

The actions delineated below were taken in open session of the Kentucky Agricultural Development Board at the September 9, 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  
University of Kentucky E.S. Good Barn  
Lexington, KY  
September 9, 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. (EDT).

**Roll Call**

The following members were present: Mac Stone; Dr. Betty Bailey; Karen Curtis; Secretary Larry Hayes; Pat Henderson; Wayne Hunt; Sam Lawson; Jim Mahan; Wayne Mattingly; Sam Moore; Troy Rankin; Jim Sidebottom; Dean Scott Smith; Dr. Mary Sias.

Members with excused absences: Roy Collins.

**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**

Mr. Henderson moved to approve the minutes of the August 19, 2011 meeting as presented; Dean Smith 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 reported on meetings and events staff in the Governor's Office of Agricultural Policy (GOAP) had attended since the August 19, 2011 KADB meeting.

Mr. Thomas thanked Dean Smith and the University of Kentucky College of Agriculture for hosting the KADB during Roundup week.

He congratulated Mr. Sidebottom for being one of the three finalists in the Kentucky Farm Bureau, Farmer of the Year Contest. The winner will be announced at their annual meeting in December.

Mr. Thomas relinquished the floor to Dr. Sias who introduced Dr. Tsegaye, Dean of Kentucky State University's College of Agriculture, Food Science and Sustainable Systems. She explained Dr. Tsegaye will be her designee on the KADB, and Dr. Kimberly Homes will be Dr. Tsegaye's alternate.

Mr. Thomas brought attention to the 2011 Forum document in the board's update folder. This document is a culmination of comments from the eight forums held across the state. There will be more discussion on this document during the October planning meeting.

Mr. Thomas called on Bill McCloskey to report on the financial position of the Kentucky Agricultural Finance Corporation (KAFC) as of August 31, 2011. **Mr. Lawson moved to accept the regular KAFC monthly report; Mr. Moore seconded that motion.**

**Vote: Motion Passed; Unanimous.**

Mr. Thomas introduced Secretary of the Economic Development Cabinet (EDC), Larry Hayes. Secretary Hayes discussed the EDC's initiatives regarding the encouragement of small business development. He also asked that the cooperative effort between EDC staff and GOAP staff continue because it has been a great benefit to both staffs.

Secretary Hayes had to leave the meeting and Don Goodin assumed his duty as designee.

## **Reports**

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

Mr. Stone referenced the following applications for referral:

- A2011-0130 Green River Area Beef Improvement Group, Inc.
- A2011-0131 Washington County Extension District Board
- A2011-0137 Kentucky Center for Agriculture and Rural Development
- A2011-0138 Greenup County Farm Bureau of Greenup County, Kentucky

**Mr. Moore moved to refer the submitted applications; Dr. Sias seconded the motion.**

**Vote: Motion Passed; Unanimous.**

**Program Recommendations**

Mr. Stone referenced for the Board's consideration four (4) County Agricultural Investment Program (CAIP) applications requesting county funds totaling \$512,582; one (1) Shared-use Equipment Program application requesting county funds totaling \$13,380; and one (1) Deceased Farm Animal Disposal Assistance Program (DFADAP) application requesting county funds totaling \$7,500.

**Dr. Sias moved for the approval of the submitted program recommendations as presented; Mr. Hunt 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 \$242,943.

**Mr. Sidebottom moved for the approval of the submitted amendments as presented; Mr. Rankin seconded the motion.**

**Vote: Motion Passed; Unanimous.**

**Memo Action Items**

**Christi Marksby presented a memorandum regarding A2010-0053, Allen County Board of Education.**

Allen County Board of Education was approved for \$35,000 in Allen County funds at the October, 2010 Kentucky Agricultural Development Board meeting to build a new greenhouse for the Allen County High School Agriculture Department.

No funds have been expended on the project and the recipient would like to request a time extension for the project, due to several delays in the large renovation/new construction project that is being completed at Allen County High School. The recipient will not be able to complete the project before the contract expiration date, which is December 10, 2011.

It is anticipated that construction of the greenhouse will be complete by January 29, 2012. Therefore, staff recommends a time extension on this project until February 15, 2012 to allow the recipient more time to complete the project.

**Mr. Moore moved to approve the staff recommendation; Mr. Mahan seconded the motion. Following discussion, Dr. Sias offered a**

**friendly amendment to grant the extension for the project through March 30, 2012. Mr. Moore and Mr. Mahan accepted the friendly amendment and a vote was taken on the motion as amended.**

**Vote: Motion Passed; Unanimous.**

**Ms. Marksbury presented a memorandum regarding A2011-0028, Hopkinsville Elevator Co., Inc.**

The Hopkinsville Elevator Co., Inc. (HEC) was approved for up to \$184,000 in county funds and \$55,000 in state funds as a cost-reimbursement grant at the May 20, 2011 Kentucky Agricultural Development Board Meeting.

