

The actions delineated below were taken in open session of the Kentucky Agricultural Development Board at the January 21, 2022 business meeting. This is provided in summary form; an official record of the meeting is available in the permanent records of the Kentucky Office of Agricultural Policy, 404 Ann Street, Frankfort, Kentucky 40601.



**Kentucky Agricultural Development Board
Summary Minutes of the Regular Business Meeting
January 21, 2022
Franklin County Extension Office
Frankfort, KY 40601**

Call to Order

Commissioner of Agriculture Dr. Ryan Quarles, presiding, called the Kentucky Agricultural Development Board (KADB) regular business meeting to order at 10:10 a.m. (EST).

Roll Call

The following members were present: Agriculture Commissioner Dr. Ryan Quarles, Dean Nancy Cox, Bobby Foree, Brenda Paul, Suzanne Cecil White, Michael Peterson, Dr. Kirk Pomper (designee for KSU President Clara Stamps), Mark Barker, Dr. Gordon Jones, Anne Marie Franklin (designee for Governor Andy Beshear), Tom McKee, Fritz Giesecke, Wayne Hunt, and Al Pedigo.

Members Absent: Sarah Butler (designee for Interim Secretary Larry Hayes) and Matt Hinton.

Notification of Media

Commissioner Quarles received verification from Hannah Johnson, Boards and Special Events Manager, that the media had been notified of the KADB monthly meeting.

Welcome

Commissioner Quarles welcomed everyone to the KADB board meeting. Board members and guests participated in person and video teleconference.

Kentucky Department of Agriculture Report

Commissioner Quarles updated the board on activities of the Kentucky Department of Agriculture (KDA).

Executive Director's Report

Commissioner Quarles called on Brian Lacefield, KOAP Executive Director, to present the KOAP Executive Director's report to the board.

Mr. Lacefield gave an overview of his activities since the previous board meeting. Mr. Lacefield referenced the catastrophic tornado that hit Western Kentucky in December. Mr. Lacefield congratulated Al Pedigo for receiving the Thomas Poe Cooper Farm Leader Award. Mr. Lacefield recognized Ali Hulett for her services to the KAFC. Mr. Lacefield ended his report with introducing Dean Schamore, Kentucky's FSA Director.

Approval of Minutes

Commissioner Quarles entertained a motion to approve the minutes of the December 17, 2021 board meeting.

Dr. Jones moved to approve the minutes, as presented; Mr. Glesecke seconded the motion.

VOTE: Motion Passed; Unanimous.

Deputy Executive Director's Report

Commissioner Quarles called on Bill McCloskey, KOAP Deputy Executive Director, to present the financial report to the board.

Mr. McCloskey referenced the Kentucky Agricultural Development Fund State Pool Tobacco Funds (*on file*) as of December 31, 2021.

Mr. McCloskey reviewed Kentucky Agricultural Development Fund County Balances (*on file*) as of December 29, 2021.

Mr. McCloskey reviewed the KAFD Statement of Financial Position (*on file*) as of December 31, 2021.

Mr. Peterson moved to approve the Financial Reports, as presented; Mr. Foree seconded the motion.

VOTE: Motion Passed; Unanimous.

Kentucky Agricultural Development Board Compliance Committee

Commissioner Quarles called on Brenda Paul to give the Kentucky Agricultural Development Board Compliance Committee report.

Ms. Paul moved to accept the committee report, as presented; Dean Cox seconded the motion.

VOTE: Motion Passed; Unanimous.

Kentucky Agricultural Development Board On-Farm Energy Committee Report

Commissioner Quarles called on Bill McCloskey to give the Kentucky Agricultural Development Board On-Farm Energy Committee report.

Mr. Pedigo moved to accept the committee report, as presented; Mr. McKee seconded the motion.

VOTE: Motion Passed; Unanimous.

Memo Action Items

Commissioner Quarles called on Danielle Milbern to present the following memo action items.

