

The actions delineated below were taken in open session of the Kentucky Agricultural Development Board at the July 22, 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  
James E. Bruce Convention Center  
Frankfort, KY  
July 22, 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. (CDT).

**Roll Call**

The following members were present: Mac Stone; Dr. Betty Bailey; Roy Collins; Karen Curtis; Don Goodin (designee for Secretary Larry Hayes); Pat Henderson; Wayne Hunt; Sam Lawson; Wayne Mattingly; Sam Moore; Troy Rankin; Jim Sidebottom; Dean Scott Smith.

Members with excused absences: Jim Mahan and President Mary Sias.

**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 the Kentucky Department of Agriculture (KDA) events and activities.

**Approval of Minutes**

**Dean Scott Smith moved to approve the minutes of the June 17, 2011 meeting as presented; Troy Rankin 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 and thanked Wayne Hunt and his family for their hospitality. Mr. Thomas asked Dean Smith to give highlights regarding the UK Cooperative Extension Princeton Field Day.

Dean Smith discussed the Field Day held on July 21, 2011 in Princeton and invited and encouraged the KADB, KAFC, GOAP staff and guests to attend future Field Days.

Mr. Thomas introduced three new board members, Dr. Betty Bailey and Roy Collins representing the KADB and Frank McAninch representing the KAFC. **The three new board members were sworn in prior to the July 22, 2011 KADB and KAFC meetings.**

Mr. Thomas reported on meetings and events staff in the Governor's Office of Agricultural Policy (GOAP) had attended since the June 17, 2011 KADB meeting.

Mr. Thomas announced the August KADB meeting will be held in conjunction with the Kentucky State Fair on August 19, 2011 in Louisville.

Mr. Thomas called on Bill McCloskey to report on the financial position of the Kentucky Agricultural Finance Corporation (KAFC) as of June 30, 2011. **Karen Curtis moved to accept the regular KAFC monthly report; Don Goodin seconded that motion.**

**Vote: Motion Passed; Unanimous.**

### **Reports**

William Snell and Steve Isaacs with the University of Kentucky reported on the progress and plans for the future of the Kentucky Agricultural Leadership Program. Brian Lacefield and Todd Perry gave examples of their personal experiences with the Kentucky Agricultural Leadership Program and thanked the KADB for their support.

Mike Tobin introduced Benny Garland and Ryan Smith with South Kentucky Rural Electric Cooperative Corporation (SKRECC) and Mark Yancey, CEO of NEAtech, LLC in Centennial, Colorado. They reported on the progress of the feasibility study and highlighted SKRECC plans for the future.

Mr. Stone introduced Larry Snell with KCARD who expressed his appreciation to the KADB and others for their support of KCARD's United States Department of Agriculture grant application for funding.

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

Mr. Stone referenced the following applications for referral:

A2011-0075 Nelson County Fiscal Court

A2011-0079 Owen County 4-H Club Council, Incorporated

A2011-0085 Wolfe County Fiscal Court

A2011-0091 Franklin-Simpson Industrial Authority

A2011-0092 Destiny Health Trends Network, LLC

A2011-0100 Wayne County Farmers Market, Incorporated

A2011-0101 Hart County Chamber of Commerce, Inc.  
A2011-0104 Somerset Farmers' Market Association, Inc.

**Dean Smith moved to refer the submitted applications; Sam Lawson seconded the motion.**

**Vote: Motion Passed; Unanimous.**

#### **Program Recommendations**

Mr. Stone referenced for the Board's consideration fifteen (15) County Agricultural Investment Program (CAIP) applications requesting county funds totaling \$3,392,823; one (1) Deceased Farm Animal Disposal Assistance Program (DFADAP) application requesting county funds totaling \$7,500; and three (3) Shared-use Equipment Program applications requesting county funds totaling \$53,847. **Sam Moore moved for the approval of the submitted program recommendations as presented; Mr. Rankin seconded the motion.**

**Vote: Motion Passed; Unanimous**

#### **Program Amendments**

Mr. Stone referenced for the Board's consideration four (4) County Agricultural Investment Program (CAIP) amendments requesting county funds totaling \$237,000. **Jim Sidebottom moved for the approval of the submitted amendments as presented; Dean Smith seconded the motion.**

**Vote: Motion Passed; Unanimous.**

#### **Memo Action Items**

Christi Marksbury presented a memorandum regarding A2005-0596 Owensboro Grain Company, LLC. Owensboro Grain Company, LLC (OGC) was approved for \$282,250 in county funds as a grant and \$1,000,000 in State funds as a forgivable loan at the January 20, 2006 KADB meeting to purchase equipment and construct a biodiesel production facility in Owensboro, KY. The Recipient has requested to change the terms of forgiveness to include the following items:

- Change the producer definition to include any Kentucky producer, not just Kentucky tobacco dependent producers.
- Change the maximum eligible annual rebate from \$1,000 to \$2,500 per Kentucky producer.

