

The actions delineated below were taken in open session of the Kentucky Agricultural Development Board at the April 21, 2017 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
Franklin County Extension Office
Frankfort, Kentucky
April 21, 2017**

Call to Order

Keith Rogers, presiding, called the Kentucky Agricultural Development Board (KADB) regular business meeting to order at 10:02 a.m. (EDT)

Roll Call

The following members were present: Commissioner Ryan Quarles, Dr. Betty Bailey, Dr. Kirk Pomper (designee for KSU Interim President Aaron Thompson), Dean Nancy M. Cox, Stewart Hughes, Katie Smith (designee for Economic Development Secretary Terry Gill), Bobby Foree, Pat Henderson, Wayne Hunt, Jim Mahan, Wayne Mattingly, Sam Moore, Richard Warner, Dr. Gordon Jones and Al Pedigo.

Members absent: Governor Matt Bevin.

Notification of Media

Mr. Rogers received verification from Emily Milam, Public Relations Officer, that the media had been notified of the KADB monthly meeting.

Welcome

Mr. Rogers welcomed everyone to the meeting.

Commissioner Quarles is attending the 61st Annual They're Off! Luncheon to kick off the Kentucky Derby with local food sourced by KDA.

Mr. Rogers referenced the 2017 Hemp Program is receiving hemp seed imports with some seed being planted.

Mr. Rogers discussed new hires and appointments within KDA.

Approval of Minutes

Mr. Rogers entertained a motion to approve the minutes of the March 17, 2017 board meeting.

Dr. Bailey moved to approve the minutes, as presented; Mr. Foree seconded the motion.

VOTE: Motion Passed; Unanimous.

Executive Director's Report

Mr. Rogers yielded the floor to Warren Beeler, Executive Director, to report to the board.

Mr. Beeler announced that the 2017 MSA Tobacco payment has been received with a total amount of \$93,415,537.55, approximately \$4.4 million over the Consensus Forecasting Group (CFG) estimate.

Mr. Beeler called on Aleta Botts, Executive Director, KCARD, to update the board on the activities of the organization.

Mr. Beeler called on Dr. Chad Lee, Director, UK Grain and Forage Center of Excellence, to update the board on the status of the center.

Mr. Beeler yielded the floor to Dr. Pomper. He announced the memorial Harold R. Benson Agricultural Luncheon on Thursday, May 4 and invited board members to attend.

Mr. Beeler updated the board on the activities of the GOAP since the March 17, 2017 board meeting.

Deputy Executive Director's Report

Mr. Rogers yielded the floor to Bill McCloskey, GOAP Deputy Executive Director, to report to the board.

Mr. McCloskey directed the board's attention to the GOAP financial report as of April 6, 2017 (*on file*).

Mr. McCloskey directed the board's attention to the county account balances report as of March 20, 2017 (*on file*).

Mr. McCloskey reviewed the Kentucky Agricultural Finance Corporation (KAFC) Statement of Financial Position (*on file*) as of March 31, 2017.

Mr. Hughes moved to accept the KAFC Financial Report; Mr. Warner seconded the motion.

VOTE: Motion Passed; Unanimous.

Mr. McCloskey directed the board's attention to the GOAP Monitoring and Compliance Spring 2017 Report (*on file*).

Mr. McCloskey directed the board's attention to the KBA PEP report from Ms. Gardner that shows the value of radio & TV commercials this year (*on file*).

Mr. Rogers called on Stewart Hughes to deliver the Kentucky Beef Network Recipient Review Committee report.

Mr. Rogers called on Pat Henderson to deliver the Kentucky Dairy Development Council Recipient Review Committee report.

Presentations

Mr. Rogers yielded the floor to the following for presentation:

Angela Crain, Water-Quality Specialist, presented to the board as a requirement of the legal agreement on U.S. Geological Survey, Indiana-Kentucky Water Science Center's project, A2015-0009 (*on file*).

Mr. Hunt moved to accept the presentation; Mr. Henderson seconded the motion.

VOTE: Motion Passed; Unanimous.

