

The actions delineated below were taken in open session of the Kentucky Agricultural Development Board at the July 20, 2012 regular business 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, 404 Ann Street, Frankfort, Kentucky 40601.



**Kentucky Agricultural Development Board
Summary Minutes of the Regular Business Meeting
Kentucky Chamber of Commerce
Frankfort, Kentucky
July 20, 2012**

Call to Order

Bruce Harper, designee for Commissioner James R. Comer, presiding, called the Kentucky Agricultural Development Board (KADB) regular business meeting to order at 10:10 a.m. (EDT).

Roll Call

The following members were present: Bruce Harper; Dr. Betty Bailey; Roy Collins; Karen Curtis; Don Goodin (designee for Secretary Larry Hayes); Pat Henderson; Wayne Hunt; Sam Lawson; Sam Moore; Dr. Teferi Tsegaye (designee for President Mary Sias); Jim Sidebottom; Dean M. Scott Smith

Members absent: Jim Mahan; Wayne Mattingly; Troy Rankin

Verification of Media

Mr. Harper received verification that the media has been notified of the KADB monthly meeting.

Welcome

Mr. Harper welcomed everyone to the meeting.

Approval of Minutes

Dean M. Scott Smith moved to approve the minutes from the June 15, 2012 board meeting as presented; Dr. Betty Bailey seconded the motion.

VOTE: Motion Passed; Unanimous

Executive Director's Report

Roger Thomas, executive director of the Governor's Office of Agricultural Policy (GOAP), stated that on July 10 representatives from GOAP, Kentucky Department of Agriculture, Farm Service Agency (FSA), Economic Development Cabinet and the Energy and Environment Cabinet participated in a forum in Ashland, Kentucky with the Woodlands Foundation to share information among farmers, agribusinesses and community leaders.

Mr. Thomas informed the board that he as well as Commissioner Comer attended a forum at Murray State University regarding West Kentucky Ag. Bioworks Project. Mr. Thomas stated that the project represents 50 farmers from Kentucky, Missouri and Tennessee of which 15 are from Kentucky.

Mr. Thomas called on Joel Neaveill, chief of staff, to give an update on the recent Kentucky Agricultural Council (KAC) Meeting.

Mr. Thomas asked John McCauley, FSA to update the board on the recent drought situation in Kentucky. Dean Smith requested that an information piece regarding cost-share items available in CAIP to address drought-related issues be developed and communicated. Sandy Gardner, director of communications, will prepare a fact sheet on CAIP funding for drought-related issues.

Mr. Thomas requested Dr. Will Snell, University of Kentucky College of Agriculture, report on the recent activities regarding the Office of Export Services. Dr. Snell informed the board that he will be meeting with representatives of the Foreign Agricultural Service in Washington, D.C. and will have a full report before the fall semester. In addition, Dr. Snell informed the board that Kentucky Agriculture Leadership Program X had over 70 nominations for the next class. He stated that Angela Blank, director of public affairs, GOAP, will serve on the selection committee.

Mr. Thomas informed the board that the quarterly reports for KDA, Kentucky Beef Network (KBN), Kentucky Dairy Development Council (KDDC) and Kentucky Horticulture Council (KHC) have been given to the respective recipient committee members for review.

Mr. Thomas introduced Brian Murphy, general counsel. Mr. Murphy received Juris Doctor from Northern Kentucky University and joins GOAP from the Cabinet for Health and Family Services.

Dr. Teferi Tsegaye informed the board that Kentucky State University celebrated the 15th Anniversary of the "Third Thursday Thing" on July 19, 2012 and stated his appreciation and support from the KADF, FSA and Kentucky Farm Bureau (KFB). In addition, Dr. Tsegaye stated that he will provide a brochure to the board next month regarding the mini-grant program.

Mr. Thomas informed the board that Commissioner Comer and staff will give an update on KDA programs at the August KADB meeting.

Mr. Thomas informed the board they have received the Quarterly Marketing, Communications Report (April-June 2012).

Mr. Thomas called on Bill McCloskey, director of financial services, to review the Kentucky Agricultural Finance Corporation (KAFC) Statement of Financial Position (on file with the Board Secretary) as of June 30, 2012.

Sam Lawson moved to accept the KAFC Financial Report; Dr. Bailey seconded the motion.

VOTE: Motion Passed; Unanimous

Mr. Thomas called on Ms. Blank to present six, 30-second commercials made in conjunction with the Poultry Federation, Cattlemen's Association and Kentucky Pork Producers Association. The commercials were produced for the Kentucky Broadcasters Association Public Education Program (PEP) and will air on networks and radio stations in Kentucky beginning August 1, 2012. Monthly reports/airtimes will be provided to GOAP.