A2019-0107

Kentucky State University

Ms. Milbern, presented memorandum (*on file*) regarding a budget amendment and a request for additional funds. The Red Application Review Committee reviewed the applicants request and recommends approving applicants budget amendment request and the request for \$19,115 additional funds. In addition, the Committee also recommends approving the time extension request.

Dr. Jones moved to approve the staff recommendation, as presented; Mr. Barker seconded the motion.

VOTE: Motion Passed; Dr. Pomper abstained.

New Business

New Applications for Referral

Commissioner Quarles called on Mr. McCloskey to present the new applications for referral.

Mr. McCloskey referenced six (6) new applications for referral.

Mr. Hunt moved to refer the submitted applications to the appropriate committees; Ms. Paul seconded the motion.

VOTE: Motion Passed; Unanimous.

Programs Recommended for Approval

Commissioner Quarles called on Sarah Bryant to present programs recommended for approval.

Ms. Bryant referenced four (4) County Agricultural Investment Program (CAIP) applications totaling \$860,625; one (1) Next Gen Program applications totaling \$33,075; One (1) Shared-Use Equipment applications totaling \$21,000. The total program funding is \$914,700.

Staff recommended approval of these applications.

Mr. Pedigo moved to approve all programs meeting state guidelines, as presented; Mr. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous.

Requested Program Amendments

Commissioner Quarles called on Sarah Bryant to present requested program amendments.

Ms. Bryant referenced two (2) counties' request for additional funds for existing CAIPs totaling \$173,311 (Davies and McLean County).

Staff recommended approval of these amendments.

Dean Cox moved to approve staff recommendation, as presented; Dr. Jones seconded the motion.

VOTE: Motion Passed; Unanimous.

Projects

Commissioner Quarles called on Martin Williams to present the following projects.

A2021-0257 University of Kentucky Research Foundation

Mr. Williams referenced the above application requesting \$250,000 in State funds to conduct a panel and economic analysis on a market for underutilized wood products. The Blue Application Review Committee recommended funding \$250,000 in State funds, subject to the terms and conditions presented.

Mr. Pedigo moved to approve the committee recommendation, as presented; Ms. Paul seconded the motion.

VOTE: Motion Passed; Dean Cox abstained.

Expired/Withdrawn Applications

Mr. Williams stated one (1) application was withdrawn.

A2021-0150 University of Kentucky Research Foundation.

No action necessary on expired/withdrawn projects or programs.

Pending Applications

Mr. McCloskey stated six (6) applications are pending.

- A2021-0222 Grain Day, Inc
- A2021-0228 Logan Premium Meats and Processing LLC
- A2021-0232 Kevin Clark
- A2021-0255 Gav's Meat Processing, LLC
- A2021-0255 T&L Land Holdings, LLC
- A2021-0256 Kentucky Exposition Foundation, Inc

No action necessary on pending projects or programs.

Ms. Paul moved to adjourn into closed session pursuant to KRS 61.810(1) (c) to discuss potential litigation against American Black Herford Association Mr. Pedigo seconded the motion. *The Board entered into closed session at 11:09 a.m.*

Ms. Paul moved to adjourn into open session pursuant to KRS 61.810(1) (c); Mr. Foree seconded the motion.

The Board reconvened in open session at 11:33 a.m.

Upon returning into open session, Mr. Barker moved that the Committee vote to make a recommendation to the full Board at the next meeting to direct the KOAP to make an inquiry on the Board's behalf as to whether the Kentucky Attorney General's Office will give a consultation on whether it would consider representing the Board in a legal action against the ABHA for breach of contract. If the Attorney General's Office declines to assist, the Board directs the KOAP to take steps to consult with a private attorney to pursue the Board's claim. Mr. Foree seconded the motion, and all Board members voted in favor.

Closing Remarks

Commissioner Quarles stated the KADB Blue Application Review Committee will meet 30-minutes following adjournment of the KADB business meeting.

The Red Application Review Committee will meet immediately following the Blue Application Review Committee.

The next KADB meeting will be February 18, 2022 at 10:00 a.m. (EST).

