

The actions delineated below were taken in open session of the Kentucky Agricultural Development Board at the January 20, 2012 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
Kentucky Chamber of Commerce
Frankfort, Kentucky
Friday, January 20, 2012**

Call to Order

James R. Comer, Commissioner, Kentucky Department of Agriculture, presiding, called the Kentucky Agricultural Development Board meeting to order at 10:10 a.m. (EST). Commissioner Comer stated that he will take an active roll as a member of the Kentucky Agricultural Development Board (KADB) as it continues to impact farmers and promoting agriculture across the state. Commissioner Comer stated that he will need to be excused at 11:00 a.m. and that Bruce Harper, Deputy Commissioner, Kentucky Department of Agriculture will preside in his absence.

Roger Thomas, Executive Director congratulated and welcomed Commissioner Comer to the Kentucky Agricultural Development Board. Mr. Thomas stated that he was proud to have Commissioner Comer as vice chair of this board and that he and the board members were looking forward to working with him.

Roll Call

The following members were present: Commissioner James R. Comer, Vice Chair; Dr. Betty Bailey; Roy Collins; Don Goodin (designee for Secretary Larry Hayes); Pat Henderson; Wayne Hunt; Sam Lawson; Jim Mahan; Wayne Mattingly; Troy Rankin; Dr. Kimberly Holmes (designee for President Mary Evans Sias); Jim Sidebottom; Dean M. Scott Smith.

Members with excused absences: Karen Curtis

Notification of Media

Commissioner Comer received verification that the media has been notified of the Kentucky Agricultural Development Board (KADB) monthly meeting.

Approval of Minutes

Sam Moore moved to approve the minutes from the December 16, 2011 meeting as presented. Troy Rankin seconded the motion.

VOTE: Motion Passed; Unanimous

Executive Director's Report

Commissioner Comer called on Mr. Thomas to give the Executive Director's Report.

Mr. Thomas informed the board that the White Committee would meet upon adjournment in the Kentucky Power Room. Wayne Hunt and Mr. Rankin will join the discussion regarding Application #A2011-0173. He also informed the board that the Central Kentucky Grower's Association (CKGA) Recipient Review Committee met at 9:00 am this morning to discuss options related to the project.

Mr. Thomas called on Roy Collins to give a report on the CKGA meeting. Mr. Collins stated that unfortunately they do not have a recommendation. The committee discussed several options and is determining the best option to benefit farmers in Scott and surrounding counties.

Mr. Thomas recognized committee members Roy Collins, Wayne Mattingly, Pat Henderson and Troy Rankin. In addition, Mr. Thomas thanked Larry Snell and Brent Lackey from KCARD and Zeldon Angel from CKGA who were also in attendance at that meeting.

Mr. Thomas provided a legislative update from Angela Blank regarding agricultural issues. He noted that Senate Bill 108, concerning changes to the Kentucky Agricultural Finance Corporation (KAFC), is sponsored by Senator Paul Hornback. Mr. Thomas stated that Angela Blank, Joel Neaveill and Diane Fleming continue to track legislation throughout the legislative session.

Mr. Thomas called on John McCauley, Executive Director, Kentucky Farm Service Agency who gave an update on the USDA office consolidation proposal. Five offices in Kentucky will be affected (Greensburg, Williamsburg, McKee, Beattyville and Mt. Washington).

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

Jim Sidebottom moved to accept the KAFC monthly report. Dr. Kimberly Holmes seconded the motion.

VOTE: Motion Passed; Unanimous

Mr. Thomas provided a summary of the Governor's 2012-2014 budget proposal as it relates to the Kentucky Agricultural Development Fund.

Old Business

Guidelines for the 2012 KADF On-Farm Energy Efficiency & Production Program

Mr. Thomas introduced Angie Justice to give an overview of the changes made to the 2012 KADF On-Farm Energy Efficiency & Production Program Guidelines and Application. Ms. Justice detailed the proposed changes and stated that with the Board's approval of the new guidelines, the application will be put on the website next week.

Sam Lawson moved to accept the 2012 KADF On-Farm Energy Efficiency and Production Program Guidelines as presented. Dean M. Scott Smith seconded the motion.