Presentation

Mr. Harper called on Kylee Palmer, director of compliance, to introduce Dr. Bruce R. Pratt. Dr. Pratt presented to the board the completion results of their project regarding transitioning to biofuel feedstock production in Kentucky (A2009-0045 - Eastern Kentucky University)

Old Business

Memo Action Items

Mr. Harper called on staff to present the following memo action items to the Board for consideration:

A2009-0230 Capstone Produce Market

Mr. Neaveill presented a memorandum (on file with the Board Secretary) regarding the above-referenced project. The Recipient requested the loan payment due date be changed to October 15 of each year beginning this year. The justification for this request indicates cash flow will be more robust by October, due to seasonality of the produce business.

The White Application Review Committee recommended to deny the loan payment due date change for 2012 and to consider the request for moving the loan payment due date to October 15 in future years provided business financial records support the justification.

Dean Smith moved to approve the Committee recommendation; Don Goodin seconded the motion.

VOTE: Motion Passed; Unanimous

A2010-0115 Kentucky Beef Network

Mr. McCloskey presented a memorandum (on file with the Board Secretary) regarding the above-referenced project. The Recipient requested approval of the 2011 budget variance and reallocations to the 2011 and 2012 budgets.

The White Application Review Committee recommended approval of this request.

Dean Smith moved to approve the Committee recommendation; Wayne Hunt seconded the motion.

VOTE: Motion Passed; Unanimous

A2011-0080 Garrard County Board of Education

Biff Baker, project manager, presented a memorandum (on file with the Board Secretary) regarding the above-referenced project. The Recipient requested a reallocation of funds in the categories of Fencing and Fertilizer & Lime.

The White Application Review Committee recommended approval of this request.

Pat Henderson moved to approve the Committee recommendation; Dr. Tsegaye seconded the motion.

VOTE: Motion Passed; Unanimous

A2011-0154 Edmonton-Metcalf County Industrial Authority

Mr. McCloskey presented a memorandum (on file with the Board Secretary) regarding the above-referenced program. The Recipient requested \$5,000 in Allen County funds in support of the blueberry marketing facility in Metcalfe County.

The White Application Review Committee recommended approval of this request.

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

VOTE: Motion Passed; Unanimous

A2012-0011 W. Brent Woodrum

Mr. Neaveill presented a memorandum (on file with the Board Secretary) regarding the above-referenced project. The Recipient requested \$5,000 in Adair County funds in support of this project. In addition, the Recipient provided a

revised budget and narrative outlining how the funds from Casey, Marion, Russell and Adair will be utilized.

The White Application Review Committee recommended approval of \$5,000 in Adair County funds. Further, the Committee agreed, the Recipient shall utilize the Kentucky Agricultural Development Funds as outlined in the Project Budget & Description Form submitted on June 28, 2012.

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

VOTE: Motion Passed; Unanimous

On-Farm Energy Program Guideline Revision

Mr. McCloskey presented a memorandum (on file with the Board Secretary) regarding a revision to the above-referenced guideline. The revision is based on a report dated April 20, 2012 (on file with the Board Secretary) by Michael Hagan, Engineer Associate, Department of Biosystems and Agricultural Engineering, College of Agriculture, University of Kentucky. The guideline revision is as follows:

6. Tractors, motorized vehicles and other equipment with internal combustion engines are excluded from this program with the exception of stationary power units.

The White Application Review Committee recommended revision of guideline #6 to the 2012 KADF On-Farm Energy Efficiency & Production Incentives Program Guidelines as presented effective with applications received by the June 30, 2012 postmark deadline.

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

VOTE: Motion Passed; Unanimous

New Business

New Applications for Referral¹

Mr. Harper referenced ten (10) applications for referral.

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

VOTE: Motion Passed; Unanimous

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

Programs Recommended for Approval²

Mr. Harper referenced fifteen (15) County Agricultural Investment Program (CAIP) applications requesting county funds totaling \$2,373,926; three (3) Deceased Farm Animal Removal Program (DAR) applications requesting county funds totaling \$14,125; one (1) Shared-use Equipment application requesting county funds and one (1) 2012 Shared-use Equipment Initiative application requesting state funds for a total of \$12,792.

Mr. Henderson moved to approve the program recommendations as presented; Dr. Tsegaye seconded the motion.

VOTE: Motion Passed; Unanimous

Requested Program Amendments³

Mr. Harper referenced two (2) County Agricultural Investment Program (CAIP) amendments requesting county funds totaling \$74,664.