HEC was given until August 1, 2011 to acquire commitments of all their county funds for the project. As of August 1, the following counties committed funds to the project: Allen \$5,000; Butler \$5,000; Barren \$25,000; Caldwell \$5,000; Christian \$35,000; Hopkins \$2,000; Logan \$25,000; Muhlenberg \$5,000; Simpson \$5,000; Todd \$35,000; Trigg \$10,000 and Warren \$5,000, totaling \$162,000.

On May 24, 2011, the Edmonson County Agricultural Development Council met to determine a county priority for this project. At that time, there was not a quorum present at the meeting. The meeting was rescheduled to August 30, 2011. At this meeting, the Edmonson County Agricultural Development Council assigned a high priority to the project for \$2,000.

Staff recommends funding this request for \$2,000 in Edmonson County funds for the Hopkinsville Elevator project. This would bring the total county allocation to \$164,000 and will complete this portion of the project.

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

**Vote: Motion Passed; Unanimous.**

**Mr. McCloskey presented a memorandum regarding A2011-0030, Bracken County Agriculture Advancement Council, Inc.**

The Bracken County Agriculture Advancement Council, Inc. (BCAAC) was approved for up to \$37,500 in a combination of county and state funds at the July 22, 2011 Kentucky Agricultural Development Board meeting to conduct a feasibility study to evaluate densification of biomass in the region.

BCAAC was given until September 30, 2011 to acquire commitments of all of their county funds for the project. To date, all counties that BCAAC has solicited funds from have submitted priority sheets to GOAP. As of September 1, the following counties committed funds to this project: Bracken \$15,000; Mason \$2,000; Lewis \$1,000; Pendleton \$1,000; Bath \$1,000; and Robertson \$1,000. A total allocation of: \$21,000.

The Energy and Environment Cabinet has contributed \$2,000 to the project which will be used to reduce the state contribution to the project. With this contribution deducted, state KADF for the project will be \$14,500.

Staff recommends funding the county allocations for a total of \$21,000 and utilizing the EEC funds to reduce the state KADF contribution by \$2,000. This brings total state KADF commitments to \$14,500.

**Mr. Goodin moved to approve the staff recommendation; Mr. Rankin seconded the motion. Dr. Bailey abstained from voting.**

**Vote: Motion Passed; Unanimous.**

#### **Recommendations for Funding**

Mr. McCloskey presented **A2011-0100, Wayne County Fiscal Court**. Wayne County Fiscal Court is requesting \$25,000 in state funds under the 2011 Farmers' Market Infrastructure Competitive Grant Program to build an open air building to house the Wayne County Market Place.

The White Application Review Committee recommends funding this request for \$25,000 in state funds as a part of the 2011 Farmers' Market Infrastructure Competitive Grant Program.

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

**Vote: Motion Passed; Unanimous.**

Ms. Marksbury presented **A2011-0101, Hart County Chamber of Commerce**. Hart County Chamber of Commerce is requesting \$13,500 in state funds under the 2011 Farmers' Market Infrastructure Competitive Grant Program to build an open pavilion.

The White Application Review Committee recommends funding this request for \$13,500 in state funds as a part of the 2011 Farmers' Market Infrastructure Competitive Grant Program.

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

**Vote: Motion Passed; Unanimous.**

Ms. Marksbury presented **A2011-0114, City of Morgantown**. The City of Morgantown is requesting \$3,500 in Butler County funds to purchase items for the education/training room at the Ag Expo Center.

The Blue Application Review Committee recommends funding this request for \$3,500 in Butler County funds.

**Mr. Mahan moved to approve the committee recommendation; Ms. Curtis seconded the motion.**

**Vote: Motion Passed; Unanimous.**

Ms. Marksbury presented **A2011-0115, Butler County Board of Education (Green River School)**. The Butler County Board of Education (Green River School) is requesting \$2,558 in Butler County funds to incorporate aquaculture into the Green River School's agriculture classes.

The Blue Application Review Committee recommends funding this request for \$2,558 in Butler County funds.

**Mr. Mattingly moved to approve the committee recommendation; Ms. Curtis seconded the motion.**

**Vote: Motion Passed; Unanimous.**

Ms. Marksbury presented **A2011-0116, Butler County Board of Education (FFA)**. The Butler County Board of Education (FFA) is requesting \$1,100 in Butler County funds to purchase portable digital scales for the Butler County FFA program.

The Blue Application Review Committee recommends funding this request for \$1,100 in Butler County funds.

**Ms. Curtis moved to approve the committee recommendation; Mr. Mahan seconded the motion.**

**Vote: Motion Passed; Unanimous.**

Ms. Marksbury presented **A2011-0128, Green County Cattlemen's Association**. The Green County Cattlemen's Association is requesting \$12,500 in Green County funds to purchase bleachers and a sound system for the Green County Agriculture and Marketing Center.

The Blue Application Review Committee recommends funding this request for \$12,500 in Green County funds.

**Mr. Mattingly moved to approve the committee recommendation; Dr. Sias seconded the motion.**

**Vote: Motion Passed; Unanimous.**

### **Recommendations for No-Funding**

Mr. McCloskey presented **A2011-0104 Somerset Farmers' Market**. Somerset Farmers' Market is requesting \$25,000 in state funds under the 2011 Farmers' Market Infrastructure Competitive Grant Program to build a permanent steel structure for farmers to utilize as a selling and marketing venue.

