

The actions delineated below were taken in open session of the Kentucky Agricultural Development Board at the October 20, 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
October 20, 2017**

Call to Order

Commissioner Quarles, 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 Quarles, Joni Nelson (designee for Dr. Kirk Pomper), Dean Nancy M. Cox, Stewart Hughes, Sarah Butler (designee for Secretary Terry Gill), Bobby Foree, Pat Henderson, Jim Mahan, Wayne Mattingly, Fritz Giesecke, Dr. Gordon Jones, Al Pedigo and Katie Moyer.

Members absent: Governor Matt Bevin and Wayne Hunt.

Notification of Media

Commissioner Quarles received verification from Marielle Manning, Public Affairs Manager, that the media had been notified of the KADB monthly meeting.

Welcome

Commissioner Quarles welcomed everyone to the meeting.

Commissioner Quarles mentioned KDA's involvement in international trade initiatives.

Commissioner Quarles stated that it was Forest Industry Week and the partnership of the forestry industry with Kentucky Proud Products.

Commissioner Quarles mentioned the current pension discussion.

Commissioner Quarles stated there is a strong harvest across the state, with record breaking yields for corn harvest.

Commissioner Quarles introduced Nathan Smith as the new Agriculture Committee Analyst at the Legislative Research Commission.

Commissioner Quarles commented on Agriculture Committee Chairman, Representative Richard Heath, as his wife and granddaughter were in a car accident.

Approval of Minutes

Commissioner Quarles entertained a motion to approve the minutes of the September 15, 2017 board meeting.

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

VOTE: Motion Passed; Unanimous.

Executive Director's Report

Commissioner Quarles yielded the floor to Warren Beeler, Executive Director, to report to the board.

Mr. Beeler thanked chef Ouita Michael, owner of Holly Hill Inn, for the breakfast.

Mr. Beeler directed the board's attention to the Canola Feasibility Study (*on file*) and the Lake Cumberland Grain Elevator Feasibility Study (*on file*).

Mr. Beeler called on Aleta Botts, Executive Director, KCARD, to comment on the feasibility studies.

Ms. Botts updated the board on the activities of the organization.

Ms. Botts introduced Kevin Hiedemann as a new Business Development Specialist at KCARD.

Mr. Beeler directed the board's attention to the October Beeler Report (*on file*).

Mr. Beeler directed the board's attention to the UK Grain and Forage Center of Excellence update (*on file*).

Mr. Beeler updated the board on his activities since the September 15, 2017 board meeting.

Deputy Executive Director's Report

Commissioner Quarles yielded the floor to Bill McCloskey, GOAP Deputy Executive Director, to report to the board.

Mr. McCloskey referenced the updated KADF and KAFC board member contact lists (*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. McCloskey directed the board's attention to a memo regarding the (A2016-0070) Hardin County Livestock Events Center final county funds update (*on file*).

Mr. McCloskey directed the board's attention to a memo regarding the (A2017-0001) Ohio Valley Food Connection final county funds update (*on file*).

Mr. McCloskey directed the board's attention to a memo regarding the (A2017-0089) FoodChain, Inc. final county funds update (*on file*).

Mr. McCloskey directed the board's attention to the GOAP financial report as of October 2, 2017 (*on file*).

Mr. McCloskey directed the board's attention to the county account balances report as of September 21, 2017 (*on file*).

Mr. McCloskey reviewed the Kentucky Agricultural Finance Corporation (KAFC) Statement of Financial Position (*on file*) as of September 30, 2017.

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

VOTE: Motion Passed; Unanimous.

Committee Reports/Presentations

Commissioner Quarles called on Mr. Mattingly to deliver the Kentucky Department of Agriculture (KDA) Recipient Review Committee report.

Mr. Mattingly introduced Melanie Blandford, Executive Director, KDA Office for Agricultural Marketing and Product Promotion.

Ms. Blandford introduced Ouita Michael, owner of Holly Hill Inn and several local eateries.

Ms. Michael addressed the board and thanked them for their service.

Ms. Blandford presented to the board as a requirement of the legal agreement on Kentucky Department of Agriculture, A2016-0210 (*on file*).

Commissioner Quarles yielded the chair to Pat Henderson for duration of the discussion and vote on KDA and recused himself from the room.