Adjournment

There being no further business, Commissioner Quarles entertained a motion to adjourn the meeting at 11:45 a.m. (EST).

Mr. Peterson moved to adjourn the January KADB meeting; Ms. White seconded the motion

VOTE: Motion Passed; Unanimous.

APPROVED DATE: 2-22-22
PRESIDING OFFICER: Ryan Quarles
Commissioner Ryan Quarles
BOARD SECRETARY: Hannah Johnson
Hannah Johnson, Board Secretary

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1. A detailed list of the New Applications for Referral is attached as Appendix A.
 2. A detailed list of the applications funded under the listed programs is attached as Appendix B.
 3. A detailed list of requested Program Amendments is attached as Appendix C.
 4. A copy of the KADB Compliance Committee minutes is attached as Appendix D.
 5. A copy of the On-Farm Energy Committee minutes is attached as Appendix E.
 6. A copy of the White Application Review Committee minutes is attached as Appendix F.
 7. A copy of the Blue Application Review Committee minutes is attached as Appendix G.
 8. A copy of the Red Application Review Committee minutes is attached as Appendix H.
 9. A copy of the Meat Processing Expansion Committee minutes is attached as Appendix I.

APPENDIX A:

Kentucky Agricultural Development Fund

New Applications for Referral

APP #	APPLICANT	COUNTY	Cmta.
A2021-0258	McLean County Cooperative Extension <i>McLean County Poultry Expo and Trade Show</i>	McLean	Red
A2021-0269	Palmer Farms Meats, LLC <i>MPIP Level 4 - USDA Processing Facility Construction</i>	Calloway	Processing
A2021-0263	Daviess County Lions Club Fair, Inc. <i>Project</i>	Daviess	Red
A2021-0264	Metcalfe County 4-H Council, Incorporated <i>4-H County Ham Project</i>	Metcalfe	Red
A2021-0265	William Lee Co Lynn Mayes <i>MPIP Level 4 - USDA Processing Facility Construction</i>	Barren	Processing
A2021-0266	Sugarloaf Mountain Meats and Processing <i>MPIP Level 4 - USDA Processing Facility Construction</i>	Rowan	Processing

Board Meeting

Programs Recommended for Approval

CAIP			
<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2022-0001	Pulaski County Conservation District	Pulaski	\$300,000.00
A2022-0002	Buffalo Trace Area Development District, Inc.	Bracken	\$275,625.00
A2022-0005	Breckinridge County Conservation District	Breckinridge	\$250,000.00
A2022-0006	Lyon County Conservation District	Lyon	\$35,000.00
			\$860,625.00

Next Generation Farmer (NextGen)			
<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2022-0003	Buffalo Trace Area Development District, Inc.	Bracken	\$33,075.00
			\$33,075.00

Shared-Use Equipment Program			
<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2022-0004	Breckinridge County Extension District Board	Breckinridge	\$21,000.00
			\$21,000.00

Total County Funds Recommended for Approval in Programs:	\$914,700.00
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Requested Program Amendments

App #	A2021-0069
Applicant Name	Green River Area Beef Improvement Group, Inc. (Daviness County)
Original Amount Approved	\$50,000
Execution Date	10/01/2021
Requested Change	<p>The applicant requests an <u>additional</u> \$128,058 in Daviness County funds for the <i>CAIP Program</i>. The request received a <u>high</u> priority from the 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 \$178,058.</p> <p>Recommend Approval</p>
App#	A2021-0162
Applicant Name	Green River Area Beef Improvement Group, Inc. (McLean County)
Original Amount Approved	\$40,000
Execution Date	08/09/2021
Requested Change	<p>The applicant requests an <u>additional</u> \$45,253 in McLean County funds for the <i>CAIP Program</i>. The request received a <u>high</u> priority from the 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 \$85,253.</p> <p>Recommend Approval</p>