VOTE: Motion Passed; Unanimous

Memo Action Items

Bruce Harper, Deputy Commissioner, Kentucky Department of Agriculture called upon the Project Analysts to present Memo Action Items to the Board for consideration.

A2008-0280 Foothills Products and Services, Inc.

Mike Tobin presented a memorandum regarding the above-referenced project. The Recipient has requested an amendment to the terms of their loan. The reallocation request is as follows:

- Five Thousand (\$5,000) payment by March 15, 2012, then quarterly payments of \$2,105 for three years (\$28,155).
- Quarterly payments of \$4,210 beginning March 15, 2015 for three years (\$50,520).
- Quarterly payments of \$8,420 beginning March 15, 2018 for three years (\$101,040).
- A balloon payment at the end of this term \$290,285.
- Foothills will submit quarterly financial reports to GOAP for the life of the loan.
- Foothills will meet quarterly with KCARD and GOAP to discuss business operations and financial performance.

The Red Application Review Committee recommends approving the re-amortization of the Foothills Products and Services, Inc. KADF loan.

Pat Henderson moved to approve the Committee recommendation. Mr. Moore seconded the motion.

VOTE: Motion Passed; Unanimous

A2009-0244 Western Kentucky University Research Foundation, Inc.
Christi Marksburly presented a memorandum regarding the above-referenced project. The Recipient has requested an amendment to reallocate \$57,300 for a

cheese storage facility/cellar to store the cheese and an extension of the project until February 28, 2013.

The reallocation would allow the Recipient to purchase the necessary cheese-aging storage equipment and to build a cellar in which to store the cheese. The extension would allow the Recipient additional time to complete the project.

The Red Application Review Committee recommends the reallocation of funds in the amount of \$57,300 and a time extension for the project until February 28, 2013.

Mr. Moore moved to approve the Committee recommendation. Mr. Sidebottom seconded the motion.

VOTE: Motion Passed; Unanimous

Mr. Lawson stated for the record that, as the person who lobbied for and who originally made the motion to approve the project, he is very disappointed in the pace of this project implementation.

A2010-0104 University of Kentucky Research Foundation, Inc.
Ms. Marksbury presented a memorandum regarding the above-referenced project. The Recipient has requested an amendment for an extension until April 14, 2013. The bid for the greenhouse was recently put out by UK. The extension would allow the Recipient time to complete the greenhouse.

The Red Application Review Committee recommends approving the time extension for this project until April 14, 2013.

Wayne Mattingly moved to approve the Committee recommendation. Dr. Holmes seconded the motion.

VOTE: Motion Passed; Dean M. Scott Smith Abstained

Marketing and Entrepreneurship Committee Report – Promotional Fund

Deputy Commissioner Harper called on Diane Fleming to report on the Promotional Fund with regard to the Marketing and Entrepreneurship Committee.

Ms. Fleming stated that the Promotional Fund is a concept that was created during the years 2005-2007, through a series of projects with forgivable loans. Pursuant to the terms of those forgivable loans, monies were paid into a Promotional Fund account to benefit several related professional agricultural associations. The monies in the Promotional Fund provide an opportunity to use the KADF for a second time. The KADB will enter into a Memorandum of Agreement with each association, and provide three (3) options:

- 1) Pool the funds received from the promotional fund with other groups who also received promotional funds;

- 2) Combine the funds with monies from associations which promote Kentucky agriculture and Kentucky producers, and/or additional funds from programs which may be available or created by the KADB or the KAFC for the purpose of promoting Kentucky agriculture and Kentucky producers; or
- 3) The funds may be utilized to promote the entity itself and its members.

Ms. Fleming stated that the associations will work with the Marketing and Entrepreneurship Committee to create ideas and concepts that promote Kentucky agriculture. The Marketing and Entrepreneurship Committee will approve individual projects and report to the full Board.

Wayne Hunt moved to approve entering into Memoranda of Agreement with the affected associations and requiring the associations to submit their concepts to the Marketing and Entrepreneurship Committee for approval. Mr. Rankin seconded the motion.