The KDA Recipient Review Committee recommended approval of KDA's request of \$1,570,000 in State funds for 2018 budget year funding, as presented with the requested five percent reduction (*on file*).

Mr. Mattingly moved to approve the committee report and recommendation, as presented; Ms. Moyer seconded the motion.

VOTE: Motion Passed; Mr. Hughes abstained.

Mr. Henderson called on Commissioner Quarles to reassume the chair.

In response to a question from Mr. Pedigo, GOAP staff clarified the standard procedure for recusing oneself from voting and stated a follow-up memorandum would be sent to board members.

Commissioner Quarles called on Mr. Mahan to deliver the Kentucky Horticulture Council (KHC) Recipient Review Committee report.

Mr. Mahan introduced Mac Stone, Executive Director, Kentucky Horticulture Council, Inc.

Mr. Stone presented to the board as a requirement of the legal agreement on Kentucky Horticulture Council, Inc. (A2016-0186) (*on file*).

The KHC Recipient Review Committee recommended approval of the KHC's request for \$586,625 in State funds for 2018 budget year funding, as presented with the requested five percent reduction (*on file*).

Mr. Foree clarified the amount being voting on.

Mr. Mahan moved to approve the committee report and recommendation, as presented; Mr. Henderson seconded the motion.

VOTE: Motion Passed; Dean Cox and Ms. Nelson abstained.

Old Business

Memo Action Items

Commissioner Quarles called on Beth Mobley, Bill McCloskey, Hannah Forte and Sandy Gardner to present the following memo action items:

KAFC Request for Transfer

Ms. Mobley presented a memorandum (*on file*) regarding a request to transfer \$5 million from the KADF to KAFC.

Mr. Henderson moved to approve the request, as presented; Mr. Warner seconded the motion.

In response to a question from Mr. Pedigo, GOAP staff stated that net worth caps are to be discussed at the November KAFC Strategic Planning Committee.

In response to a question from Mr. Foree, GOAP staff commented that the remaining KADF funds will be enough to continue through the next funding cycle.

VOTE: Motion Passed; Unanimous.

2018 County Program Proposed Changes

Mr. McCloskey presented a memorandum (*on file*) regarding the proposed changes for the 2018 County Agricultural Investment Program (CAIP).

In response to a question from Mr. Pedigo, Ms. Miller clarified the program changes regarding lime delivery expenses.

Responding to a comment from Mr. Henderson, GOAP staff stated that changes were only made if they had a majority vote from the board member survey.

Mr. Foree objected to the change for 60 day requirement for Breeding Soundness Exams (BSE) to be completed and moved that it stay unchanged at the current six months.

Mr. Mattingly moved to approve reauthorization of the 2018 CAIP, contingent upon keeping BSE requirements to be within six months; Mr. Pedigo seconded the motion.

VOTE: Motion Passed; Unanimous

Mr. Hughes moved to approve reauthorization of the 2018 Deceased Farm Animal Removal Program (DAR), as presented with no changes; Mr. Warner seconded the motion.

VOTE: Motion Passed; Unanimous.

Mr. Hughes moved to approve reauthorization and modification of the 2018 Shared-Use Equipment Program, as presented; Mr. Mahan seconded the motion.

VOTE: Motion Passed; Unanimous.

Mr. Warner moved to approve reauthorization and modification of the 2018 Next Generation Beginning Farmer Program, as presented; Ms. Butler seconded the motion.

VOTE: Motion Passed; Unanimous.

Mr. Foree moved to approve reauthorization and modification of the 2018 Youth Agricultural Investment Program, as presented; Ms. Moyer seconded the motion.

VOTE: Motion Passed; Unanimous.

2018 Demonstration Farm Guidelines

Ms. Forte presented a memorandum (*on file*) regarding the proposed 2018 Demonstration Farm Project guidelines.

Mr. Henderson moved to remove from the table the discussion on demonstration guidelines, Mr. Mattingly seconded the motion.

VOTE: Motion Passed; Unanimous.

Mr. Mattingly expressed concern on demonstration farm placement, as well as, state bids for the farms.

Mr. Foree moved to approve the guidelines, as presented; Dr. Jones seconded the motion.

VOTE: Motion Passed; Unanimous.

A2003-0477 River Valley Winery, Inc.

Ms. Gardner presented a memorandum (*on file*) regarding the above-referenced project. The recipient requested a modification to the terms of forgiveness.

