The actions delineated below were taken in open session of the Kentucky Agricultural Development Board at the November 19, 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
Cumberland Falls State Resort Park
Corbin, KY
November 19, 2010

Call to Order

Mac Stone, designee for Commissioner Farmer, presiding, called the Kentucky Agricultural Development Board meeting to order at 9:00 a.m. (EST).

Roll Call

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

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

Dr. Holmes moved to approve the minutes of the October 15, 2010 meeting as amended; Rodney Dick 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 guests. He thanked the board for their hard work and attentiveness during the previous day's discussion with Dr. Lori Garkovich.

Mr. Thomas reported on meetings and events staff in the Governor's Office of Agricultural Policy (GOAP) had attended since the October 2010 KADB meeting.

Mr. Thomas announced that members of the GOAP staff will be attending a meeting at the Farm Service Agency office in Lexington on December 9, 2010 at 9:00 a.m. (EST).

Mr. Thomas announced that the next KADB meeting will take place at the Franklin County Cooperative Extension Office on December 17, 2010 at 10:00 a.m. (EST). The January KADB meeting will take place on January 14, 2011 at 10:00 a.m. at the Lexington Hyatt. Prior to the meeting at 7:30 a.m. (EST) members of the KADB will be recognized at the Cattlemen's breakfast which will take place at the Lexington Center. The GOAP conference will take place on February 10, 2011 in Bowling Green at the Sloan Convention Center. The February KADB meeting will also take place at the Sloan Convention Center on February 11, 2011.

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 October 31, 2010.

Troy Rankin moved that the regular KAFC monthly report be accepted; Don Goodin seconded the motion.

Vote: Motion Passed; Unanimous.

Mr. Thomas called on Diane Fleming for a legal update. Ms. Fleming reported on two sample contracts in the update folder. One contract delineates apportionment of the County and State money and how it was used for the American Recovery and Reinvestment Act on the Multi-County Collaboration for Agricultural Energy Initiatives. The other contract shows the federal portion of the contract. Tim Hughes will be monitoring how those monies are spent and completing all of the federal reporting.

Mr. Thomas discussed two pieces of information in the update folders concerning FFA and 4-H.

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

New Business

New Project Applications for Referral

Mr. Stone referenced the following applications for referral.
A2010-0162 Harrison County Beef Cattle Association, Inc.
A2010-0168 Crittenden County Board of Education
A2010-0170 Grayson County Conservation District

A2010-0171 Wayne County Pork Producers Association, Inc.
A2010-0175 Central Cumberland Young Farmers

Program Recommendations

County Agricultural Investment Program (CAIP) Recommendations

Mr. Stone referenced for the Board's consideration six (6) CAIP applications requesting additional county funds totaling $1,067,414 that meet program guidelines and compliance standards. **Pat Henderson moved to approve the submitted CAIP applications; Mr. Rankin seconded the motion.**

Vote: Motion passed, Unanimous.

Deceased Farm Animal Disposal Assistance Program

Mr. Stone referenced for the Board's consideration five (5) Deceased Farm Animal Disposal Assistance Program (DFADAP) application requesting county funds totaling $32,500 that meet program guidelines and compliance standards. **Mr. Goodin moved to approve the submitted DFADAP applications as presented; Sam Moore seconded the motion.**

Vote: Motion passed, Unanimous.

Shared-use Equipment

Mr. Stone referenced for the Board's consideration one (1) Shared-use Equipment application requesting county funds totaling $13,440 that meets program guidelines and compliance standards. **Mr. Dick moved for approval of the submitted Shared-use Equipment application as presented; Jim Sidebottom seconded the motion.**

Vote: Motion Passed; Unanimous.

Program Amendments

Mr. Stone referenced for the Board's consideration six (6) CAIP program amendments requesting county funds totaling $611,427. **Mr. Goodin moved for approval of the submitted amendments as presented; Mr. Rankin seconded the motion.**

Vote: Motion Passed; Unanimous.