Old Business

Memo Action Items

Mr. Rogers called on Steve Doan, Bill McCloskey and Biff Baker to present the following memo action items:

2017 Farmers Market Guidelines

Mr. Doan presented a memorandum (*on file*) regarding the approved 2017 Farmers Market guidelines. Staff recommended removing the funding guideline for market managers to prevent duplication of services provided by another KADF supported program. This change will become effective immediately.

Dean Cox moved to approve the request, as presented; Mr. Pedigo seconded the motion.

VOTE: Motion Passed; Unanimous.

A2015-0008 Lexington Fayette Urban County Government

Mr. McCloskey presented a memorandum (*on file*) regarding the above-referenced project. This is a request for a 6-month no-cost time extension.

After discussion, Mr. Mahan moved to approve the request, as presented; Dean Cox seconded the motion.

VOTE: Motion Passed; with dissention.

A2015-0028 Atalo Holdings, Inc.

Mr. Baker presented a memorandum (*on file*) regarding the above-referenced project. This is a request for a 6-month no-cost time extension.

Mr. Mahan moved to approve the request, with the condition that this will be the last extension request; Mr. Pedigo seconded the motion.

VOTE: Motion Passed; Unanimous.

A2015-0204 Woodford County Fair Association, Inc.

Mr. Doan presented a memorandum (*on file*) regarding the above-referenced project. This is a request to add the Woodford County Fiscal Court to the Legal Agreement for compliance and reporting requirements.

Mr. Hughes moved to approve the request, as presented; Mr. Mattingly seconded the motion.

VOTE: Motion Passed; Unanimous.

New Business

New Application for Referral¹

Mr. Rogers called on Mr. McCloskey to present new applications for referral.

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

Mr. Warner moved to refer the submitted applications to the appropriate committees; Dr. Jones seconded the motion.

VOTE: Motion Passed; Unanimous.

Programs Recommended for Approval²

Mr. Rogers called on Mr. McCloskey to present programs recommended for approval.

Mr. McCloskey referenced twelve (12) County Agricultural Investment Program (CAIP) applications requesting county funds totaling \$1,580,255; three (3) Deceased Farm Animal Removal Program applications requesting county funds totaling \$14,000; one (1) Shared-Use Equipment Program application requesting county funds totaling \$34,567; and six (6) Youth Cost-Share Program applications requesting county funds totaling \$137,700. Total program funding requested was \$1,766,522.

¹ A detailed list of New Applications for Referral is attached as Appendix A.

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

Mr. Hunt moved to approve the program recommendations, as presented; Mr. Moore seconded the motion.

VOTE: Motion Passed; Dr. Bailey abstained.

Requested Program Amendments³

Mr. Rogers called on Mr. McCloskey to present requested program amendments.

Mr. McCloskey referenced one (1) requested program amendment seeking additional county funds totaling \$92,500.

Mr. Warner moved to approve the program amendments as presented; Mr. Mahan seconded the motion.

VOTE: Motion Passed; Mr. Hughes abstained.

Project Recommendations for Funding

Mr. Rogers called on Mr. McCloskey and Mr. Doan to present the following recommendations for funding:

A2017-0017 Louisville/Jefferson County Metro Government

Mr. McCloskey referenced the above application from Louisville/Jefferson County Metro Government requesting \$100,000 over two years to support its Farm to Table program.

The Red Application Review Committee recommended funding the request for up to \$100,000 in State funds, subject to terms and conditions.

Mr. Foree moved to approve the committee recommendation; Mr. Hughes seconded the motion.

VOTE: Motion Passed; Unanimous.

A2017-0020 Crowley's Mill, LLC

Mr. Doan referenced the above application from Crowley's Mill, LLC requesting \$150,000 in State funds and \$100,000 in multiple County funds to relocate an operating fiber mill to process hemp, wool and other natural fibers.

The Red Application Review Committee recommended funding the request for up to \$245,000 in State and County funds, subject to terms and conditions.

Mr. Henderson moved to approve the committee recommendation; Mr. Hughes seconded the motion.

VOTE: Motion Passed; Mr. Mattingly abstained.

³ A detailed list of Requested Program Amendments is attached as Appendix C.

A2017-0021 Taylor County Board of Education

Mr. McCloskey referenced the above application from the Taylor County Board of Education requesting \$15,000 in Taylor County funds for the construction of a greenhouse on the Taylor County High School campus.

