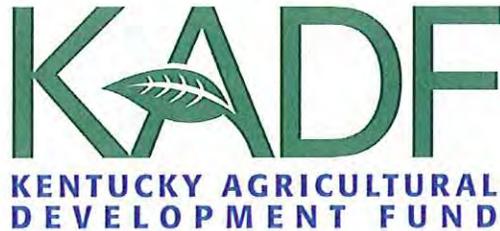


The actions delineated below were taken in open session of the Kentucky Agricultural Development Board at the February 17, 2012 regular board meeting. This is provided in summary form; an official record of the meeting is available in the permanent records of the Governor's Office of Agricultural Policy (GOAP), 404 Ann Street, Frankfort, Kentucky 40601.



**Kentucky Agricultural Development Board
Summary Minutes of the Business Meeting
Kentucky Fair & Exposition Center
Louisville, Kentucky
February 17, 2012**

Call to Order

Commissioner James R. Comer, presiding, called the Kentucky Agricultural Development Board meeting to order at 10:14 am (EST).

Roll Call

The following members were present: James R. Comer (Vice Chairman); 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; Dr. Kimberly Holmes (designee for President Mary Evans Sias); Jim Sidebottom; Dean M. Scott Smith.

Notification of Media

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

Welcome

Commissioner Comer welcomed everyone to the meeting.

Approval of Minutes

Pat Henderson moved to approve the minutes from the January 20, 2012 Board meeting with a correction reflected in the minutes that he abstained from the vote on the County Agricultural Investment Program (CAIP) application A2011-0001 - Breckinridge County Soil Conservation District; Jim Mahan seconded the motion.

VOTE: Motion Passed; Unanimous

Executive Director's Report

Mr. Thomas thanked Harold Workman and the Kentucky State Fair Board for their hospitality. Mr. Thomas stated that he attended the reception last night for the National Farm Machinery Show, a wonderful event for agriculture.

Mr. Thomas called on John McCauley, State Executive Director, Kentucky Farm Service Agency (FSA) to give an update on the FSA events and activities. Mr. McCauley stated that the office consolidations hearings have concluded. The Kentucky FSA is down 13 Executive Directors across the state and that they are in the process of filling 5 of those positions.

Mr. Thomas called on Larry Snell, Executive Director, Kentucky Center for Agriculture and Rural Development (KCARD) to give an update on the KCARD events and activities. Mr. Snell stated that in the first two months of 2012 there have been more requests for assistance than in the previous two years which he believes is a sign that Kentucky agriculture is growing.

Mr. Thomas called on Dr. Will Snell, Co-Director, Kentucky Agricultural Leadership Program (KALP), University of Kentucky (UK), for a few words. Dr. Snell stated that he would update the Board at it's next meeting regarding the KALP Class 10, scheduled to begin in October of this year.

Mr. Thomas announced that the Kentucky Agricultural Council (KAC) will meet at 2:00 p.m. in Room 203 and encouraged everyone to attend.

Mr. Thomas reported that the Board received a 2012 Legislative Update, Quarterly Marketing, Communications Report (October – December 2011) and On-Farm Energy Efficiency and Production Incentive leaflet in their packets

Mr. Thomas called on Bill McCloskey to review the Kentucky Agricultural Finance Corporation (KAFC) Statement of Financial Position as of January 31, 2012.

Sam Moore moved to accept the KAFC financial report; Dr. Betty Bailey seconded the motion.

VOTE: Motion Passed; Unanimous

Mr. McCloskey announced that the next KAFC Board meeting will be held on Friday, March 2, 2012.

Mr. Thomas announced that Governor's Office of Agricultural Policy (GOAP) is manning a booth at the Farm Machinery Show promoting the On-Farm Energy Efficiency and Production Incentive Program.

Commissioner Comer thanked Mr. Thomas, the GOAP staff as well as staff members of the KDA for the support given and time spent over last five weeks meeting and working together for the good of agriculture across the state. Commissioner Comer stated that he looks forward to a great working relationship between the KDA, GOAP and KADB over the next 4 years.

Presentations

Kentucky Agricultural Council

Christi Marksbury introduced Tod Griffin, Chairman of the Kentucky Agricultural Council (KAC).

Mr. Griffin handed out a briefing (on file with the Board Secretary) of the KAC's highlights from 2011 and plans for 2012 as well as a brochure from the 2011 Kentucky Agricultural Summit. Upon conclusion of the presentation, Mr. Lawson noted that \$50,000 was approved by the Board at its February 22, 2011 meeting subject to the progress report received today.