APPENDIX D: KADB Compliance Committee Meeting Minutes

Meeting Date:	January 19, 2022
Meeting Location:	KOAP via Zoom Meeting ID: 884 4893 2745
Meeting Chair:	Kara Keeton, Director of Communications
Attendees:	Committee: Mark Barker, Sarah Butler, Bobby Foree, Brenda Paul Staff: J. Bilby, S. Bryant, D. Carrier, H. Johnson, K. Keeton, B. Lacefield, B. McCloskey, D. Milbern, B. Murphy, N. Van Over, M. Williams Guests: Ernie Dominguez, Brock Johanson
Minutes Issued By:	Kara Keeton
Meeting Call to Order:	3:05 p.m. EST
Meeting Adjourned:	4:27 p.m. EST
Agenda Items:	
<p>I. Call to Order</p> <p>II. Minutes - Motion: Mark Barker & 2nd Bobby Foree</p> <p>III. Old Business</p> <p>A. American Black Hereford Association (ABHA) - A2017-0025 <i>representative present: Ernie Dominguez and Brock Johansen</i></p> <ol style="list-style-type: none"> 1. Brian Murphy, general counsel, reviewed the background and recent communication related to the issue of the KADB requesting ABHA pay back a pro-rated amount of funds for the remaining two years of the project. 2. ABHA representatives, Ernie Dominguez and Brock Johanson, were given the opportunity to comment on recent communication stating ABHA did not agree to proposed terms of repayment. 3. After cursory discussion, Mark Barker moved to adjourn into closed session pursuant to KRS 61.810(1)(c) to discuss potential litigation against ABHA; Bobby Foree seconded the motion. The committee entered into closed session at 3:45 p.m. 4. The committee reconvened in open session at 4:00 p.m. 5. Upon returning to open session, Mark Barker moved that the Committee vote to make a recommendation to the full Board at the next meeting to direct the KOAP to make an inquiry on the Board's behalf as to whether the Kentucky Attorney General's Office will give a consultation on whether it would consider filing a lawsuit on the Board's behalf against the ABHA for breach of contract. If the Attorney General's Office declines to do so, the Board directs the KOAP to take steps to contract with a private attorney to pursue the Board's claim. Bobby Foree seconded the motion and all voted in favor. <p>B. Ohio Valley Farm Analysis Group Inc. (OVFAG) - A2019-0024</p> <ol style="list-style-type: none"> 1. Staff updated committee that Ohio Valley Farm Analysis Group's project is closed. 	

IV. New Business

- A. Program Review** – Staff gave an update on the program review process, and noted that in person reviews are scheduled for 2022
- B. Program/Project Archiving** – Staff gave an update on the program/project archiving process and the transition to digitizing all files. This will be an ongoing project in 2022

V. Compliance Review

- A.** The list of nine (9) 0-2% interest loans was reviewed.
- B.** The list of open forgivable loans (27) was reviewed. Twenty (20) of the forgivable loans are from the Meat Processing Investment Program.
- C.** The list of projects/programs with reporting 31 or more days late was reviewed. Staff provided updates on disbursement status and follow-up activities.
- D.** The list of staff site visits (29) was reviewed.

VI. Next Compliance Committee Meeting - TBD

- VII.** Sarah Butler moved to adjourn; Brenda Paul seconded the motion. Meeting adjourned at 4:27p.m. EDT.

APPENDIX E: On-Farm Energy Committee Meeting Minutes

Meeting Date:	January 11, 2022
Meeting Location:	Zoom Meeting
Meeting Chair:	Bill McCloskey
Attendees:	Committee Members: Sarah Butler, Scott Maas, Michael Montross, and Alan Goble KOAP Staff: Brian Lacefield, Bill McCloskey, and Sarah Bryant UK: Doug Overhults MACED: Josh Bills
Minutes Issued By:	Sarah Bryant
Meeting Call to Order:	9:02 a.m.
Meeting Adjourned:	9:52 a.m.