VOTE: Motion Passed; Unanimous

New Business

New Applications for Referral¹

Deputy Commissioner Harper referenced the following applications for referral:

A2012-0004	World Trade Center Kentucky
A2012-0007	Kentucky State University

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

VOTE: Motion Passed; Dr. Holmes Abstained

Programs Recommended for Approval²

Deputy Commissioner Harper referenced, for the Board's consideration, three (3) County Agricultural Investment Program (CAIP) applications requesting County funds totaling \$380,000.

Mr. Sidebottom moved to approve the program recommendations as presented. Mr. Moore seconded the motion.

VOTE: Motion Passed; Mr. Henderson Abstained in regard to the County Agricultural Investment Program (CAIP) application A2011-0001 – Breckinridge Count Soil Conservation District.

¹ A detailed list of applications for referral is attached as Appendix A.

² A detailed list of projects funded under the CAIP, DAR Program and Shared-use Equipment Program is attached as Appendix B.

Deputy Commissioner Harper referenced, for the Board's consideration, three (3) Deceased Farm Animal Removal Program (DAR) application requesting County funds totaling \$17,500.

Mr. Goodin moved to approve the program recommendations as presented. Dr. Holmes seconded the motion.

VOTE: Motion Passed; Unanimous

Deputy Commissioner Harper referenced, for the Board's Consideration, one (1) Shared-Use Equipment application requesting County funds totaling \$8,950.

Mr. Hunt moved to approve the program recommendation as presented. Mr. Mattingly seconded the motion.

VOTE: Motion Passed; Unanimous

Requested Program Amendments³

Deputy Commissioner Harper referenced, for the Board's consideration, nine (9) County Agricultural Investment Program (CAIP) amendments requesting county funds totaling \$333,587.

Mr. Mattingly moved to approve the submitted program amendments as presented. Roy Collins seconded the motion.

VOTE: Motion Passed; Unanimous

Recommendations for Funding

Deputy Commissioner Harper called upon Ms. Marksbury to reference to the Project Recommendation for Funding.

A2011-0176 Padgett Farms, LLC

Ms. Marksbury presented the above-referenced project from Padgett Farms, LLC requesting \$15,000 in Washington County funds to install an eight inch water main to their existing greenhouse operation. The applicant has taken the business from tobacco transplants to vegetable and herb transplants. The total cost for the project will be \$30,000 with matching funds coming from the applicant.

The Red Application Review Committee recommends funding this request for \$15,000 in Washington County funds.

After discussion, Mr. Mattingly moved to approve the Committee recommendation; Jim Mahan seconded the motion.

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

VOTE: Motion Passed; Unanimous

Pending Applications

Deputy Commissioner Harper called on the GOAP project analysts to discuss the following pending applications:

- | | |
|------------|---|
| A2011-0034 | Franklin County Public Schools
Construction of a greenhouse |
| A2011-0111 | Rowan County Senior High School Agriculture Department
Construction of a greenhouse and multi-purpose building |
| A2011-0154 | Edmonton-Metcalf County Industrial Authority
Construction of a marketing facility for blueberry production |
| A2011-0168 | Corey L. Collins
Expansion of a meat processing facility in Lewis County |
| A2011-0173 | Louisville/Jefferson County Metro Government
Creation of a revolving loan fund and continuance of the Farm to Table Program. |
| A2011-0178 | Solidagex, Inc.
Goldenrod establishment project |
| A2011-0179 | Carroll County FFA Alumni
Carroll County Show Hog Initiative |

Closing Remarks

Mr. Thomas recognized Kylee Palmer, Senior Compliance Officer and recognized a new employee, Bryan Thomas, who has returned to GOAP, will be working closely with Ms. Palmer on compliance issues.

Mr. Neaveill stated that the next Red Committee Meeting will be held on January 30, 2012 at 10:00 a.m. CST at the Breckinridge County Extension Office in Hardinsburg, Kentucky.

Mr. Henderson moved to adjourn. Dr. Betty Bailey seconded the motion.

VOTE: Motion Passed; Unanimous

The KADB Meeting adjourned at 12:03 (EST).

