

The actions delineated below were taken in open session of the Kentucky Agricultural Development Board at the January 14, 2011 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
Lexington Convention Center
Lexington, KY
January 14, 2011**

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; 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. Kimberley Holmes (designee for President Mary Sias); Jim Sidebottom; Dean Scott Smith.

Members not in attendance: 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 Scott Smith moved to approve the minutes of the December 17, 2010 meeting as presented; Dr. Kimberley Holmes 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 welcomed and introduced State Representative Kim King. Representative King thanked the board for the opportunity to attend the meeting and learn more about the Kentucky Agricultural Development Fund (KADF).

Mr. Thomas recognized Dr. Gary Palmer and Steve Moore, Henry County Extension Agent for Agriculture and Natural Resources.

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

Diane Fleming gave a legal update and thanked the Blue Application Committee for all their hard work.

Mr. Thomas discussed the Annual Report put together by Ms. Sandra Gardner.

Angela Blank gave an update on the GOAP Conference scheduled for February 10, 2011 in Bowling Green, KY. Ms. Blank announced Governor Beshear and the First Lady will be attending the luncheon.

Ms. Blank asked Mr. John McCauley to discuss the possibility of Secretary Tom Vilsak speaking at the GOAP Conference. Mr. McCauley said they were hopeful that Secretary Vilsack will still be there, but if not Deputy Secretary Merrigan has confirmed she will be there in his absence.

Ms. Blank revealed the new KADF logo.

Mr. Thomas called on Mr. McCauley to give an update on behalf of the Farm Service Agency (FSA). Mr. McCauley introduced a fellow colleague and member of the FSA state committee Joe Spalding. Mr. McCauley invited the GOAP staff to participate in the FSA Lending Program training session scheduled for April. Mr. McCauley announced his entire state committee as well as his executive management team will be in attendance at 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 December 31, 2010.

**Wayne Mattingly moved to accept the regular KAFC monthly report;
Rodney Dick seconded that motion.**

Vote: Motion Passed; Unanimous.

Presentations:

Mr. Stone called on Timothy Hughes to give a presentation and update on energy activities. Mr. Hughes discussed GOAP's with the Energy and Environment Cabinet in administering American Recovery and Reinvested Act funds.

New Business

New Project Applications for Referral

Mr. Stone referenced the following applications for referral:
A2010-0182 Lewis County Conservation District
A2011-0009 Kentucky Agricultural Council, Inc.

Pat Henderson moved to refer the submitted applications; Don Goodin seconded the motion.

Vote: Motion Passed; Unanimous

Program Recommendations

County Agricultural Investment Program (CAIP) Recommendations

Mr. Stone referenced for the Board's consideration seven (7) County Agricultural Investment Program (CAIP) applications requesting county funds totaling \$1,418,018. **Jim Sidebottom moved for approval of the submitted applications as presented; Troy Rankin seconded the motion.**

Vote: Motion Passed; Unanimous with Mr. Henderson abstaining.

Other Programs Recommended for Approval

Deceased Farm Animal Disposal Assistance Program

Mr. Stone referenced for the Board's consideration two (2) Deceased Farm Animal Disposal Assistance Program (DFADAP) applications requesting county funds totaling \$15,000 that meet program guidelines and compliance standards. **Mr. Dick moved for approval of the submitted DFADAP applications as presented; Mr. Sidebottom seconded the motion.**

Vote: Motion Passed; Unanimous

Shared-Use Equipment Program

Mr. Stone referenced for the Board's consideration three (3) Shared-use Equipment Program applications requesting county funds totaling \$34,150 that meet program guidelines and compliance standards. **Dean Smith moved for approval of the submitted Shared-use applications as presented; Sam Moore seconded the motion.**

Vote: Motion Passed; Unanimous

Program Amendments

Mr. Stone referenced for the Board's consideration six (6) County Agricultural Investment Program (CAIP) amendments requesting county funds totaling \$243,878. **Mr. Dick moved for the approval of the submitted amendments as presented; Mr. Rankin seconded the motion.**

Vote: Motion Passed; Unanimous

Memo Action Items

Mike Tobin presented a memorandum regarding A2009-0159, Fleming County Fiscal Court. KADB awarded \$7,500 to the Fleming County Fiscal Court at the October 16, 2009 meeting for DFADAP. Due to the management transition upon nearing the end of the program they had expended only \$3,245.65 of KADF funds with \$4,254.35 remaining. The applicant has requested an extension to utilize the remaining funds for the DFADAP in Fleming County ending on June 30, 2011. Staff recommends approving the extension until June 30, 2011.