Diane Fleming, General Counsel to the KADB stated that no action is necessary.

Agribusiness Grant Facilitation Program

Joel Neaveill introduced Aleta Botts, Coordinator for the Agribusiness Grant Facilitation Program, led by KCARD. Dean M. Scott Smith informed the Board that Ms. Botts is also a graduate of Agricultural Economics at UK with eleven years experience in Washington, ten of those on Capitol Hill as a senior staff member of the House Agricultural Committee. She has a wealth of experience in federal agricultural policy.

Ms. Botts presented to the KADB an update (on file with the Board Secretary) showing key actions since the program began and the work ahead. Ms. Botts informed the board of a new website www.growkentuckyag.com created as a central clearinghouse for helping agricultural producers, rural businesses and others in Kentucky learn about, apply for and receive funding for their enterprises. One of the goals of the Agribusiness Grant Facilitation Program is to see an increase in applications and awards.

Mr. Neaveill thanked Ms. Botts for the valuable work she is doing. Mr. Neaveill informed the Board that Ms. Botts has also met with GOAP staff to identify federal funds in order to help leverage KADB funded projects.

Commissioner Comer, announced the joint agreement between the 4-H Foundation, Future Farmer's of America (FFA) Foundation and KDA's Kentucky Proud program to split equally, the revenue generated from a \$10 optional fee for farm vehicle license tags. The three organizations are promoting the optional fee through county court clerks, extension offices, farm bureaus as well as poster advertisements.

Commissioner Comer passed the gavel as Vice Chair to Deputy Commissioner Bruce Harper.

Old Business

Memo Action Items

Deputy Commissioner Harper called upon the Project Analysts to present Memo Action Items to the Board for consideration.

A2010-0026 Western Regional Center for Emerging Technology

Ms. Marksbury presented a memorandum (on file with the Board Secretary) regarding the above-referenced project. The Recipient has requested an extension of time until February 28, 2012 to expend the funds. The extension would allow the Recipient to complete data collection, final crop plans and spend the remainder of the State funds in the amount of \$4,782.

The Red Application Review Committee recommends approving the extension until February 28, 2012.

Dr. Bailey moved to approve the Committee recommendation; Wayne Hunt seconded the motion.

VOTE: Motion Passed; Unanimous

A2010-0095 Bardstown Mills, Inc.

Ms. Marksbury presented a memorandum (on file with the Board Secretary) regarding the above-referenced project. The Recipient has requested an extension until June 15, 2012 to finish building the greenhouse facility.

The Red Application Review Committee recommends approving the extension until June 15, 2012.

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

VOTE: Motion Passed; Unanimous

A2010-0177 Fleming County Board of Education

Mike Tobin presented a memorandum (on file with the Board Secretary) regarding the above-referenced project. The Recipient has requested an amendment to construct a multi-purpose building rather than a covered livestock arena.

The Red Application Review Committee recommends approving the amendment for the purpose of constructing a multi-purpose building.

Karen Curtis moved to approve the Committee recommendation; Troy Rankin seconded the motion.

VOTE: Motion Passed; Unanimous

A2010-0180 Scott Shackelford

Ms. Marksbury presented a memorandum (on file with the Board Secretary) regarding the above-referenced project. The Recipient has requested a reallocation of \$7,500 from a refrigerated trailer to purchase construction materials to expand the shipping facility, rather than purchasing a refrigerated trailer.

The Red Application Review Committee recommends approving the reallocation of \$7,500 for the expansion of the shipping facility.

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

VOTE: Motion Passed; Unanimous

A2011-0056 KABA/Select Sires, Inc.

Ms. Marksbury presented a memorandum (on file with the Board Secretary) regarding the above-referenced project. The Recipient has requested an amendment to the current legal agreement to reflect a change in ownership. Specifically, due to the merger of KABA/Select Sires, Inc. with Cache Valley Select Sires, Inc., the company has been renamed Select Sires of MidAmerica, Inc and is under new ownership.

The Red Application Review Committee recommends approving the amendment to change the project Recipient to Select Sires of MidAmerica, Inc.

Jim Sidebottom moved to approve the Committee recommendation; Dr. Kimberly Holmes seconded the motion.