The Red Application Review Committee recommended funding the request for up to \$15,000 in Taylor County funds, subject to terms and conditions.

Mr. Moore moved to approve the committee recommendation; Mr. Warner seconded the motion.

VOTE: Motion Passed; Unanimous.

A2017-0023 Nicholasville Farmers' Market, Inc.

Mr. Doan referenced the above application from Nicholasville Farmers' Market, Inc. requesting \$3,000 in Jessamine County funds and \$1,904 in State funds for market manager salary, advertising and other farmers market essentials.

The Red Application Review Committee recommended funding the request for up to \$3,000 in Jessamine County funds for marketing and vendor development, subject to terms and conditions.

Mr. Warner moved to approve the committee recommendation; Dr. Jones seconded the motion.

VOTE: Motion Passed; Unanimous.

A2017-0025 American Black Hereford Association

Mr. McCloskey referenced the above application from the American Black Hereford Association requesting \$50,000 in State funds and \$50,000 in multiple county funds as a grant to establish its official headquarters in Lexington, Kentucky.

The Red Application Review Committee recommended funding the request for up to \$100,000 in State and County funds, subject to terms and conditions.

Dr. Jones expressed concern for lack of producer impact for this project.

Mr. Mattingly explained the committee's reasons for the terms and conditions, and its belief that this is an economic development project.

Mr. McCloskey clarified that state funds will not be utilized until county funds are committed.

Mr. Mahan acknowledged Dr. Jones's comment and stated that the project has potential to benefit producers in the state.

Mr. Mahan moved to approve the committee recommendation; Mr. Warner seconded the motion.

VOTE: Motion Passed; Dr. Jones opposed.

A2017-0026 Russell County Conservation District

Mr. Doan referenced the above application from the Russell County Conservation District requesting \$4,250 in Russell County funds to purchase grain bin rescue equipment.

The Red Application Review Committee recommended funding the request for up to \$4,250 in Russell County funds, subject to terms and conditions.

Mr. Henderson moved to approve the committee recommendation; Mr. Mattingly seconded the motion.

VOTE: Motion Passed; Unanimous.

A2017-0038 Hopkins county Board of Education

Mr. Doan referenced the above application from the Hopkins County Board of Education requesting \$4,000 in Hopkins County funds for the improvements to the greenhouse at Madisonville North Hopkins High School.

The Red Application Review Committee recommended funding the request for up to \$4,000 in Hopkins County funds, subject to terms and conditions.

Mr. Mattingly moved to approve the committee recommendation; Mr. Pedigo seconded the motion.

VOTE: Motion Passed; Unanimous.

Pending Applications

Mr. McCloskey referenced four (4) following pending applications:

- | | |
|------------|---|
| A2016-0069 | Hardin County Agricultural Extension Foundation, Inc. |
| A2017-0018 | Beef Solutions, LLC |
| A2017-0024 | Creation Gardens, Inc. |
| A2017-0034 | Jessamine County FFA Alumni Association, Inc. |

No action necessary on pending applications.

Closing Remarks

Mr. Rogers stated that the White Application Review Committee would meet immediately following adjournment for a working lunch. The Red Application Review Committee will meet at 1:30 p.m.

Mr. McCauley discussed FDA regulations and their effect on the dark tobacco industry in western Kentucky, specifically lack of feasibility and negative economic impact. KDA has made efforts to fight the regulations and has received an extension on the comment period until July 10, 2017. Mr. McCauley encouraged board members to visit the FDA website and comment on the smokeless tobacco rule.

Mr. Rogers announced that Angela Blank, KDA Director, Division of Public Relations, accepted a communications position with the Kentucky Tourism, Arts and Heritage Cabinet.

Mr. Rogers stated that the next KADB meeting is on May 19, 2017 at the Franklin County Extension Office in Frankfort, Ky.

Adjournment

Mr. Rogers entertained a motion to adjourn.

Dr. Bailey moved to adjourn the April KADB meeting; Mr. Hughes seconded the motion.

VOTE: Motion Passed; Unanimous.

The KADB meeting adjourned at 11:41 a.m. (EDT).