OGC has been making payments each year and submitted requested forgiveness for 2011. In 2011, the recipient earned a small amount of forgiveness and made a payment of \$97,297.31. OGC believes with the above changes they will be able to earn more forgiveness for the project and make less of a payment each year. The White Application Review Committee recommends changing the terms of the legal agreement for

OGC from tobacco dependent producers to any Kentucky producer. The White Application Review Committee recommends not increasing the annual rebate per producer from \$1,000 to \$2,500 due to amending the tobacco dependency clause. This allows the applicant time to evaluate the impact of removing this clause to the project.

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

**Vote: Motion Passed; Unanimous.**

Mr. McCloskey presented a memorandum regarding A2010-0064 Owen County Farmers Market. At the September 17, 2010 meeting the KADB approved Owen County Farm Bureau, Inc. for \$82,419 in Owen County funds to construct a permanent farmers' market facility in Owenton. The project is complete but incurred additional site work bringing the total project expenses to \$90,727. Match for the project was \$111,580 in the form of land value and improvements to a parking lot and driveway where the project is located, which is behind the Owen County Farm Bureau office. The project is complete and the applicant has received \$82,419. The Owen County Council committed \$8,000 on June 23, 2011 to assist with financing the project. On July 1, 2011, GOAP staff attended the ribbon cutting ceremony for the project. The White Application Review Committee recommends approving this request.

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

**Vote: Motion Passed; Unanimous.**

Ms. Marksburly presented a memorandum regarding A2011-0028 Hopkinsville Elevator Co., Inc. The Hopkinsville Elevator Co, Inc. was approved for up to \$184,000 in county funds and \$55,000 of debt forgiveness in State funds at the May 20, 2011 KADB meeting to purchase a grain cleaning system. The terms of the loan were to credit two loan payments to Hopkinsville Elevator Co., Inc. for up to \$55,000 in payments on the loan for project A#2002-0435 (Commonwealth Agri-Energy, LLC) in lieu of a grant for up to \$55,000. Since the companies are two separate legal entities, the simplest way to administer this loan would be to grant the county/state funds to Hopkinsville Elevator Co, Inc. instead of forgiving payments on A2002-0435. Commonwealth Agri-Energy will continue to pay their loan as previously scheduled. Therefore, the White Application Review Committee recommends modifying the previous application approval from debt forgiveness to a grant in the amount of \$55,000.

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

**Vote: Motion Passed; Unanimous with Mr. Hunt abstaining.**

**Recommendations for Funding**

Mike Tobin presented A2011-0030 Bracken County Agriculture Advancement Council, Inc. The Bracken County Agricultural Advancement Council, Inc. (BCAA) is requesting \$37,500 in State and \$37,500 in county funds to conduct a feasibility study that will determine the benefits of constructing a Bio-fuel pellet mill in the Bracken County Industrial Park. The White Application Review Committee recommends approving \$17,500 in State funds and \$20,000 in county funds from Bracken (\$15,000), Lewis (\$1,000), Mason (\$2,000), Pendleton (\$1,000), and Bath (\$1,000) for a total of \$37,500 to conduct a feasibility study.

**Mr. Lawson moved to approve the committee recommendation; Mr. Sidebottom seconded the motion.**

**Vote: Motion Passed; Unanimous.**

**Recommendations for No-Funding**

Mr. McCloskey presented A2011-0066 Tracy Curtsinger. Tracy Curtsinger requested \$7,500 in Shelby County Funds to expand the milking operation to produce cheese and butter under the business name of Hometown Farm and Creamery. The White Application Review Committee recommends no funding the request for \$7,500 in Shelby County funds. This recommendation is based on the action of the Shelby County Council not committing any funds to the project and rating the project as low priority while citing availability of CAIP funds.

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

**Vote: Motion Passed; Unanimous.**

**Pending Applications**

The following applications were presented, but no action was taken:

- A2011-0065 Gallrein Farms, Inc.
- A2011-0076 Jimmie Vaughn, Hay Applicator
- A2011-0080 Garrard County Board of Education

**Closing Remarks**

Kylee Palmer informed the board the second quarter reports for the recipient committees were complete and available. Full presentations will be given at the October KADB meeting.