Memo Action Items

Ms. Hudnall presented a memorandum regarding A2010-0024, Owen County 4-H Youth Cost Share. The Owen County 4-H Youth Cost Share was granted $10,000 in Owen County funds to sponsor a youth cost share program. The applicant is requesting to allow participants to receive more than the original $500 maximum per animal as long as the cost share

does not exceed 50% of the cost of the animal. The applicant states that allowing youth to receive more than the $500 limit will allow participants to receive additional funds that will lessen the financial burden for the 14 participating 4-H members. Staff recommends approving this request.
Mr. Moore moved to approve the staff recommendation; Mr. Rankin seconded the motion.

Vote: Motion Passed; Unanimous.

Mr. Tobin presented a memorandum regarding A2009-0089, Bluegrass Community & Technical College Foundation, Inc. In February 2010 the Kentucky Agricultural Development Board approved Bluegrass Community & Technical College Foundation, Inc for $3,000 in Fayette County funds for development of a community garden. The applicant has requested to amend the original budget to purchase trees, berry bushes, and grape vines to begin their orchard. The applicant has also requested an extension from the ending date in February 2011 to August 1, 2011 to assist in attaining their goals for this project. Staff recommends amending the budget to include the aforementioned items and granting the applicant an extension on the project until August 1, 2011.
Mr. Henderson moved to approve the staff recommendation; Mr. Sidebottom seconded the motion.

Vote: Motion Passed; Unanimous.

Mr. Tobin presented A2009-0023, Marksbury Farm Foods, LLC. The Agricultural Development Board entered into a Legal Agreement with Marksbury Farm Foods, LLC on June 30, 2010 agreeing to provide $75,000 State Funds and $75,000 in County Funds to develop a USDA-approved processing facility and retail distribution in Garrard County. The funds available for this cost-reimbursement grant were contingent upon approval of a Small Business Administration (SBA) loan and verification that full funding for the project is in place. Subsequent to entering into the Legal Agreement the applicant elected not to pursue a SBA loan from a Kentucky commercial lender, but instead secured a loan from Universal Guaranty Life Insurance Company located in Springfield, Illinois. The project is fully funded through this loan. Staff recommends eliminating the SBA requirement, and approving this amendment to disburse the funds associated with this cost-reimbursement grant.
Mr. Moore moved to approve the staff recommendation; Mr. Dick seconded the motion.

Vote: Motion Passed; Unanimous.

Mr. Tobin presented A2009-0132, Kentucky Sheep and Goat Development

Office, Inc. The Kentucky Sheep and Goat Development office, Inc requests a time extension to their project due to the following: administrative changes within their office, incomplete accounting of approved expenditures, and discrepancies in their recently submitted report. Staff recommends approving this request to extend the completion date to December 31, 2010.
Mr. Sidebottom moved to approve the staff recommendation; Dean Smith seconded the motion.

Vote: Motion Passed; Unanimous.

Tim Hughes presented A2010-0026, Western Regional Center for Emerging Technology, Inc. The Western Regional Center for Emerging Technology, Inc. has submitted an amended budget that streamlines their reporting requirements for the American Recovery and Reinvestment Act (ARRA) funding and incorporates the additional County Agricultural Development funds that were approved on October 15, 2010. This request does not propose additional funds and simply reallocates the $25,000 in Kentucky County Agricultural Development Funds. Memphis Bioworks Foundation/BioDimensions will be the primary sub-contractor to assist with the commercialization efforts of this initiative. The reduced overall budget is due to some in-kind contributions being made by Murray State University. Staff recommends approving the amended budget.
Wayne Mattingly moved to approve the staff recommendation; Mr. Henderson seconded the motion.
Vote: Motion Passed; Unanimous.

Recommendations for Funding

Ms. Marksbury presented A2010-0104, The University of Kentucky Research Foundation. The University of Kentucky Research Foundation is requesting $44,400 in County funds (Ballard- $5,000, Butler- $1,500, Caldwell- $5,000, Christian- $5,000, Crittenden- $1,500, Carlisle- $1,500, Daviess- $5,000, Fulton- $400, Henderson- $10,000, McCracken- $2,500, Todd- $5,000, Trigg - $2,000) and $90,133 in State funds to purchase a high clearance sprayer and to build a greenhouse at the Princeton Research Center. Application Review Committee recommends funding this request for $41,391 in County funds (Ballard- $5,000, Butler- $1,500, Caldwell- $5,000, Christian- $5,000, Carlisle- $1,000, Daviess- $5,000, Fulton- $315, Henderson- $10,000, McCracken- $1,576, Todd- $5,000, Trigg - $2,000) and a reduced amount of $84,276 in State funds, for a total amount of $125,667.
Wayne Hunt moved to approve the committee recommendation; Mr. Dick seconded the motion.