VOTE: Motion Passed; Unanimous

A2011-0048 Kentucky Beef Network, LLC

Mr. Tobin presented a memorandum (on file with the Board Secretary) regarding the above-referenced project. The Recipient has requested to reallocate funds from A2010-0115 KBN VI Ultrasound Program in the amount of \$44,000 to A2011-0048 Kentucky Beef Network, LLC MAG 60 Program to permit the Recipient to breed up to 7,500 cows in the spring of 2012. The funds from the 2010 project allotted for ultrasound will be returned to the GOAP. Upon receipt, they will be added to the 2011 project in the appropriate budget category.

Dr. Bailey moved to approve a reallocation of funds in the amount of \$44,000 from A2010-0115 Kentucky Beef Network, LLC Ultrasound Program to A2011-0048 Kentucky Beef Network, LLC MAG-60 Program; Ms. Curtis seconded the motion.

VOTE: Motion Passed; Unanimous

Mr. Thomas called on Mr. Hunt to give a report on the Marketing and Entrepreneurship Committee Meeting held this morning.

The Committee reviewed and approved the budgets presented by the Cattlemen's Association, Kentucky Pork Producers Association and Kentucky Poultry Federation. Then Mr. Hunt explained the Committee's recommendation to match the \$75,000 provided by the three associations for a promotional project to be undertaken in conjunction with the Kentucky Broadcasters Association.

Mr. Henderson made a motion to approve the recommendation; Mr. Lawson seconded the motion.

VOTE: Motion Passed; Unanimous

New Business

Applications for Referral¹

Deputy Commissioner Harper referenced the following applications for referral:

A2012-0010	Marksbury Farm Foods, LLC
A2012-0011	W. Brent Woodrum
A2012-0013	Scott B. Shackelford
A2012-0014	Jessamine County FFA Alumni Association, Inc.
A2012-0015	Jessamine County FFA Alumni Association, Inc.
A2012-0016	Clark County Conservation District
A2012-0017	Four Hills Farm LLC

Mr. Moore moved to refer the submitted applications; Mr. Rankin seconded the motion.

VOTE: Motion Passed; Unanimous

Recommendations for Funding

Deputy Commissioner Harper called upon the GOAP Project Analysts to reference the Project Recommendations for Funding.

A2011-0154 Edmonton-Metcalf County Industrial Authority

Jennifer Hudnall presented the above-referenced project from the Edmonton-Metcalf County Industrial Authority requesting \$50,000 in State funds and \$100,000 in Metcalfe County Funds to construct a marketing facility for blueberry production in Metcalfe County.

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

The Blue Application Review Committee recommends funding this request for \$2,000 in Adair County funds, \$5,000 in Barren County funds, \$5,000 in Hart County funds and \$12,000 in State funds.

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

VOTE: Motion Passed; Unanimous

A2011-0168 Corey L. Collins

Mr. Tobin presented the above-referenced project from Corey L. Collins requesting \$50,000 in County funds to assist with expansion of a meat processing facility in Lewis County.

The Blue Application Review Committee recommends funding this request in the amount of \$3,000 in Lewis County funds.

Mr. Rankin moved to approve the Committee recommendation; Dr. Bailey seconded the motion.

VOTE: Motion Passed; Unanimous

A2011-0154 Louisville/Jefferson County Metro Government

Ms. Marksbury stated that the Louisville/Jefferson County Metro Government has requested to pend their application until next month in order to obtain further information.

No action necessary.

Programs Recommended for Approval²

Deputy Commissioner Harper referenced, for the Board's consideration, two (2) County Agricultural Investment Program (CAIP) applications requesting County funds totaling \$438,060.

Mr. Henderson moved to approve the CAIP recommendations as presented; Mr. Goodin seconded the motion.

VOTE: Motion Passed; Unanimous

Deputy Commissioner Harper called on Mr. Tobin to reference for the Board's consideration, two (2) 2011 Shared Use Equipment Initiative applications requesting \$8,001 in McCreary County funds and \$21,620 in State funds.

² A detailed list of projects funded under the County Agricultural Investment Program and Shared-use Equipment Program is attached as Appendix B.

Mr. Mahan moved to approve the Shared-use Equipment Program recommendations as presented; Roy Collins seconded the motion.

VOTE: Motion Passed; Unanimous

Withdrawn Applications

Deputy Commissioner Harper referenced the withdrawal of the following application:
A2011-0178 Solidagex, Inc.

No action necessary.

Program Amendments³

Deputy Commissioner Harper referenced, for the Board's consideration, three (3) County Agricultural Investment Program (CAIP) amendments requesting county funds totaling \$168,076.

Mr. Mattingly moved to approve the submitted CAIP amendments as presented; Mr. Rankin seconded the motion.