**Mr. Sidebottom moved to adjourn; Ms. Curtis seconded the motion.**

**Vote: Motion Passed; Unanimous.**

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

**Presiding Officer:** \_\_\_\_\_

**Secretary:** \_\_\_\_\_

## Appendix A: New Applications for Referral

<b>App #</b>	<b>Applicant</b>	<b>Request Type</b>	<b>Submitted</b>
A2011-0075	Nelson County Fiscal Court	Project	6/3/2011
A2011-0079	Owen County 4-H Club Council, Incorporated	Project	6/13/2011
A2011-0085	Wolfe County Fiscal Court	Project	6/23/2011
A2011-0091	Franklin-Simpson Industrial Authority	Project	6/23/2011
A2011-0092	Destiny Health Trends Network, LLC	Project	6/24/2011
A2011-0100	Wayne County Farmers Market, Incorporated	Farmer's Market Competitive Program	6/24/2011
A2011-0101	Hart County Chamber of Commerce, Inc.	Farmer's Market Competitive Program	6/24/2011
A2011-0104	Somerset Farmers' Market Association, Inc.	Farmer's Market Competitive Program	6/24/2011

## Appendix B: Program Lists

**CAIP**

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2011-0078	Nelson County Soil Conservation District	Nelson	\$115,000.00
A2011-0081	Laurel County Cattlemen's Association, Inc.	Laurel	\$169,446.00
A2011-0083	Montgomery County Soil Conservation District	Montgomery	\$175,000.00
A2011-0084	Buffalo Trace Area Development District, Inc.	Bracken	\$250,000.00
A2011-0086	Bourbon County Fiscal Court	Bourbon	\$338,500.00
A2011-0087	Grayson County Cattlemens Association Inc.	Grayson	\$180,000.00
A2011-0089	Monroe County Conservation District	Monroe	\$145,581.00
A2011-0090	Buffalo Trace Area Development District, Inc.	Mason	\$200,000.00
A2011-0093	Woodford County Agriculture Advancement Council, Inc.	Woodford	\$250,000.00
A2011-0094	Todd County Conservation District	Todd	\$375,000.00
A2011-0095	Allen County Conservation District	Allen	\$144,966.00
A2011-0096	Scott County Conservation District	Scott	\$276,330.00
A2011-0097	Pulaski County Conservation District	Pulaski	\$400,000.00
A2011-0099	Taylor County Cattlemen's Association, Inc.	Taylor	\$173,000.00
A2011-0103	Lincoln County Cattlemen's Association	Lincoln	\$200,000.00
			<b>\$3,392,823.00</b>

**Deceased Farm Animal Disposal Assistance Program**

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2011-0102	Henry County Fiscal Court	Henry	\$7,500.00
			<b>\$7,500.00</b>

**Shared-use Equipment**

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2011-0082	Nicholas County Conservation District	Nicholas	\$15,000.00
A2011-0088	Monroe County Conservation District	Monroe	\$32,763.00
A2011-0098	Pulaski County Conservation District	Pulaski	\$6,084.00
			<b>\$53,847.00</b>

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Total County Funds Recommended for Approval in Programs: **\$3,454,170.00**

## Appendix C: Program Amendments

**App #** A2010-0086  
**Applicant Name** Buffalo Trace Area Development District, Inc.  
 Original Amount Approved \$328,000.00  
 Original Approval Date 8/20/10  
 Requested Change The applicant requests an additional \$20,000 for the CAIP. 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 \$348,000.  
 Recommendation Approval

**App#** A2010-0092  
**Applicant Name** Taylor County Cattlemen's Association, Inc.  
 Original Amount Approved \$275,000.00  
 Original Approval Date 8/20/2010  
 Requested Change The applicant requests an additional \$27,000 for the CAIP. The request received a high priority from the Taylor 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 \$302,000.  
 Recommendation Approval

**App #** A2010-0132  
**Applicant Name** Jackson Purchase Resource Conservation & Development Foundation  
 Original Amount Approved \$100,860.00  
 Original Approval Date 9/17/10  
 Requested Change The applicant requests an additional \$40,000 for the CAIP. The request received a high priority from the McCracken 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 \$140,860.  
 Recommendation Approval

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## ***Appendix C: Program Amendments***

<b>App #</b>	<b>A2010-0184</b>
<b>Applicant Name</b>	<b>Northern Kentucky Cattle Association, Inc.</b>
Original Amount Approved	\$279,518.00
Original Approval Date	1/14/11
Requested Change	The applicant requests an <u>additional</u> \$150,000 for the <i>CAIP</i> . The request received a <u>high</u> priority from the Boone 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 \$429,518.
Recommendation	Approval