Mr. Moore moved to approve the submitted program amendments as presented; Dr. Bailey seconded the motion.

VOTE: Motion Passed; Unanimous

Mr. Thomas asked board members to consider as a topic of discussion, at the October planning meeting, the five percent (5%) variance to budget line items. This topic came up at the White Application Review Committee meeting on July 3, 2012.

Recommendations for Funding

Mr. Harper called on staff to present the following project recommendations for funding:

A2012-0033 Kentucky Association of Food Banks

Mr. McCloskey presented the above-referenced project from Kentucky Association of Food Banks requesting \$150,000 in county funds from 11 counties to purchase produce from Kentucky producers and distribute to low-income Kentuckians. To date, county commitments total \$47,500 (Jessamine \$10,000; Garrard \$10,000; Shelby \$20,000; Casey \$2,500; Allen \$5,000).

The Red Application Review Committee recommended funding this request for \$47,500 in county funds (Jessamine \$10,000; Garrard \$10,000; Shelby \$20,000; Casey \$2,500; Allen \$5,000).

² A detailed list of projects funded under the County Agricultural Investment Program, Deceased Farm Animal Removal Program and Shared-Use Equipment Program is attached as Appendix B.

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

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

VOTE: Motion Passed; Unanimous

A2012-0147 Daviess County Lions Club Fair, Inc.

Mr. Baker presented the above-referenced project from Daviess County Lions Club Fair, Inc. requesting \$74,650 in state funds and \$50,000 in Daviess County funds to erect a 120'x120' county agricultural multi-purpose building to be used for field days, livestock shows and sales, meetings for various agriculture education programs and hands-on demonstrations.

The White Application Review Committee recommended funding this request for \$50,000 in Daviess County funds and denying the request for state funds.

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

VOTE: Motion Passed; Unanimous

A2012-0151 Wayne County Cattleman's Association, Inc.

Mr. Baker presented the above-referenced project from Wayne County Cattleman's Association, Inc. requesting \$20,000 in Wayne County funds to establish a cost-share program for farmers to raise calves that meet CPH health and management standards and are age and source verified.

The White Application Review Committee recommended funding this request for \$20,000 in Wayne County funds.

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

VOTE: Motion Passed; Unanimous

A2012-0159 Pendleton County Extension District Board

Mr. Baker presented the above-referenced project from Pendleton County Extension District Board requesting \$21,401 in Pendleton County funds to erect a 72'x42' pole barn to store shared-use equipment.

The White Application Review Committee recommended funding this request for \$21,401 in Pendleton County funds.

Ms. Curtis moved to approve the Committee recommendation; Dr. Tsegaye seconded the motion.

VOTE: Motion Passed; Unanimous

A2012-0160 Mercer County 4-H Council, Incorporated

Mr. Baker presented the above-referenced project from Mercer County 4-H Council, Incorporated requesting \$18,000 in Mercer County funds to construct a 2-acre outdoor educational classroom to include a 30'x60' shelter and demonstration plots.

The White Application Review Committee recommended funding this request for \$18,000 in Mercer County funds.

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

VOTE: Motion Passed; Unanimous

Pending Applications

Mr. Harper referenced the following pending applications and invited the board to ask questions on any:

A2011-0111	Rowan County Board of Education
A2012-0004	Kentucky World Trade Center, Inc.
A2012-0010	Marksbury Farm Foods, LLC
A2012-0025	The University of Kentucky Research Foundation
A2012-0108	Blue Grass Community Foundation
A2012-0152	Meat Hook LLC

No action necessary.

Dr. Bailey inquired as to the status of A2011-0111 Rowan County Board of Education. Mr. McCloskey provided an update on the project's status.

Mr. Sidebottom requested that a column be added stating the committee assigned to review the application.

Mr. Lawson requested that a column be added stating the committee assigned to review the referrals.

Closing Remarks

Mr. Thomas informed the board that the next KADB meeting will be held August 17, 2012 at the Kentucky Fair and Exposition Center in Louisville.

Mr. Neaveill requested that the Red Application Review Committee for 5 minutes after adjournment.

Mr. Thomas requested that Karen Curtis, Bruce Harper, Wayne Hunt and Pat Henderson meet with him upon adjournment.

Mr. Neaveill informed the board that the White Application Review Committee will meet on August 2, 2012 at the Green County Cooperative Extension Office in Greensburg, Kentucky.

Adjournment

Dean Smith moved to adjourn the regular KADB business meeting; Dr. Bailey seconded the motion.