- Agenda Items:**
- I. Bill McCloskey called the meeting to order and called on Brian Lacefield.
 - II. Mr. Lacefield spoke on the disaster storms in Western Kentucky.
 - III. The committee, staff, and guests made introductions.
 1. A2021-0262 Mark Tanaka
Committee recommends funding the request of \$10,150 in state funds for installing a solar panel system for poultry operation.
 2. A2021-0227 Creekland Farms, Inc.
Committee recommends funding the request of \$10,150 in state funds for replacing existing grain dryer.
 3. A2021-0248 Conboy Enterprises, LLC
Committee recommends funding the request of \$10,150 in state funds for installing a solar panel system for farm animal mortality disposal facility.
 4. A2021-0254 Matheny Poultry Farm
Committee recommends funding the request of \$10,150 in state funds for replacing heaters for a poultry operation.
 5. A2021-0260 Joe Paul Mattingly
Committee recommends funding the request of \$3,175 in state funds for replacing a vacuum pump for a dairy operation.
 6. A2021-0261 Edge Brothers Poultry
Committee recommends pending the application until receiving needed documentation.
 - IV. Scott Maas gave the committee an update on USDA Rural Development activities and the 2022 REAP deadline.
 - V. Alan Goble gave the committee an update on NRCS activities.
 - VI. With no further discussion, the meeting was adjourned.

APPENDIX E: On-Farm Energy Committee Meeting Minutes

Next meeting: May 19, 2022 at 9 a.m.

APPENDIX F: White Application Review Committee Minutes

Meeting Date:	1/21/2022
Meeting Location:	Franklin County Extension Office
Meeting Chair:	Bill McCloskey
Attendees:	Committee Members: Keith Rogers, Dr. Gordon Jones, Fritz Giesecke, Thomas McKee KOAP Staff: Bill McCloskey, Brian Lacefield, Danielle Milbern, Brian Murphy
Minutes Issued By:	Danielle Milbern
Meeting Call to Order:	9:11 a.m. EDT
Meeting Adjourned:	9:30 a.m. EDT

Agenda Items:	
1. A2020-0197	Kentucky Department of Agricultural(Grape and Wine Council) a) Committee recommends approving the applicant's request for a budget reallocation. Keith Rogers abstained.

APPENDIX G: Blue Application Review Committee Minutes

Meeting Date:	1/21/2022
Meeting Location:	Franklin County Extension Office
Meeting Chair:	Bill McCloskey
Attendees:	Committee Members: Michael Peterson, Al Pedigo, Keith Rogers, Wayne Hunt, Bobby Foree KOAP Staff: Bill McCloskey, Danielle Milbern, Martin Williams, Brian Murphy, Hannah Johnson
Minutes Issued By:	Danielle Milbern
Meeting Call to Order:	12:30 pm EST
Meeting Adjourned:	2:00 pm EST

Agenda Items:	
1.	<p>A2021-0222 Grain Day, Inc. Committee recommends approving the application for \$5,000 in Daviess County funds in the form of a cost reimbursement grant.</p>
2.	<p>A2021-0255 T&L Land Holdings, LLC Committee recommends approving the application for up to \$45,000 in multiple county funds in form of a cost reimbursement grant and up to \$17,817 in state funds in the form of a cost reimbursement forgivable loan. The applicant will earn forgiveness based on; the number head of cattle that go through the facility, and the number of clients that use the facility. With a minimum of 10 clients and 500 head of cattle per year. Prior to going to the Kentucky Ag Development Board, the applicant must provide a copy of a lease agreement between T &L Holdings and Allen and Jolly veterinary.</p>
3.	<p>2021-0256 Kentucky Exposition Foundation, Inc. Committee recommends funding the applicant a \$1,000,000 endowment to exclusively support Kentucky youth agricultural activities, events and competitions at the Kentucky State Fair. The Committee had the following stipulations:</p> <ul style="list-style-type: none"> • The \$1,000,000 endowment was to be matched with \$1,000,000 exclusively supporting Kentucky youth agricultural activities, events and competitions at the Kentucky State Fair • Earnings from the endowment may not be used for match • Youth must be current 4H/FFA age • Any unmatched funds by year 10 would be returned • There would be a 10 year sunset clause on the agreement

