

The actions delineated below were taken in open session of the Kentucky Agricultural Development Board at the December 16, 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, Kentucky 40601.



**Kentucky Agricultural Development Board  
Summary Minutes of the Business Meeting  
Salato Wildlife Education Center  
Frankfort, Kentucky  
Friday, December 16, 2011**

**Call to Order**

Mac Stone, designee for Commissioner Richie Farmer, presiding, called the Kentucky Agricultural Development Board meeting to order at 10:05 a.m. (EST).

**Roll Call**

The following members were present: Mac Stone (designee for Vice Chairman, Commissioner Richie Farmer); Dr. Betty Bailey; Roy Collins; Karen Curtis; Don Goodin (designee for Secretary Larry Hayes); Pat Henderson; Wayne Hunt; Sam Lawson; Jim Mahan; Wayne Mattingly; Troy Rankin; Dean Teferi Tsegaye (designee for President 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.

**Approval of Minutes**

Dean Scott Smith moved to approve the minutes from the November 17, 2011 meeting as presented; Don Goodin 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 recognized the attendance of Representative Fred Nesler, Graves County; John McCauley, Executive Director, Farm Service Agency and Larry Snell, Executive Director, Kentucky Center for Agriculture and Rural Development (KCARD).

Mr. Thomas recognized Kentucky Farm Bureau's "Distinguished Service Award" recipient, Bruce Harper and "Farmer of the Year" award recipients, Jim Sidebottom and his wife, Ona.

Mr. Thomas called on Bill McCloskey to report on the financial position of the Kentucky Agricultural Finance Corporation (KAFC).

Dean Smith moved to accept the KAFC monthly report; Dean Teferi Tsegaye seconded the motion.

**VOTE: Motion Passed; Unanimous**

Mr. Thomas called on Joel Neaveill to discuss upcoming Board meeting locations.

Mr. Neaveill informed the board that the January 2012 KADB meeting would be held at the Kentucky Chamber of Commerce, Frankfort and that the February 2012 KADB meeting would be held at the Kentucky Fair and Exposition Center, Louisville, in conjunction with the 2012 National Farm Machinery Show.

Mr. Thomas commented on the upcoming transition to take place at the Kentucky Department of Agriculture. On behalf of the staff at the Governor's Office of Agricultural Policy, the Kentucky Agricultural Development Board members and the Governor of Kentucky, Mr. Thomas presented Mr. Stone with a Kentucky Colonel for his role as designee for the vice chair of the Kentucky Agricultural Development Board and for his dedication and service to agriculture in the Commonwealth of Kentucky.

Mr. Stone introduced Angie Crain of the US Geological Survey to present "Assessing the effects of Agriculture on Water Quality in Kentucky's Rivers and Streams and Various Watershed Scales".

**Old Business**

**2012 Program, Policy Proposed Changes**

Mr. Stone called on Kylee Palmer to review the 2012 Program, Policy Proposed Changes.

Ms. Palmer presented to the board two options with regard to the Buyer/Seller Language. Option 1 – Strike the Buyer/Seller Clause; Option 2 – Modify the Buyer/Seller Clause.

Pat Henderson moved to approve the Buyer/Seller Language as presented in Option 2; Troy Rankin seconded the motion.

**VOTE: Motion Passed; Unanimous**

Ms. Palmer presented to the board a revised County Agricultural Investment Program (CAIP) Producer Application for 2012. After discussion, the board voted.

Jim Mahan moved to approve the change as presented; Sam Lawson seconded the motion.

**VOTE: Motion Passed; Unanimous**

### **KADB Priorities for 2012**

Mr. Neaveill recapped for the board the five (5) priority focus areas for 2012 that the Board voted for at the October Planning Meeting at General Butler State Resort Park.

### **Memo Action Items**

Mr. Stone called upon the Project Analysts to present Memo Action Items to the Board for consideration.

#### **A2009-0057 University of Kentucky**

Mike Tobin presented a memorandum regarding the above-referenced project. The applicant has requested an amendment to reallocate \$48,412 and for a time extension to this program until June 30, 2012. The reallocation of funds would come from direct current expenses and be allocated as follows: Direct salary \$22,000; equipment \$6,412; participant training \$5,000 and computing hardware \$15,000. This reallocation would provide the applicant with the support needed for market and client project research. The time extension would allow the project to conclude on June 30, 2012 rather than December 31, 2011.

The Blue Application Review Committee recommends approval of this request.

Jim Sidebottom moved to approve the Committee recommendation; Mr. Mahan seconded the motion.

**VOTE: Motion Passed; Unanimous**

#### **A2010-0170 Grayson County Conservation District**

Christi Marksbury presented a memorandum regarding the above-referenced project. The applicant has requested an amendment for an additional \$2,835 in Grayson County funds and a time extension until June 30, 2012. The additional funds would allow the applicant to continue to offer the welding training program in the spring to twelve (12)

additional producers interested in taking the course. The time extension would allow the applicant to provide another course in the Spring of 2012.