VOTE: Motion Passed; Unanimous

Pending Applications

Deputy Commissioner Harper referenced the following pending applications:

A2011-0034	Franklin County Public Schools
A2011-0111	Rowan County Senior High School Agriculture Department
A2011-0179	Carroll County FFA Alumni
A2012-0004	Kentucky World Trade Center, Inc.
A2012-0007	Kentucky State University

No action necessary.

Closing Remarks

Mr. Thomas called on Mr. Collins to brief the Board on the progress being made with the Central Kentucky Grower's Committee.

Mr. Collins stated that the Central Kentucky Grower's Committee will convene upon adjournment of the KADB Meeting and will hopefully have recommendations for the board in March.

Mr. Thomas asked the Board to discuss two issues. First, whether to continue with the committee process in its current form, and second, to make a recommendation as to whether applications that come before a particular committee should remain with the committee until resolved or pass jurisdiction to the next committee. The consensus was the committee process continues in its current format, and applications remain with the original committee.

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

The board further discussed ways in which to improve the Application Review Committee meetings.

Commissioner Harper called on Dr. Holmes to give an update on events and activities at Kentucky State University (KSU).

Dr. Holmes informed the board that senior members of the United States Department of Agriculture (USDA) 1890 Task Force were on campus this week. Those in attendance were the Assistant Secretary for Administration, the Under Secretary for Rural Development, the Under Secretary for Food and Nutritional Service and the Associate Under Secretary of Foreign Agricultural Service. She stated that the meetings were very productive. Dr. Holmes asked to share with the Board an Impact Report that KSU presented to the USDA, and she stated that the Board may find this report useful.

Dr. Bailey moved to adjourn; Mr. Collins seconded the motion.

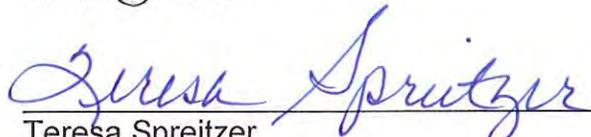
VOTE: Motion Passed; Unanimous

The KADB Meeting adjourned at 11:58 (EST).

Presiding Officer:


James R. Comer

Board Secretary:


Teresa Spreitzer

Appendix A: Applications for Referral

<u>App #</u>	<u>Applicant</u>	<u>Request Type</u>	<u>Submitted</u>
A2012-0010	Marksbury Farm Foods, LLC	Project	1/24/2012
A2012-0011	W. Brent Woodrum	Project	1/24/2012
A2012-0013	Scott B. Shackelford	Project	1/27/2012
A2012-0014	Jessamine County FFA Alumni Association Inc.	Project	1/27/2012
A2012-0015	Jessamine County FFA Alumni Association Inc.	Project	1/27/2012
A2012-0016	Clark County Conservation District	Project	1/27/2012
A2012-0017	Four Hills Farm LLC	Project	1/27/2012

Appendix B: Program Lists

CAIP

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2012-0012	Wolfe County Conservation District	Wolfe	\$98,060.00
A2012-0020	Green County Cattlemen's Association, Inc.	Green	\$340,000.00
			\$438,060.00

Shared-use Equipment

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2012-0018	McCreary County Development Association, Inc.	McCreary	\$9,812.00*
A2012-0018	McCreary County Development Association, Inc.	McCreary	\$8,001.00
A2012-0019	Perry County Conservation District	Perry	\$11,808.00*
			\$29,621.00

*state funds from Shared-Use Equipment Initiative

Total Funds Recommended for Approval in Programs: **\$467,681.00**

Appendix C: Program Amendments

App # A2011-0061
Applicant Name Mercer County Farm Bureau, Inc.
Original Amount Approved \$210,000
Execution Date 07/01/2011
Requested Change The applicant requests an additional \$25,000 in Mercer County funds for the CAIP. The request received a high priority from the Mercer 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 \$235,000.
Recommend Approval

App# A2011-0099
Applicant Name Taylor County Cattlemen's Association, Inc.
Original Amount Approved \$173,000
Execution Date 10/04/2011
Requested Change The applicant requests an additional \$38,000 in Taylor County funds for the CAIP. The request received a high priority from the Taylor 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 \$211,000.
Recommend Approval

App# A2011-0175
Applicant Name Washington County Cattlemen Association, Inc.
Original Amount Approved \$50,000
Execution Date 01/02/2012
Requested Change The applicant requests an additional \$105,076 in Washington County funds for the CAIP. The request received a high priority from the Washington 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 \$155,076.
Recommend Approval