Vote: Motion Passed; Unanimous; Dean Smith abstained.

Mr. Tobin presented A2010-0105, Kentucky Dairy Development Council, Inc. The Kentucky Dairy Development Council, Inc. (KDDC) is requesting $1,936,700 in State funds to continue providing financial incentives, improve milk quality and increase milk quantity for Kentucky producers. The Application Review Committee recommends funding this request in the reduced amount of $800,360 in State funds for 2011 and $840,735 in State funds for 2012, for a total allocation of $1,641,095. Applicant will continue to work on a set of specific benchmarks which will be reviewed by the Application Review Committee. A final copy of the Legal agreement will come before the full board in December.
Mr. Dick moved to approve the committee recommendation; Mr. Rankin seconded the motion.

Vote: Motion Passed; Mr. Lawson dissenting. Mr. Sidebottom abstained.

Ms. Marksbury presented A2010-0106, Kentucky Horticulture Council, Inc. The Kentucky Horticulture Council, Inc. is requesting $1,800,000 in State funds to continue expansion and profitability of the horticulture crop producers in Kentucky. The Application Review Committee recommends funding this request for a reduced amount of $765,000 in State funds for 2011 and $675,000 in State funds for 2012, for a total allocation of $1,440,000. Applicant will continue to work on a set of specific benchmarks which will be reviewed by the Application Review Committee. A final copy of the Legal agreement will come before the full board in December.
Mr. Rankin moved to approve the committee recommendation; Mr. Hunt seconded the motion.

Mr. Lawson moved to amend the motion to equalize the budget reduction percentage to equate with the previously approved projects. The motion failed for lack of a second.

Vote on original motion: Motion Passed; Mr. Lawson dissenting. Dean Smith and Mr. Stone abstained.

Dean Smith moved for the staff, applicant and committee to work together to evaluate the feasibility of a competitive grant program or an alternative to amend the budget to allow reallocation among approved budget categories; Mr. Lawson seconded the motion.

Vote: Motion Passed; Unanimous.

Mr. Stone relinquished the Chair to Mr. Goodin.

Ms. Hudnall presented A2010-0112, The Kentucky Department of Agriculture.

The Kentucky Department of Agriculture is requesting $3,330,000 in State funds over the next two years to continue the promotion of the Kentucky Proud program and related activities designed to instill in Kentucky consumers' minds the value of "buy local" when shopping for food and fiber products. The Application Review Committee recommends funding this request for $1,423,750 in State funds for 2011 and $1,406,750 in State funds for 2012 for a total allocation of $2,830,500.
Mr. Rankin moved to approve the committee recommendation; Mr. Mattingly seconded the motion.

Vote: Motion passed; Mr. Lawson dissenting.

Mr. Tobin presented A2010-0115, Kentucky Beef Network, LLC. The Kentucky Beef Network, LLC is requesting $2,254,741 in State funding to continue their marketing and educational initiatives for cattle producers in Kentucky. The Application Review Committee recommends funding this request for the reduced amount of $912,954 in State funds for 2011 and $1,003,575 in State funds for 2012, for a total allocation of $1,916,529 for the Kentucky Beef Network to continue administration of programs for Kentucky cattle producers. Applicant will continue to work on a set of specific benchmarks which will be reviewed by the Application Review Committee. A final copy of the Legal agreement will come before the full board in December.

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

Vote: Motion Passed; Mr. Lawson dissenting.

Recommendations for No Funding

Ms. Hudnall presented A2010-0155, Marion County Industrial Foundation, Inc. The Marion County Industrial Foundation, Inc. is requesting $14,000 in Marion County funds to conduct a feasibility study to evaluate the infrastructure of the local Industrial Park. The Application Review Committee recommends no funding this request for $14,000 in Marion County funds due to a low priority designation from the Marion County Agricultural Development Council.
Dean Smith moved to approve the committee recommendation; Mr. Hunt seconded the motion

Vote: Motion passed; Unanimous.