APPROVED DATE: 5/19/17
PRESIDING OFFICER: [Signature]
BOARD SECRETARY: Hannah Forte
Hannah Forte

APPENDIX A: New Applications for Referral

APP #	APPLICANT	COUNTY
A2017-0041	Garrard County Conservation District <i>Shared Use Equipment Additional Storage Shed</i>	Garrard
A2017-0042	Grain Day, Inc. <i>Beef Summit</i>	Hancock
A2017-0043	Hancock County Fair Board, Inc. <i>Livestock Building</i>	Hancock
A2017-0044	Dominican Sisters of Peace, Inc. <i>Best Management Practices Demonstration</i>	Washington
A2017-0062	Green River Area Beef Improvement Group, Inc. <i>Youth Agricultural Cost Share Program</i>	Daviess
A2017-0063	McLean County Ag Fair <i>Ag Fair Educational Programming</i>	McLean
A2017-0064	McLean County 4H <i>4-H Livestock Club</i>	McLean
A2017-0065	Haydens Farms, LLC <i>Poultry Education Center</i>	Ohio
A2017-0076	Kentucky Sheep and Goat Development Office, Inc. <i>Kentucky Fiber Education and Marketing</i>	Franklin
A2017-0089	FoodChain, Inc. <i>Commercial Kitchen</i>	Fayette

APPENDIX B: Programs Recommended for Approval

CAIP

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2017-0046	Bath County Conservation District	Bath	\$252,193.00
A2017-0049	Muhlenberg County Cattlemen's Association, Inc.	Muhlenberg	\$35,431.00
A2017-0050	Meade County Cattleman Association Corporation	Meade	\$40,868.00
A2017-0052	Spencer County Conservation District	Spencer	\$135,000.00
A2017-0054	Montgomery County Conservation District	Montgomery	\$230,000.00
A2017-0055	Franklin County Cattlemen's Association, Inc.	Franklin	\$98,571.00
A2017-0057	County Agriculture Investment Program Council, Inc.	Russell	\$150,000.00
A2017-0060	Green River Area Beef Improvement Group, Inc.	McLean	\$53,000.00
A2017-0061	Green River Area Beef Improvement Group, Inc.	Daviess	\$100,000.00
A2017-0081	Jackson County Cattlemen's Association Incorporated	Jackson	\$337,695.00
A2017-0085	Oldham County Farm Bureau of Oldham County, Kentucky	Oldham	\$24,649.00
A2017-0086	Trimble County Cattleman's Association, Inc.	Trimble	\$122,848.00
			\$1,580,255.00

Deceased Farm Animal Removal Program

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2017-0040	Woodford County Conservation District	Woodford	\$3,125.00
A2017-0053	Montgomery County Fiscal Court	Montgomery	\$6,375.00
A2017-0056	Franklin County Conservation District	Franklin	\$4,500.00
			\$14,000.00

Shared-use Equipment

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2017-0039	Woodford County Conservation District	Woodford	\$34,567.00
			\$34,567.00

APPENDIX B: Programs Recommended for Approval**Youth Cost-Share Program**

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2017-0045	Bath County Cattleman Association, Inc.	Bath	\$30,000.00
A2017-0047	Logan County Cattlemens Association Incorporated	Logan	\$60,000.00
A2017-0048	Ohio County 4-H Council	Ohio	\$10,000.00
A2017-0051	Spencer County Conservation District	Spencer	\$5,200.00
A2017-0087	Trimble County Cattleman's Associatin, Inc.	Trimble	\$25,000.00
A2017-0088	Fayette County 4-H Council, Inc.	Fayette	\$7,500.00
			<hr/> \$137,700.00

Total County Funds Recommended for Approval in Programs: **\$1,766,522.00**

APPENDIX C: Requested Program Amendments

App #	A2016-0179
Applicant Name	Scott County Conservation District
Original Amount Approved	\$250,000
Execution Date	12/05/2016
Requested Change	<p>The applicant requests an <u>additional</u> \$92,500 in Scott County funds for the <i>CAIP Program</i>. The request received a <u>high</u> priority from the Scott 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 \$342,500.</p>

Recommend Approval

