

The actions delineated below were taken in open session of the Kentucky Agricultural Development Board at the December 17, 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
Franklin Cooperative Extension Office
Frankfort, KY
December 17, 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. (EST).

Roll Call

The following members were present: Mac Stone; 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.

Members with excused absences: Karen Curtis and Vickie Yates-Brown.

Guests in attendance: Angela Anandappa, Biff Baker, Dan Grigson, Jeff Hall, Clint Hardy, Ted Johnson, Philip Konopka, John W. McCauley, Steve Moore, Greg Rentfrow, Doug Shepard, Tim Woods

Notification of Media

Mr. Stone received verification that the media had 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 Scott Smith moved to approve the minutes of the November 19, 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 welcomed the board and guests.

Mr. Thomas introduced John McCauley with the Farm Service Agency (FSA).

Mr. McCauley announced there will be a satellite FSA office in Frankfort that will be open on the first Monday and third Wednesday of every month.

Mr. Thomas announced the assigned Recipient Review Committees. The Kentucky Beef Network (KBN) Recipient Review Committee will consist of Sam Moore, Jim Sidebottom, Karen Curtis and Don Goodin. The Kentucky Dairy Development Council Recipient Review Committee will consist of Pat Henderson, Mac Stone, and Vickie Yates-Brown. The KDA Kentucky Proud Recipient Review Committee will consist of Wayne Mattingly, Wayne Hunt, Dean Scott Smith, and Rodney Dick. The Kentucky Horticulture Council, Inc. Recipient Review Committee will consist of Sam Lawson, Jim Mahan, Troy Rankin, and President Mary Sias. The Recipient Review Committee, will meet quarterly or as needed.

Mr. Thomas announced the first recipient orientation took place with KDA on December 9, 2010. Prior to signing the contract GOAP staff reviewed the sections of the Legal Agreement with the Recipient and answered questions. The second recipient orientation will take place today, immediately following the board meeting with the Kentucky Beef Network.

Mr. Thomas reported on meetings and events GOAP staff had attended since the November 2010 KADB meeting.

Mr. Thomas called on Kylee Palmer to give a report on the Compliance Department at GOAP.

Mr. Thomas called on Angela Blank to give an update on the GOAP Conference in Bowling Green, KY scheduled for February 10, 2011. Ms. Blank passed out voting sheets for the agriculture awards that will be given during the GOAP Conference.

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

Jim Sidebottom moved to accept the KAFC monthly report; Troy Rankin seconded the motion.

Vote: Motion Passed; Unanimous.

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

Presentations:

Mr. Stone called on Mike Tobin who introduced Greg Renfrow with the University of Kentucky Food Systems Innovations Center (project A2009-0057). As required in the Legal Agreement Dr. Renfrow reported on the project's progress and plans for the future.

Mr. Tobin introduced Kathy Meyer with the Kentucky Sheep and Goat Development Office, Inc. Ms. Meyer reported on their work over the course of the previous year and described their plans for the future.

Old Business

Mr. Stone called on Mr. McCloskey to present proposed changes to the 2011 Program and Project Guidelines for approval.

Wayne Mattingly moved to remove fertilizer as an eligible cost-share item from the proposed 2011 County Agricultural Investment Program (C.A.I.P); seconded by Sam Lawson.

Following discussion, Mr. Mattingly withdrew his motion.

Wayne Hunt moved to approve fertilizer in C.A.I.P. solely for the establishment of perennial forage for C.A.I.P. applications approved during the 2011 calendar year; seconded by Dr. Sias.

Vote: Motion Passed; Unanimous

Pat Henderson moved to remove cost-share for soil testing under the fertilizer investment area even though soil testing is still required; seconded by Mr. Sidebottom.

Vote: Motion Passed; Unanimous

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

The meeting reconvened at 1:00 p.m. (EST).