The Blue Application Review Committee recommends approval of this request.

Mr. Mahan moved to approve the Committee recommendation; Dean Tsegaye seconded the motion.

**VOTE: Motion Passed; Unanimous**

### **KAFC 2012 On-Farm Energy Efficiency & Production Program**

Mr. Thomas presented a memorandum regarding the above-referenced program. The Governor's Office of Agricultural Policy's (GOAP) American Recovery & Reinvestment Act (ARRA) On-Farm Energy Efficiency & Production Program will conclude in April 2012. There will be no federal funds available to continue this effort beyond that date despite an ongoing demand. Poultry and dairy producer applications increased during 2011. Farmers have witnessed significant savings from participation in this program between 2009 and 2011. Therefore, the GOAP is seeking authorization to implement a 2012 Kentucky Agricultural Development Fund (KADF) On-Farm Energy Efficiency & Production Program utilizing up to \$2,000,000 in State Agricultural Development Funds to meet this continuing need for the farmers of Kentucky.

Mr. Lawson moved to approve the request subject to program guidelines being submitted to the Board at the KADB Meeting in January 2012; Mr. Henderson seconded the motion.

**VOTE: Motion Passed; Unanimous**

Due to time constraints, Mr. Stone called upon Ms. Marksbury to reference the following New Business prior to adjourning for lunch.

### **Recommendation for Funding**

#### **A2011-0158 Nonprofit Dynamics, Inc.**

Ms. Marksbury presented the above-referenced project. Nonprofit Dynamics, Inc. is requesting \$25,000 in State funds and \$24,641 in County Funds (\$5,000 Carlisle, \$9,641 Hickman and \$10,000 Graves).

The Blue Application Review Committee recommends funding this request for up to \$31,141 in State funds, \$24,641 in County funds (\$5,000 Carlisle, \$9,641 Hickman and \$10,000 Graves), for a total of \$55,782.

After discussion, Wayne Hunt moved to approve the Committee recommendation; Mr. Mahan seconded the motion.

**VOTE: Motion Passed; Unanimous**

The KADB adjourned for lunch at 12:10 p.m.

The KADB reconvened at 1:10 p.m.

**New Business**

**New Applications for Referral**<sup>1</sup>

Mr. Stone referenced the following applications for referral:

A2011-0176	Padgett Farms, LLC
A2011-0178	Solidagex, Inc.
A2011-0179	Carroll County FFA Alumni

Dean Smith moved to refer the submitted applications; Mr. Goodin seconded the motion.

**VOTE: Motion Passed; Unanimous**

**Programs Recommended for Approval**<sup>2</sup>

Mr. Stone referenced, for the Board's consideration, three (3) County Agricultural Investment Program (CAIP) applications requesting County funds totaling \$758,784.

Mr. Rankin moved to approve the program recommendations as presented; Dean Smith seconded the motion.

**VOTE: Motion Passed; Unanimous**

**Requested Program Amendments**<sup>3</sup>

Mr. Stone referenced, for the Board's consideration, four (4) County Agricultural Investment Program (CAIP) amendments requesting county funds totaling \$320,110.

Dean Smith moved to approve the submitted program amendments as presented; Mr. Goodin seconded the motion.

**VOTE: Motion Passed; Unanimous**

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<sup>1</sup> A detailed list of applications for referral is attached as Appendix A.

<sup>2</sup> A detailed list of projects funded under the County Agricultural Investment Program is attached as Appendix B.

<sup>3</sup> A detailed list of County Agricultural Investment Program amendments is attached as Appendix C.

**Recommendations for Funding**

Mr. Stone called upon the GOAP Project Analysts to reference the Project Recommendations for Funding.

**A2011-0080            Garrard County Board of Education**

Jennifer Hudnall presented the above-referenced project. Garrard County Board of Education is requesting \$30,000 in Garrard County funds to implement a forage management program on the Garrard County FFA farm.

The White Application Review Committee recommends funding this request for \$30,000 in Garrard County funds.

Mr. Lawson moved to approve the Committee recommendation; Mr. Hunt seconded the motion.

**VOTE: Motion Passed; Unanimous**

**A2011-0172 Bluegrass Stockyards of Albany, LLC**

Ms. Hudnall presented the above-referenced project. Bluegrass Stockyards of Albany, LLC is requesting \$30,000 in Clinton County funds and \$5,000 in Wayne County funds to construct a 50,000 square foot stockyard facility in Albany, Kentucky.

The Blue Application Review Committee recommends funding this request for \$30,000 in Clinton County funds and \$5,000 in Wayne County funds, for a total of \$35,000.

