced amount of \$4,000 in Butler County funds. County funds were not contingent upon receiving State funds. The applicant has been referred to the Kentucky Agricultural Finance Corporation for additional financing. The applicant claims they will still be able to complete the project with the reduction in funds from the Kentucky Agricultural Development Board.

**Wayne Mattingly moved to approve the committee recommendation; Mr. Goodin seconded the motion.**

**Vote: Motion Passed, Unanimous**

**Recommendations for No Funding**

Mr. Tobin presented A2010-0114, Greenleaf Plant Food Wholesale, Inc. Greenleaf Plant Food Wholesale, Inc. (GPFW) is requesting \$2,035,974 in State and \$2,635,974 in County funds to construct a plant for processing Kentucky grown forages for use as electricity and animal feed. This combined request total is \$4,671,946. The Application Review Committee recommends no funding this application due to lack of commitment by a lender on behalf of the applicant, lack of “real” owner equity committed to project and applicants projections are extremely optimistic based upon current forage yields and hay prices.

**Mr. Dick moved to approve the committee recommendation; Mr. Henderson seconded the motion.**

**Vote: Motion Passed, Unanimous**

Ms. Marksbury presented A2010-0141, Bowling Green Technical College Foundation, Inc. The Bowling Green Technical College Foundation, Inc. is requesting \$6,554 in Butler County funds to administer a welding training program for Butler County producers. Twelve tobacco dependent producers will be trained in basic and advanced MIG welding courses taught by the Bowling Green Technical College. The Application Review Committee recommends no funding this application due to low priority from the Butler County Agricultural Development Council.

**Mr. Goodin moved to approve the committee recommendation; Mr. Rankin seconded the motion.**

**Vote: Motion Passed, Unanimous**

Mr. Tobin presented A2010-0147, Montgomery County Cattlemen's Association, Inc. Montgomery County Cattleman's Association, Inc. is requesting \$200,000 in Montgomery County funds to administer the County Agricultural Investment Program (C.A.I.P.) in Montgomery County. The Application Review Committee recommends no funding this application due to low county priority from the Montgomery County Agricultural Development Council.

**Dean Smith moved to approve the committee recommendation; Mr. Moore seconded the motion.**

**Vote: Motion Passed, Unanimous**

Ms. Marksbury presented A2010-0159, Green County Conservation District. Green County Conservation District is requesting \$450,000 in Green County funds to administer the C.A.I.P. in Green County. The Application Review Committee recommends no funding this application due to a low county priority from the Green County Agricultural Development Council.

**Mr. Rankin moved to approve the committee recommendation; Mr. Goodin seconded the motion.**

**Vote: Motion Passed, Unanimous**

**Closing Remarks**

The next regular business meeting of the KADB will convene on November 19, 2010 at Cumberland Falls State Resort Park. The meeting will begin at 9:00 a.m. (EST).

**Mr. Mattingly moved to adjourn: Mr. Dick seconded the motion.**

**Vote: Motion passed, unanimous**

The meeting adjourned at 2:47 p.m. (CDT).

Presiding Officer: Mac Stone

Secretary: Aminda Keebler

**Appendix A: New Applications for Referral**

<b>App #</b>	<b>Applicant</b>	<b>Request Type</b>	<b>Submitted</b>
A2010-0162	Harrison County Beef Cattle Association, Inc.	Project	10/26/2010
A2010-0168	Crittenden County Board of Education	Project	10/29/2010
A2010-0170	Grayson County Conservation District	Project	10/29/2010
A2010-0171	Wayne County Pork Producers Association, Inc.	Project	10/29/2010
A2010-0175	Central Cumberland Young Farmers	Project	10/29/2010

**APPENDIX B: Program Lists****CAIP**

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2010-0153	Boyle County Farm Bureau	Boyle	\$280,000.00
A2010-0158	Green County Cattlemen's Association, I	Green	\$450,000.00
A2010-0151	Kenton County Farm Bureau, Inc.	Kenton	\$52,000.00
A2010-0148	Montgomery County Conservation Distr	Montgomery	\$200,000.00
A2010-0157	Owsley County Conservation District	Owsley	\$312,700.00
A2010-0156	Washington County Cattlemen Associati	Washington	\$382,500.00
			<b>\$1,677,200.00</b>

**Deceased Farm Animal Disposal Assistance Program**

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2010-0152	Boyle County Farm Bureau	Boyle	\$7,500.00
A2010-0150	Mercer County Fiscal Court	Mercer	\$5,000.00
A2010-0149	Montgomery County Fiscal Court	Montgomery	\$7,500.00
			<b>\$20,000.00</b>

**Shared-use Equipment**

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2010-0160	Butler County Stockman's Association, I	Butler	\$10,000.00
			<b>\$10,000.00</b>

## Appendix C: Requested Program Amendments

**App #** A2010-0057  
**Applicant Name** Hancock County Conservation District  
**Original Amount Approved** \$87,758.00  
**Original Approval Date** 6/8/2010  
**Requested Change** The applicant requests an additional \$28,250.00 for the C.A.I.P. The request received a high priority from the Hancock County 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 \$116,008.00.  
**Recommendation** Approval

**App#** A2010-0067  
**Applicant Name** Laurel County Cattleman's Association, Inc.  
**Original Amount Approved** \$184,000.00  
**Original Approval Date** 7/22/2010  
**Requested Change** The applicant requests an additional \$18,000.00 for the C.A.I.P. The request received a high priority from the Laurel County 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 \$202,000.00.  
**Recommendation** Approval

**App #** A2010-0081  
**Applicant Name** Marion County Extension District Building Foundation Inc.  
**Original Amount Approved** \$150,000.00  
**Original Approval Date** 7/22/2010  
**Requested Change** The applicant requests an additional \$112,000.00 for the C.A.I.P. The request received a high priority from the Marion County 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 \$262,000.00.  
**Recommendation** Approval