Mr. Lawson moved to approve the following categorical proposed changes for 2011 C.A.I.P.: Fertilizer, Buyer/Seller Language, Composting, Agricultural Diversification Investment Area, Technology and Leadership Development Investment Area, Shared-Use Equipment Program, and Farm Structure and Commodity Handling Investment Area (see, 2011 Program/Policy Revisions document in December board meeting update materials); seconded by Mr. Mattingly.

Vote: Motion Passed; Unanimous.

Mr. Lawson moved to revise the suggested language for non-profit community based applications from “may apply for grants up to 75% of the new project costs incurred after application was received” to “may apply for grants up to 50% of the new project costs incurred after application was received”; seconded by Mr. Rankin.

Vote: Motion Passed; Unanimous.

Jim Mahan moved to approve the addition of the Producer Education Training Program as a stand alone program beginning in 2011; second by Dr. Sias.

Vote: Motion Passed; Unanimous

Mr. Hunt moved to approve the 2011 Farmers’ Market Infrastructure Competitive Grant Program as presented, except term 8 allowing only “one farmers’ market in a county” will be eliminated; and to state “Funding will be limited to no more than \$25,000 in state funds and Kentucky Agricultural Development Funds (state and county combined) cannot be more than 50% of the project” and revise term 10 to reflect a 50% reimbursement rate; seconded by Mr. Lawson.

Vote: Motion Passed; Mr. Mattingly and Sam Moore dissenting.

In reference to Ms. Meyer's earlier presentation, Mr. Mahan moved to extend the legal agreement with Kentucky Sheep and Goat Development Office, Inc.(A2009-0132) until March 31, 2011; seconded by Mr. Sidebottom.

Vote: Motion Passed; unanimous.

New Business

New Project Applications for Referral

Mr. Stone referenced the following applications for referral.

A2010-0177 Fleming County Board of Education

A2010-0178 Jessamine County FFA Alumni Association, Inc.

A2010-0179 Todd County Conservation District

A2010-0180 Scott B. Shackelford

Program Amendments

Mr. Stone referenced for the Board's consideration nine (9) County Agricultural

Investment Program (CAIP) amendments requesting county funds totaling \$472,676. **Mr. Dick moved for the approval of the submitted amendments as presented; Mr. Rankin seconded the motion.**

Vote: Motion Passed; Unanimous

Withdrawn Applicant

Mr. Stone noted for the Board's information one (1) application that has been withdrawn by the applicant: A2010-0162 Harrison County Beef Cattle Association, Inc.

Memo Action Items

Ms. Marksbury presented a memorandum regarding A2008-0073, Kentucky Agricultural Council Incorporated. The Kentucky Agricultural Council, Inc. was approved for \$200,000 in State funds to assist the applicant in the coordination, implementation, and continued development of the Strategic Plan for Agriculture. To date, Kentucky Agricultural Council, Inc. still has a balance of \$34,039 remaining for the project. The recipient is requesting a time extension until March 31, 2011 to expend the rest of the awarded funds. The Application Review Committee recommends extending the deadline to March 31, 2011 to expend funds for Project # A2008-0073. **Mr. Lawson moved to approve the committee recommendation; Mr. Rankin seconded the motion.**

Vote: Motion Passed; Unanimous.

Mr. Tobin presented a memorandum regarding A2009-0057, University of Kentucky Food Systems Innovations Center. The University of Kentucky Research Foundation was approved for \$358,904 in State funds to create a Food Systems Innovations Center (FSIC). The applicant has requested a budget variance in the software category. The Genesis R&D SQL Software originally budgeted for \$4,000 cost FSIC \$5,039. Staff recommends approving this request for the variance. **Mr. Rankin moved to approve the staff recommendation; Don Goodin seconded the motion.**

Vote: Motion Passed; Unanimous

Mr. Tobin presented a memorandum regarding A2009-0121, Robertson County Board of Education. The Robertson County Board of Education was approved for \$74,235 in Robertson County funds to construct a livestock facility for the agricultural education program. The applicant has requested an extension to the project due to the extensive paperwork and approvals needed prior to construction on school property. The applicant states the building construction will begin by the end of December 2010,

with the completion date being May 31, 2011. Staff recommends approving this extension request for the project. The new ending date for the project will be May 31, 2011. **Mr. Dick moved to approve the staff recommendation; Mr. Mahan seconded the motion.**