Karen Curtis moved to approve the staff recommendation; Dr. Holmes seconded the motion.

Vote: Motion Passed; Unanimous

Jennifer Hudnall presented a memorandum regarding A2009-0230, Capstone Auction Service, LLC. KADB awarded Capstone Auction Service, LLC a grant up to \$50,000 in state funds to match secured county funds of equal value. Capstone Auction Services, LLC was also approved for a zero percent interest loan in the amount of \$150,000. Both were for the renovation and expansion of a facility in Campbellsburg, Kentucky to market local agricultural products. The Recipient was given the opportunity to secure individual county contributions until June 1, 2010. On January 3, 2011 the Carroll County Agricultural Development Council submitted a high priority, \$2,500 county commitment to the Capstone Produce Market, LLC project. Staff recommends approving this commitment of \$2,500 in Carroll County funds in the form of a cost reimbursement grant for the renovation and expansion of Capstone Markets facility in Campbellsburg, Ky.

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

Vote: Motion Passed; Unanimous

Christi Marksbury presented a memorandum regarding A2009-0244, Western Kentucky University Research Foundation, Inc. The Western Kentucky University Research Foundation, Inc was approved for \$249,300 in State funds at the February 12, 2010 KADB meeting. Funds were used to construct a cheese processing facility at the Western Kentucky University research farm in Bowling Green, KY. The Recipient has until March 31, 2011 to expend all of the funds that were allocated to the project. Due to delays in the project, including finalization of the contract, approval of the sewer system, and construction bidding processes, the Recipient has not expended all of the funds and does not anticipate doing so by March 31, 2011. The Recipient would like to request a time extension for the project for one year. Staff recommends a time extension for this project until February 28, 2012.

Mr. Henderson moved to approve the staff recommendation; Mr. Rankin seconded the motion.

Vote: Motion Passed; Unanimous

Ms. Marksbury presented a memorandum regarding A2010-0160, Butler County Stockman's Association, Inc. The Butler County Stockman's Association, Inc. was approved for \$10,000 under the Shared-use Program for cattle handling equipment at the October 15, 2010 KADB meeting. The Butler County Stockman's Association, Inc. would like to amend their request to have the Shared-use Equipment Program changed to a project. The recipient would like to purchase cattle handling equipment for the Stockman's Association to be used for county and various other functions the association deems appropriate. The cattle handling equipment will be housed at the Butler County Agriculture and Farmer's Market building and used for livestock shows and sales. The total project cost is \$20,000. KADF will be half of the total project and the Butler County Stockman's Association, Inc. has a cash match for the remainder of the project. Staff recommends approving this request to change from a Shared-Use Equipment program to a project.

Mr. Mattingly moved to approve the staff recommendation; Jim Mahan seconded the motion.

Vote: Motion Passed; Unanimous with Mr. Moore abstaining.

Recommendations for Funding

Ms. Marksbury presented A2010-0180, Scott B. Shackelford. Scott B. Shackelford is requesting \$24,500 in Todd County Funds to construct a produce consolidation and shipping facility. The Application Review Committee recommends funding this request for \$24,500 in Todd County funds.

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

Vote: Motion Passed; Unanimous

Recommendations for No-Funding

Ms. Hudnall presented A2010-0178, Jessamine County FFA Alumni Association, Inc. The Jessamine County FFA Alumni Association, Inc. has requested \$12,000 in Jessamine County funds to conduct a chainsaw safety class in Jessamine County. The Application Review Committee recommends no funding this application for \$12,000 in Jessamine County funds. This proposal was received prior to 2011 KADB Program/Policy revisions however, the committee recommends the applicant reapply under the new Producer Education/Training Program.

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

Vote: Motion Passed; Unanimous

Mr. Moore moved to approve the project under the Producer Education Application, and set a \$5,000 limit; seconded by Mr. Mahan.

Much discussion ensued regarding the application.

Mr. Hunt called the question.

Mr. Mattingly moved to amend the previous motion to eliminate expenditure of KADF for the chainsaws, but include 100% funding of the safety equipment; seconded by Mr. Henderson.

Following discussion, Mr. Mattingly withdrew his motion.

Mr. Mattingly moved to amend the previous motion to include 50% of the cost of the chainsaw safety equipment not to exceed \$5,000 as a project and requested the recipient to work with staff to determine a budget to fit this program; seconded by Mr. Henderson.