APPENDIX G: Blue Application Review Committee Minutes

Agenda Items:
<ul style="list-style-type: none">• The applicant may not invade the principal of the endowment without prior approval from the Board• Endowment cannot be used for operational expenses

Appendix H: Red Application Review Committee Meeting Minutes

Meeting Date:	1/26/2022
Meeting Location:	Franklin County Extension Office
Meeting Chair:	Bill McCloskey
Attendees:	Committee Members: Brenda Paul, Kirk Pomper, Mark Barker and Keith Rogers KOAP Staff: Bill McCloskey, Danielle Milbern, Martin Williams, Brian Lacefield, Brian Murphy, and Hannah Johnson
Minutes Issued By:	Danielle Milbern
Meeting Call to Order:	2:25 p.m.
Meeting Adjourned:	2:45 p.m.

Agenda Items:
<ol style="list-style-type: none"> 1. A2021-0040 Western Kentucky University (Smart Holstein Lab) The committee recommends approving the applicant's budget reallocation request. 2. A2021-0258 McLean County Extension The committee recommends approving the applicant for \$2,000 in McLean County funds in the form of a cost reimbursement grant. 3. A2021-0263 Daviess County Loins Club Fair, Inc. The committee is recommends not funding the applicant's request for \$5,000 in Daviess County funds, due to some previously raised concerns by the Tobacco Oversight Committee. 4. A2021-0264 Metcalf County 4-H Council, Incorporated The committee recommends approving the applicant for \$1,709 in Metcalfe County funds in the form of a cost reimbursement grant.

APPENDIX I:

Meat Processing Expansion Committee Meeting Minutes

Meeting Date:	February 4, 2022
Meeting Location:	Zoom Video Conferencing
Meeting Chair:	Wayne Hunt
Attendees:	Committee: Wayne Hunt, Dr. Gordon Jones, Brenda Paul, Bobby Foree, Tom McKee, Al Pedigo, and Keith Rogers KCARD Staff: Aleta Botts, Brent Lackey, and Kellie Padgett UK Staff: Dr. Gregg Rentfrow KOAP Staff: Bill McCloskey, Danielle Milbern, Martin Williams, Brian Murphy, Brian Lacefield, Diana Carrier and Kara Keeton Other: Bobby Paces
Minutes Issued By:	Danielle Milbern
Meeting Call to Order:	8:30 AM EST
Meeting Adjourned:	9:56 AM EST

Agenda Items:

- I. Chairman Wayne Hunt called the meeting to order.
- II. Application Review

Level 2:

A2021-0232 Kevin Clark

Al Pedigo moved to recommend approving the applicant for \$35,617 in State funds to purchase processing equipment, second by Brenda Paul, motion passed unanimously.

Level 3:

A2021-0169 Burnett's Enterprise, LLC

Brenda Paul moved to recommend approving the applicant for an additional \$11,401 in State funds and a budget amendment second by Bobby Foree, motion passed unanimously.

Level 4:

A2021-0228 Logan Premium Meats and Processing, LLC

Dr. Jones moved to recommend approving the applicant for \$250,000 in State funds as a cost reimbursement forgivable loan, county funds in the form of a cost reimbursement grant to renovate, and purchase a USDA process facility, second by AL Pedigo, motion passed unanimously.

A2021-0259 Palmer Farms Meats, LLC

Keith Rogers moved to recommend approving the applicant for \$250,000 in State funds as a cost reimbursement forgivable loan and county funds in the form of a cost reimbursement grant, not exceed over 50% of the total cost of project, to renovate and purchase a USDA process facility, second by Al Pedigo, motion passed unanimously.

Other:

A2021-0250 Gav's Meat Processing, LLC

**APPENDIX I:
Meat Processing Expansion
Committee Meeting Minutes**

Keith Rogers moved to recommend approving the applicant for \$5,000 in Butler County funds to purchase a processing equipment, second by Dr. Jones, motion passed unanimously.
Keith Rogers moved to adjourn, second by Thomas McKee, motion pass unanimously.

Next Meeting Date: TBD