Presiding Officer: 
James R. Comer

Board Secretary 
Teresa Spreitzer

Appendix A: Applications for Referral

App #	Applicant	Request Type	Submitted
A2012-0004	World Trade Center Kentucky	Project	12/29/2011
A2012-0007	Kentucky State University	Project	12/5/2011

Appendix B: Program Lists

CAIP

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2012-0001	Breckinridge County Soil Conservation District	Breckinridge	\$250,000.00
A2012-0005	Jefferson County Farm Bureau, Inc.	Jefferson	\$40,000.00
A2012-0006	Bullitt County Cattlemen's Association, Inc.	Bullitt	\$90,000.00
			\$380,000.00

Deceased Farm Animal Removal Program

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2012-0002	Montgomery County Fiscal Court	Montgomery	\$7,500.00
A2012-0003	Lincoln County Fiscal Court	Lincoln	\$7,500.00
A2012-0009	Garrard County Fiscal Court	Garrard	\$2,500.00
			\$17,500.00

Shared-use Equipment

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2012-0008	Harrison County Beef Cattle Association, Inc.	Harrison	\$8,950.00
			\$8,950.00

Total County Funds Recommended for Approval in Programs: **\$406,450.00**

Appendix C: Program Amendments

App #	A2011-0045
Applicant Name	Green River Area Beef Improvement Group, Inc.
Original Amount Approved	\$27,503
Execution Date	06/13/11
Requested Change	The applicant requests an <u>additional</u> \$7,524 in Henderson County funds for the CAIP. The request received a <u>high</u> priority from the Henderson 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 \$35,027.
	Recommend Approval

App#	A2011-0095
Applicant Name	Allen County Conservation District
Original Amount Approved	\$144,966
Execution Date	11/14/11
Requested Change	The applicant requests an <u>additional</u> \$15,215 in Allen County funds for the CAIP. The request received a <u>high</u> priority from the Allen 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 \$160,181.
	Recommend Approval

App#	A2011-0096
Applicant Name	Scott County Conservation District
Original Amount Approved	\$276,330
Execution Date	09/07/11
Requested Change	The applicant requests an <u>additional</u> \$57,487 in Scott County funds for the CAIP. The request received a <u>high</u> priority from the Scott 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 \$333,817.
	Recommend Approval

Appendix C: Program Amendments

App#	A2011-0103
Applicant Name	Lincoln County Cattlemen's Association
Original Amount Approved	\$200,000
Execution Date	08/02/11
Requested Change	<p>The applicant requests an additional \$90,000 in Lincoln County funds for the CAIP. The request received a high priority from the Lincoln 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 \$290,000.</p>
Recommend Approval	

App#	A2011-0122
Applicant Name	Adair County Cattlemen's Association, Inc.
Original Amount Approved	\$200,000
Execution Date	09/14/11
Requested Change	<p>The applicant requests an <u>additional</u> \$27,000 in Adair County funds for the CAIP. The request received a <u>high</u> priority from the Adair 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 \$227,000.</p>
Recommend Approval	

App #	A2011-0127
Applicant Name	Warren County Conservation District
Original Amount Approved	\$198,889
Execution Date	10/05/11
Requested Change	<p>The applicant requests an <u>additional</u> \$21,497 in Warren County funds for the CAIP. The request received a <u>high</u> priority from the Warren 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 \$220,386.</p>
Recommend Approval	

Appendix C: Program Amendments

App# A2011-0129
Applicant Name Hart County Cattlemen's Association, Inc.
 Original Amount Approved \$330,000
 Execution Date 09/09/11
 Requested Change The applicant requests an additional \$20,000 in Hart County funds for the CAIP. The request received a high priority from the Hart 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 \$350,000.
Recommend Approval

App# A2011-0140
Applicant Name Lewis County Conservation District
 Original Amount Approved \$200,000
 Execution Date 10/31/11
 Requested Change The applicant requests an additional \$90,000 in Lewis County funds for the CAIP. The request received a high priority from the Lewis 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 \$290,000.
Recommend Approval

App# A2011-0152
Applicant Name Lyon County Conservation District
 Original Amount Approved \$30,000
 Execution Date 11/02/11
 Requested Change The applicant requests an additional \$4,864 in Lyon County funds for the CAIP. The request received a high priority from the Lyon 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 \$34,864.
Recommend Approval