Recommendations for Pending

The following application was presented, but no action was taken:
A2010-0154 Marion County Industrial Foundation, Inc.

Closing Remarks

The next Blue Application Review Committee meeting will be November 30, 2010.

The Red Application Review Committee comprised of Mr. Mattingly, Mr. Hunt, Mr. Moore and Mr. Henderson will meet in January.

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

Vote: Motion Passed; Unanimous

The meeting adjourned at 11:45 a.m. (EST)

RESIDING OFFICER:_____

SECRETARY:_____

Appendix A: New Applications for Referral

App #	Applicant	Request Type	Submitted
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: KADF Programs

CAIP

County	Program Administrator		Funds Requested
Barren	Barren County Conservation District Board	A2010-0169	$ 325,000
LaRue	LaRue County Beef Cattle Association, Inc.	A2010-0167	$ 135,000
Lee	Lee County Conservation District	A2010-0165	$ 78,800
Pulaski	Pulaski County Soil Conservation District	A2010-0174	$ 400,000
Russell	County Agriculture Investment Program Council, Inc.	A2010-0172	$ 90,980
Whitley	Whitley County Cattlemen's Association, Inc.	A2010-0164	$ 37,634
6			$ 1,067,414

Deceased Farm Animal Disposal Assistance Program

County	Program Administrator		Funds Requested
Allen	Allen County Conservation District	A2010-0176	$ 7,500
Christian	Christian County Fiscal Court	A2010-0166	$ 7,500
Garrard	Garrard County Fiscal Court	A2010-0087	$ 2,500
Pulaski	Pulaski County Fiscal Court	A2010-0173	$ 7,500
Woodford	Woodford County Conservation District	A2010-0161	$ 7,500
5			$ 32,500

Shared-use Equipment

County	Program Administrator		Funds Requested
Menifee	Menifee County Conservation District	A2010-0163	$ 13,440
1			$ 13,440

Appendix C: Program Amendments

App #	**A2010-0062**
Applicant Name	**Shelby County Cattlemen's, Inc.**
Original Amount Approved	$350,000.00
Original Approval Date	6/18/10
Requested Change	The applicant requests an additional $150,000.00 for the C.A.I.P. The request received a high priority from the Shelby 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 $500,000.00.
Recommendation	Approval

App#	**A2010-0108**
Applicant Name	**Buffalo Trace Area Development District**
Original Amount Approved	$250,000.00
Original Approval Date	8/20/10
Requested Change	The applicant requests an additional $87,000.00 for the C.A.I.P. The request received a high priority from the Mason 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 $337,000.00.
Recommendation	Approval

App#	**A2010-0146**
Applicant Name	**Allen County Conservation District**
Original Amount Approved	$36,439.00
Original Approval Date	9/17/10
Requested Change	The applicant requests an additional $105,939.00 for the C.A.I.P. The request received a high priority from the Allen 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 $142,378.00.
Recommendation	Approval

Appendix C: Program Amendments

App #	**A2010-0040**
Applicant Name	**Fayette County Conservation District**
Original Amount Approved	$150,000.00
Original Approval Date	5/21/10
Requested Change	The applicant requests an additional $210,000.00 for the C.A.I.P. The request received a high priority from the Fayette 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 $360,000.00.
Recommendation	Approval

App#	**A2010-0050**
Applicant Name	**Franklin County Cattlemen's Association**
Original Amount Approved	$150,000.00
Original Approval Date	6/18/10
Requested Change	The applicant requests an additional $54,738.00 for the C.A.I.P. The request received a high priority from the Franklin 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 $204,738.00.
Recommendation	Approval

App #	**A2010-0058**
Applicant Name	**Monroe County Conservation District**
Original Amount Approved	$165,438.00
Original Approval Date	6/18/10
Requested Change	The applicant requests an additional $3,750.00 for the C.A.I.P. The request received a high priority from the Monroe 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 $169,188.00.
Recommendation	Approval