Vote: Motion Passed; Unanimous

Ms. Marksbury presented A2010-0179, Todd County Conservation District. The Todd County Conservation District is requesting \$157,500 in Todd County funds to administer a Drought Damaged Forage Recovery Program for 2011 for Todd County producers. The Application Review Committee recommends no funding this application because the fertilizer component has been added to the County Agricultural Investment

Program (CAIP) for 2011. The proposal was received prior to the 2011 KADB program/policy revisions.

**Mr. Sidebottom 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:
A2010-0177 Fleming County Board of Education

Old Business

Mr. Rankin moved to amend wording under the Farmland Improvement and Utilization Investment Area to further specify that only forage seed varieties would receive cost share under this program and under guideline three, "other crops" specifically state "forage/grazing" before corn, wheat, rye, ryegrass, oats, soybeans and brassicas; seconded by Mr. Dick.

Vote: Motion Passed; Unanimous

Closing Remarks

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

Vote: Motion Passed; Unanimous

The meeting adjourned at 11:38 (EST).

Presiding Officer: _____

Secretary: _____

Mac Stone

Amada Kacher

Appendix A: New Applications for Referral

App #	Applicant	Request Type	Submitted
A2010-0182	Lewis County Conservation District	Project	12/17/2010
A2011-0009	Kentucky Agricultural Council, Incorporated	Project	12/29/2010

APPENDIX B: Program Lists

CAIP

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2011-0001	Bath County Conservation District	Bath	\$353,000.00
A2010-0184	Northern Kentucky Cattle Association, In	Boone	\$279,518.00
A2011-0008	Breckinridge County Conservation District	Breckinridge	\$180,000.00
A2011-0007	Carroll Co. Agriculture Development Fund	Carroll	\$210,000.00
A2010-0183	Harrison County Beef Cattle Association, I	Harrison	\$230,000.00
A2011-0002	Menifee County Beef Producers, Inc.	Menifee	\$43,500.00
A2011-0005	Rockcastle County Conservation District	Rockcastle	\$122,000.00
			<u>\$1,418,018.00</u>

Deceased Farm Animal Disposal Assistance Program

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2010-0181	Madison County Conservation District	Madison	\$7,500.00
A2011-0004	Scott County Conservation District	Scott	\$7,500.00
			<u>\$15,000.00</u>

Shared-use Equipment

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2011-0006	Boyd County Conservation District	Boyd	\$9,000.00
A2010-0185	Grant County Conservation District	Grant	\$8,500.00
A2011-0003	Madison County Farm Bureau, Inc. of Ma	Madison	\$16,650.00
			<u>\$34,150.00</u>

Appendix C: Requested Program Amendments

App # A2010-0004
Applicant Name Garrard County Farm Bureau, Inc.
 Amount Approved to Date \$300,000.00
 Original Approval Date 5/21/2010
 Requested Change The applicant requests an additional \$50,000.00 for the CAIP. The request received a high priority from the Garrard 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 \$350,000.00.
 Recommendation Approval

App# A2010-0035
Applicant Name Green River Area Beef Improvement Group, Inc.
 Original Amount Approved \$150,000.00
 Original Approval Date 5/21/2010
 Requested Change The applicant requests an additional \$8,209.00 for the CAIP. The request received a high priority from the Daviess 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 \$158,209.00.
 Recommendation Approval

App# A2010-0063
Applicant Name Grant County Cattlemens Association, Inc.
 Original Amount Approved \$200,000.00
 Original Approval Date 6/18/2010
 Requested Change The applicant requests an additional \$23,861.00 for the CAIP. The request received a high priority from the Grant 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 \$223,861.00.
 Recommendation Approval

Appendix C: Requested Program Amendments

App#	A2010-0077
Applicant Name	Lincoln County Cattlemen's Association
Original Amount Approved	\$200,000.00
Original Approval Date	7/22/2010
Requested Change	The applicant requests an <u>additional</u> \$70,000 for the CAIP. The request received a <u>high</u> priority from the Lincoln 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 \$270,000.00.
Recommendation	Approval

App #	A2010-0131
Applicant Name	Hardin County Extension District Board
Original Amount Approved	\$150,000.00
Original Approval Date	9/17/2010
Requested Change	The applicant requests an <u>additional</u> \$39,000.00 for the CAIP. The request received a <u>high</u> priority from the Hardin 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 \$189,000.00.
Recommendation	Approval

App#	A2010-0151
Applicant Name	Kenton County Farm Bureau
Original Amount Approved	\$52,000.00
Original Approval Date	10/15/2010
Requested Change	The applicant requests an <u>additional</u> \$52,808.00 for the CAIP. The request received a <u>high</u> priority from the Kenton 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 \$104,808.00.
Recommendation	Approval