Vote: Motion Passed; Unanimous

Diane Fleming presented a memorandum regarding A2010-0112, Amendment to KDA Legal Agreement. The Kentucky Department of Agriculture (A2010-0112) was awarded \$2,830,500 to continue promotion of the Kentucky Proud Program. A Legal Agreement was prepared and subsequently executed on November 29, 2010. While drafting the Legal Agreement two items were identified that required Board approval: First, the Recipient requested the budget be amended to reflect equal disbursements in 2011 and 2012. Specifically, the total amount awarded is unchanged, however, KDA will receive \$1,415,250 each year of the project as opposed to the stratified amounts presented to the Board during last month's meeting. Second, a clerical error was discovered and KDA would like to add the POP program in the budget categories. Staff recommends approval of these two items as incorporated into the Legal Agreement. **Mr. Dick moved to approve the staff recommendation; Mr. Goodin seconded the motion.**

Vote: Motion Passed; Unanimous

Ms. Fleming reported that the Legal Agreement for the Kentucky Beef Network, LLC (A2010-0115) was complete and that following a recipient orientation meeting, it would be executed. **Rodney Dick moved to add Certified Stocker language to the budget categories in the KBN legal agreement; seconded by Mr. Rankin.**

Vote: Motion Passed; Unanimous

Ms. Fleming continued her report updating the Board on the progress of the projects approved during the November Board meeting. She thanked the members of the Blue Review Committee for their help developing the project benchmarks and noted that the Kentucky Horticulture Council, Inc. (A2010-0106) revised its budget in accordance with the Board's suggestion. The Recipient Review Committees will work with each of these projects to refine their goals and benchmarks.

Finally, Ms. Fleming informed the Board that the Kentucky Dairy Development Council, Inc. (A2010-0105) has been working diligently on revising its budget which was received yesterday.

Recommendations for Funding

Ms. Marksbury presented A2010-0052, Heart of Scottsville, Inc. Heart of Scottsville, Inc. is requesting \$12,500 to conduct a feasibility study for farmers' market in Allen County. The Application Review Committee recommends funding this request for \$12,500 in Allen County funds. **Mr. Moore moved to approve the committee recommendation; Dr. Sias seconded the motion.**

Vote: Motion Passed; Unanimous

Ms. Marksbury presented A2010-0168, Crittenden County Board of Education. Crittenden County Board of Education is requesting \$22,000 in Crittenden County funds to build a greenhouse for the Crittenden County High School Agricultural Department. Applicant received a "high" priority from the Crittenden County Agricultural Development Council for \$21,000 in Crittenden County funds. The Application Review Committee recommends funding this request for \$21,000 in Crittenden County funds. **Mr. Mahan moved to approve the committee recommendation; Mr. Dick seconded the motion.**

Vote: Motion Passed; Unanimous

Ms. Marksbury presented A2010-0170, Grayson County Conservation District. The Grayson County Conservation District is requesting \$6,000 in Grayson County funds to administer a welding training program for Grayson County producers. Fifteen tobacco dependent producers will be trained in arc and MIG welding courses taught by the Grayson County Area Technology School. The Application Review Committee recommends funding this request for \$6,000 in Grayson County funds. **Mr. Mahan moved to approve the committee recommendation; Mr. Rankin seconded the motion.**

Vote: Motion Passed; Unanimous

Ms. Hudnall presented A2010-0171, Wayne County Pork Producers Association, Inc. The Wayne County Pork Producers are requesting \$2,000 in Wayne County funds to support the Wayne County Women in Agriculture efforts. The Application Review Committee recommends funding this request for \$2,000 in Wayne County funds. **Mr. Dick moved to approve the committee recommendation; Mr. Rankin seconded the motion.**

Vote: Motion Passed; Unanimous

Recommendations for Pending

The following application was presented, but no action was taken:
A2010-0175 Central Cumberland Young Farmers

Closing Remarks

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

Vote: Motion Passed; Unanimous

The meeting adjourned at 2:08 (EST).