VOTE: Motion Passed; Unanimous

The KADB meeting adjourned at 1:22 p.m. (EDT).

APPROVED DATE:

8/24/12

PRESIDING OFFICER:

Bruce Harper

Bruce Harper

BOARD SECRETARY:

Teresa Spreitzer

Teresa Spreitzer

Appendix A: Applications for Referral

APP #	APPLICANT	COUNTY
A2012-0169	Owen County 4-H Club Council, Incorporated <i>Youth cost-share for livestock.</i>	Owen
A2012-0180	Western Kentucky University Research Foundation <i>Install Mesonet Station.</i>	Barren
A2012-0194	Kentucky Horticulture Council, Inc. <i>Production and marketing of horticultural crops.</i>	Jefferson
A2012-0195	FoodChain, Inc. <i>Aquaponics</i>	Fayette
A2012-0204	University of Kentucky Research Foundation <i>Farmers' Market Infrastructure Competitive Grant</i>	Breathitt
A2012-0205	Muhlenberg County Fiscal Court <i>Farmers' Market Infrastructure Competitive Grant</i>	Muhlenberg
A2012-0206	Owsley County Board Of Education <i>Farmers' Market Infrastructure Competitive Grant</i>	Owsley
A2012-0207	Henderson Settlement Corporation <i>Farmers' Market Infrastructure Competitive Grant</i>	Bell
A2012-0208	KY Hydro Farm, LLC <i>Farmers' Market Infrastructure Competitive Grant</i>	Marshall
A2012-0210	Nathan Erickson / Courtenay Kunnecke <i>Farmers' Market Infrastructure Competitive Grant</i>	Jefferson

Appendix B: Program Lists

CAIP

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2012-0171	Hart County Cattlemen's Association, Inc.	Hart	\$300,000.00
A2012-0172	Franklin County Cattlemen's Association, Inc.	Franklin	\$126,732.00
A2012-0173	Elliott County Soil Conservation District	Elliott	\$155,853.00
A2012-0176	Lincoln County Cattlemen's Association	Lincoln	\$215,000.00
A2012-0178	Allen County Conservation District	Allen	\$146,512.00
A2012-0181	Barren County Conservation District	Barren	\$394,477.00
A2012-0189	Pendleton County Agricultural Diversification Association, Inc.	Pendleton	\$178,900.00
A2012-0190	Carter County Agriculture Advancement Council, Inc.	Carter	\$132,539.00
A2012-0191	Knox County Soil Conservation District	Knox	\$59,500.00
A2012-0192	Green River Area Beef Improvement Group, Inc.	Webster	\$24,490.00
A2012-0193	Gallatin County Livestock Association, Incorporated	Gallatin	\$101,091.00
A2012-0196	Calloway County Agricultural Development Fund LLC	Calloway	\$62,045.00
A2012-0197	Larue County Beef Cattle Association, Inc.	LaRue	\$135,000.00
A2012-0199	Morgan County Fiscal Court	Morgan	\$191,787.00
A2012-0200	Fayette County Conservation District	Fayette	\$150,000.00
			\$2,373,926.00

Deceased Farm Animal Removal Program

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2012-0175	Washington County Fiscal Court	Washington	\$6,125.00
A2012-0179	Oldham County Fiscal Court	Oldham	\$3,000.00
A2012-0198	Morgan County Conservation District	Morgan	\$5,000.00
			\$14,125.00

Shared-use Equipment

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2012-0174	Boyd County Conservation District	Boyd	\$2,174.00
A2012-0174	Boyd County Conservation District	Boyd	\$10,618.00*
			\$12,792.00

*state funds from Shared-use Equipment Initiative

Total Funds Recommended for Approval in Programs: **\$2,400,843.00**

Appendix C: Program Amendments

App #	A2012-0047
Applicant Name	Oldham County Farm Bureau of Oldham County, Kentucky
Original Amount Approved	\$3,260
Execution Date	6/11/2012
Requested Change	<p>The applicant requests an <u>additional</u> \$43,289 in Oldham County funds for the CAIP. The request received a <u>high</u> priority from the Oldham County Council.</p> <p>This is the 1st 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 \$46,549.</p> <p>Recommend Approval</p>

App#	A2012-0048
Applicant Name	Whitley County Cattlemen's Association, Inc.
Original Amount Approved	\$44,246
Execution Date	5/2/2012
Requested Change	<p>The applicant requests an <u>additional</u> \$31,375 in Whitley County funds for the CAIP. The request received a <u>high</u> priority from the Whitley County Council.</p> <p>This is the 1st 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 \$75,621.</p> <p>Recommend Approval</p>