Ms. Gardner stated that the KADB Compliance Committee met at 8:30 a.m. in Room C of the extension Office.

The KADB Compliance Committee recommends denying the request, as it would set a bad precedent.

Mr. Henderson moved to deny the request, as presented; Mr. Warner seconded the motion.

VOTE: Motion Passed; Unanimous.

New Business

New Applications for Referral¹

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

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

Mr. Hughes moved to refer the submitted applications to the appropriate committees; Mr. Giesecke seconded the motion.

VOTE: Motion Passed; Unanimous.

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

Programs Recommended for Approval²

Commissioner Quarles called on Mr. McCloskey to present programs recommended for approval.

Mr. McCloskey referenced eight (8) County Agricultural Investment Program (CAIP) applications requesting county funds totaling \$1,606,179; two (2) Next Generation Beginning Farmer Pilot Program applications totaling \$30,000; three (3) Shared-Use Equipment Program applications totaling \$59,584; and three (3) Youth Cost-Share Program applications totaling \$55,000.

Mr. Pedigo moved to approve the program recommendations, as presented; Mr. Foree seconded the motion.

VOTE: Motion Passed; Unanimous.

Requested Program Amendments³

Commissioner Quarles called on Mr. McCloskey to present requested program amendments.

Mr. McCloskey referenced twelve (12) requested program amendments seeking additional county funds totaling \$210,236.

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

VOTE: Motion Passed; Unanimous

Project Recommendations for Funding

Commissioner Quarles called on Ms. Osterman, Mr. Baker, and Mr. McCloskey to present the following recommendations for funding:

A2017-0167 Midway Christian Church (Disciples of Christ), Inc.

Ms. Osterman referenced the above application from Midway Christian Church (Disciples of Christ), Inc. requesting \$1,100 in Woodford County funds for purchasing a commercial refrigerator.

The Blue Application Review Committee recommended funding up to \$1,100 in Woodford County funds, subject to terms and conditions.

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

VOTE: Motion Passed; Mr. Mattingly opposed.

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

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

A2017-0169 Madison County Fiscal Court

Ms. Osterman referenced the above application from Madison County Fiscal Court requesting \$4,600 in Madison County funds to upgrade its dead animal removal truck with hydraulic hoist cylinders, hydraulic valves and backup camera system.

The Blue Application Review Committee recommended funding the request for up to \$4,260 in Madison County funds, subject to terms and conditions.

Mr. Mattingly clarified that the standard DAR program does not cover equipment costs.

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

VOTE: Motion Passed; Unanimous.

A2017-0177 Kentucky State University

Mr. Baker referenced the above application from Kentucky State University requesting \$990,000 in State funds over a 2-year period for personnel, demonstration projects, and mini-grants to underserved small and limited-resource farmers.

The Blue Application Review Committee recommended funding the request for up to \$495,000 in State funds for calendar year 2018 only, subject to terms and conditions.

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

Mr. Henderson asked about five percent budget reduction for grant programs.

In response to a question from Mr. Mattingly, GOAP staff estimated about \$30,000 goes towards personnel costs.

Mr. Pedigo stated that this program reaches people who do not have access to CAIP.

In response to a question from Mr. Mattingly, Ms. Nelson stated that a small percentage of people do not turn in their recipets.

VOTE: Motion Passed; Ms. Nelson abstained.

A2017-0180 The Kentucky Center for Agriculture and Rural Development, Inc.

Mr. McCloskey referenced the above application from the Kentucky Center for Agriculture and Rural Development, Inc. requesting \$700,000 in State funds over two years to deliver technical assistance and provide educational opportunities to agricultural and rural businesses.

The Blue Application Review Committee recommended funding the request for up to \$700,000 in State funds over two years as a grant, subject to terms and conditions.

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

VOTE: Motion Passed; Unanimous.

Pending Applications

Mr. McCloskey referenced the following three (3) pending applications:

A2017-0146	Pumpkin Vine Creek, LLC
A2017-0173	Two Rivers Fisheries, Inc.
A2017-0181	Kentucky Nutrition Service, Inc.

No action necessary on pending applications.

Closing Remarks

Mr. Pedigo stated that he attended the International Tobacco Growers meeting and stated that estimations the U.S. will be smoke-free by 2030.