The application is recommended for no funding because it did not meet minimum score of 75 points to be eligible for funding according to the guidelines of the 2011 Farmers' Market Infrastructure Competitive Grant Program.

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

**Vote: Motion Passed; Unanimous.**

**Dean Smith requested a list of all farmers' markets the board funded, to be distributed at the October KADB meeting.**

Mr. McCloskey presented **A2011-0121, Mac Farms, Incorporated**. Mac Farms, Incorporated is requesting \$450,000 in state funds to construct an anaerobic digestion system.

The Blue Application Review Committee recommends no funding this request because this project is limited to benefitting one individual. The applicant is being referred to the Kentucky Agricultural Finance Corporation.

**Mr. Hunt 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:

A2010-0177 Fleming County Board of Education  
A2011-0029 South East Bio-Fuels L.L.C.  
A2011-0034 Franklin County Board of Education  
A2011-0076 Jimmie Vaughn  
A2011-0080 Garrard County Board of Education  
A2011-0111 Rowan County Senior High School Agriculture Department  
A2011-0119 Jessamine County FFA Alumni Association Inc.  
A2011-0124 Kentucky Vineyard Society, Inc.

**Closing Remarks**

Mr. Thomas announced the next KADB meeting will be held on October 18 and 19, 2011 at General Butler State Resort Park for the KADB's annual planning meeting.

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

**Vote: Motion Passed; Unanimous.**

The meeting adjourned at 11:50 a.m. (EDT)

Presiding Officer: Mac Stone

Secretary: Syrisa Sprutzyr

### Appendix A: Applications for Referral

<b>App #</b>	<b>Applicant</b>	<b>Request Type</b>	<b>Submitted</b>
A2011-0130	Green River Area Beef Improvement Group, Inc.	Project	8/10/2011
A2011-0131	Washington County Extension District Board	Project	8/11/2011
A2011-0137	Kentucky Center for Agriculture and Rural Development	Project	8/26/2011
A2011-0138	Greenup County Farm Bureau of Greenup County, Kentucky	Project	8/26/2011

## Appendix B: Program Lists

### CAIP

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2011-0134	Greenup County Farm Bureau of Greenup County, Kentucky	Greenup	\$169,582.00
A2011-0135	Christian County Conservation District	Christian	\$250,000.00
A2011-0136	Carlisle County Conservation District	Carlisle	\$40,000.00
A2011-0139	Kenton County Farm Bureau, Inc.	Kenton	\$53,000.00
			\$512,582.00

### Deceased Farm Animal Disposal Assistance Program

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2011-0132	Adair County Soil Conservation District	Adair	\$7,500.00
			\$7,500.00

### Shared-use Equipment

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2011-0133	Madison County Farm Bureau, Inc. of Madison County, Kentucky	Madison	\$13,380.00
			\$13,380.00

Total County Funds Recommended for Approval in Programs: \$533,462.00

## Appendix C: Program Amendments

**App #** A2011-0021  
**Applicant Name** Jessamine County FFA Alumni Association Inc.  
**Original Amount Approved** \$230,000  
**Execution Date** 5/19/2011  
**Requested Change** The applicant requests an additional \$100,000 in Jessamine County funds for *CAIP*. The request received a high priority from the Jessamine County Council.  
 This is the second request for an amendment to this application number (the first amendment was also \$100,000). 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 \$430,000.  
 Recommend Approval

**App #** A2011-0031  
**Applicant Name** Magoffin County Agriculture Investment Program Inc.  
**Original Amount Approved** \$108,133  
**Execution Date** 5/2/2011  
**Requested Change** The applicant requests an additional \$93,443 in Magoffin County funds for *CAIP*. The request received a high priority from the Magoffin County Council.  
 This is the first request for an amendment to this application number. 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 \$201,576.  
 Recommend Approval

**App#** A2011-0050  
**Applicant Name** Johnson County Agricultural Advancement Council Inc.  
**Original Amount Approved** \$70,000  
**Execution Date** 7/15/2011  
**Requested Change** The applicant requests an additional \$31,500 in Johnson County funds for *CAIP*. The request received a high priority from the Johnson County Council.  
 This is the first request for an amendment to this application number. 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 \$101,500.  
 Recommend Approval

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## **Appendix C: Program Amendments**

<b>App#</b>	<b>A2011-0081</b>
<b>Applicant Name</b>	<b>Laurel County Cattlemen's Association Inc.</b>
<b>Original Amount Approved</b>	<b>\$169,446</b>
<b>Execution Date</b>	<b>8/3/2011</b>
<b>Requested Change</b>	<p>The applicant requests an additional \$18,000 in Laurel County funds for <i>CAIP</i>. The request received a high priority from the Laurel County Council.</p> <p>This is the first request for an amendment to this application number. The term of the program shall remain 12-months from the execution date of the original agreement.</p> <p>Approval of this request would bring the program total to \$187,446.</p> <p>Recommend Approval</p>