Sam Moore moved to approve the Committee recommendation; Mr. Rankin seconded the motion.

**VOTE: Motion Passed; Unanimous**

**A2011-0173            Louisville/Jefferson County Metro Government**

Ms. Marksbury presented the above-referenced project. The Louisville/Jefferson County Metro Government is requesting \$350,000 in State funds.

The Louisville/Jefferson County Metro Government is requesting that \$250,000 be utilized to create a revolving loan fund, Louisville Diversification through Entrepreneurship in Agribusiness Loan (Louisville DEAL). This fund will help expand small businesses in the Louisville food and beverage sector. The target area is the Portland neighborhood due to the low income level of its' residents and the need for more local, fresh foods in the neighborhood.

In addition, the Louisville/Jefferson County Metro Government is requesting to continue the Farm to Table program, utilizing \$100,000 to continue the position of public interest broker/coordinator for another two (2) years.

The White Application Review Committee recommends funding this request for \$350,000 in State funds.

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

After discussion, Mr. Mahan moved to amend the motion to pend the application to gather additional information from the applicant and to determine what options are available for the financing of this project. Mr. Hunt seconded the motion to amend.

**VOTE: Motion Passed; Unanimous**

**Closing Remarks**

Mr. Rankin opened for discussion the process by which the Board is informed of the outcome of Committee recommendations and the circumstances surrounding their decision to recommend or not recommend funding. After discussion, it was determined that the Board would like more detailed information on the Committee recommendations at the monthly KADB Meeting.

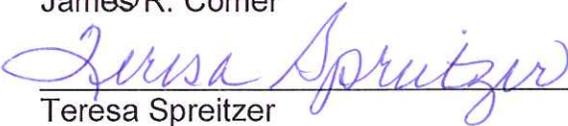
Mr. Thomas appointed Wayne Hunt (Red Committee) and Troy Rankin (Blue Committee) to work with the White Committee on the Louisville/Jefferson County Metro Government Application (A2011-0173).

Mr. Mahan moved to adjourn; Wayne Mattingly seconded the motion.

**VOTE: Motion Passed; Unanimous.**

The KADB Meeting adjourned at 2:45 p.m. (EST).

Presiding Officer:   
James R. Comer

Board Secretary   
Teresa Spreitzer

## Appendix A: Applications for Referral

<b>App #</b>	<b>Applicant</b>	<b>Request Type</b>	<b>Submitted</b>
A2011-0176	Padgett Farms, LLC	Project	11/23/2011
A2011-0178	Solidagex, Inc.	Project	11/28/2011
A2011-0179	Carroll County FFA Alumni	Project	11/28/2011

Appendix B: Program Lists

<b>CAIP</b>			
<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2011-0174	Barren County Conservation District Board	Barren	\$400,000.00
A2011-0175	Washington County Cattlemen Association, Inc.	Washington	\$50,000.00
A2011-0177	Fleming County Conservation District	Fleming	\$308,784.00
			<b>\$758,784.00</b>

Total County Funds Recommended for Approval in Programs: **\$758,784.00**

## Appendix C: Program Amendments

**App #** A2011-0037  
**Applicant Name** Garrard County Farm Bureau, Inc.  
 Original Amount Approved \$30,000  
 Execution Date 05/10/11  
 Requested Change The applicant requests an additional \$60,000 in Garrard County funds for the CAIP. The request received a high priority from the Garrard County Council.

This is the second request for an amendment to this application number. The first request for an amendment was approved on 06/17/2011 for an additional \$270,000 in Garrard County funds. 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.

**Recommend Approval**

**App#** A2011-0042  
**Applicant Name** Green River Area Beef Improvement Group, Inc.  
 Original Amount Approved \$100,000  
 Execution Date 06/13/11  
 Requested Change The applicant requests an additional \$86,710 in Daviess County funds for the CAIP. The request received a high priority from the Daviess 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 \$186,710.

**Recommend Approval**

**App#** A2011-0087  
**Applicant Name** Grayson County Cattlemen's Association, Inc.  
 Original Amount Approved \$180,000  
 Execution Date 08/03/11  
 Requested Change The applicant requests an additional \$23,400 in Grayson County funds for the CAIP. The request received a high priority from the Grayson 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 \$203,400.

**Recommend Approval**

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## **Appendix C: Program Amendments**

<b>App#</b>	<b>A2011-0125</b>
<b>Applicant Name</b>	<b>Fayette County Conservation District</b>
Original Amount Approved	\$200,000
Execution Date	08/26/11
Requested Change	<p>The applicant requests an <u>additional</u> \$150,000 in Fayette County funds for the CAIP. The request received a <u>high</u> priority from the Fayette 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 \$350,000.</p>
	<b>Recommend Approval</b>