Presiding Officer:_____

Secretary:_____

Appendix A: New Applications for Referral

| <u>App #</u> | <u>Applicant</u> | <u>Request Type</u> | <u>Submitted</u> |
|--------------|----------------------------------------------|---------------------|------------------|
| A2010-0177 | Fleming County Board of Education | Project | 11/23/2010 |
| A2010-0178 | Jessamine County FFA Alumni Association Inc. | Project | 11/18/2010 |
| A2010-0179 | Todd County Conservation District | Project | 11/29/2010 |
| A2010-0180 | Scott B. Shackelford | Project | 11/29/2010 |

Appendix B: Requested Program Amendments

App # A2010-0010
Applicant Name Harrison County Beef Cattle Association, Inc.
Original Amount Approved \$420,000.00
Original Approval Date 2/12/2010
Requested Change The applicant requests an additional \$7,500.00 for the C.A.I.P. The request received a high priority from the Harrison 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 \$427,500.00.
Recommendation Approval

App# A2010-0022
Applicant Name Jessamine County FFA Alumni Association
Original Amount Approved \$230,000.00
Original Approval Date 4/16/10
Requested Change The applicant requests an additional \$100,000.00 for the C.A.I.P. The request received a high priority from the Jessamine 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 \$330,000.00.
Recommendation Approval

App # A2010-0036
Applicant Name Jefferson County Farm Bureau, Inc.
Original Amount Approved 26,883.00
Original Approval Date 9/17/10
Requested Change The applicant requests an additional \$40,000.00 for the C.A.I.P. The request received a high priority from the Jefferson 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 \$66,883.00.
Recommendation Approval

Appendix B: Requested Program Amendments

App # A2010-0038
Applicant Name Woodford County Agriculture Advancement Council
Original Amount Approved \$200,000.00
Original Approval Date 5/21/10
Requested Change The applicant requests an additional \$39,000.00 for the C.A.I.P. The request received a high priority from the Woodford 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 \$239,000.00.
Recommendation Approval

App # A2010-0048
Applicant Name Trimble County Cattleman's Association
Original Amount Approved \$190,000.00
Original Approval Date 6/18/10
Requested Change The applicant requests an additional \$3,376.00 for the C.A.I.P. The request received a high priority from the Trimble 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 \$193,376.00.
Recommendation Approval

App# A2010-0066
Applicant Name Ohio County Cattlemen's Association, Inc.
Original Amount Approved \$117,301.00
Original Approval Date 6/18/10
Requested Change The applicant requests an additional \$44,000.00 for the C.A.I.P. The request received a high priority from the Ohio 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 \$161,301.00.
Recommendation Approval

Appendix B: Requested Program Amendments

App# A2010-0086
Applicant Name Buffalo Trace Area Development District, Inc.
Original Amount Approved \$250,000.00
Original Approval Date 8/20/10
Requested Change The applicant requests an additional \$78,000.00 for the C.A.I.P. The request received a high priority from the Bracken 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 \$328,000.00.
Recommendation Approval

App # A2010-0091
Applicant Name Adair County Cattlemen's Association
Original Amount Approved \$150,000.00
Original Approval Date 9/17/10
Requested Change The applicant requests an additional \$100,800.00 for the C.A.I.P. The request received a high priority from the Adair 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 \$250,800.00.
Recommendation Approval

App # A2010-0111
Applicant Name Owen County Farm Bureau, Inc.
Original Amount Approved \$300,000.00
Original Approval Date 8/20/10
Requested Change The applicant requests an additional \$60,000.00 for the C.A.I.P. The request received a high priority from the Owen 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