Commissioner Quarles stated that the Blue Application Review Committee will meet a half hour after adjournment in Room E/F.

Commissioner Quarles stated that the next KADB meeting is on Friday, November 17, 2017 beginning at 10:00 a.m. at the Franklin County Extension Office, 101 Lakeview Court, Frankfort, KY 40601.

Adjournment

Commissioner Quarles entertained a motion to adjourn.

Ms. Butler moved to adjourn the October KADB meeting; Mr. Mahan seconded the motion.

VOTE: Motion Passed; Unanimous.

The KADB meeting adjourned at 12:39 p.m. (EDT).

APPROVED DATE: 11-17-2017

PRESIDING OFFICER: *Ben Zucker*

BOARD SECRETARY: *Marielle Manning*
Marielle Manning

APPENDIX A: New Applications for Referral

APP #	APPLICANT	COUNTY
A2017-0185	Beef & Bacon Custom Processing L.L.C. <i>Upgrade to USDA-inspected Slaughter Facility</i>	McLean
A2017-0187	Pulaski County Cattlemen's Association, Inc. <i>Cargo Trailer</i>	Pulaski
A2017-0188	Pulaski County Conservation District <i>Grain Bin Rescue Equipment</i>	Pulaski
A2017-0198	Vances Mill Farms Inc. <i>Feasibility Study</i>	Simpson
A2017-0200	St. Mary School <i>School Greenhouse</i>	Bourbon
A2017-0204	CCGJ, LLC dba Versailles Brewing Company Restaurant, LLC <i>Kitchen Equipment</i>	Woodford

APPENDIX B: Programs Recommended for Approval

CAIP

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2017-0184	Kentucky Ketch, Inc.	Clay	\$235,000.00
A2017-0186	Clinton/Cumberland Cattlemen's Assoc., Inc.	Cumberland	\$101,260.00
A2017-0189	Buffalo Trace Area Development District, Inc.	Bracken	\$180,000.00
A2017-0191	Casey County Conservation District	Casey	\$220,000.00
A2017-0192	Robertson County Soil Conservation District	Robertson	\$234,717.00
A2017-0195	Pendleton County Agricultural Diversification Association, Inc.	Pendleton	\$151,830.00
A2017-0196	Monroe County Conservation District	Monroe	\$280,000.00
A2017-0203	Fleming County Conservation District	Fleming	\$203,372.00
			\$1,606,179.00

Next Generation Beginning Farmer Pilot

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2017-0182	Clark County Conservation District	Clark	\$10,000.00
A2017-0190	Buffalo Trace Area Development District, Inc.	Bracken	\$20,000.00
			\$30,000.00

Shared-use Equipment

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2017-0194	Franklin County Conservation District	Franklin	\$14,360.00
A2017-0197	Monroe County Conservation District	Monroe	\$39,224.00
A2017-0202	Pendleton County Beef Cattle Association, Inc.	Pendleton	\$6,000.00
			\$59,584.00

Youth Ag Incentives Program

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2017-0183	Clark County Conservation District	Clark	\$15,000.00
A2017-0193	Taylor County Cattlemen's Association, Inc.	Taylor	\$10,000.00
A2017-0201	Fleming County Conservation District	Fleming	\$30,000.00
			\$55,000.00

Total County Funds Recommended for Approval in Programs: **\$1,750,763.00**

APPENDIX C: Requested Program Amendments

App # A2016-0212
Applicant Name Rockcastle County Conservation District
Original Amount Approved \$172,757
Execution Date 12/07/2016
Requested Change The applicant requests an additional \$13,879 in Rockcastle County funds for the *CAIP Program*. The request received a high priority from the Rockcastle County Council.
 This is the second request for an amendment to this application number. The first request was for \$95,041, approved 5/19/2017.
 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 \$281,677.
Recommend Approval

App# A2017-0016
Applicant Name Johnson County Agricultural Advancement Council, Inc.
Original Amount Approved \$24,250
Execution Date 3/02/2017
Requested Change The applicant requests an additional \$3,700 in Johnson County funds for the *CAIP Program*. The request received a high priority from the Johnson County Council.
 This is the second request for an amendment to this application number. The first request was for \$24,000, approved 6/16/2017.
 Approval of this request would bring the program total to \$51,950.
Recommend Approval

App# A2017-0085
Applicant Name Oldham County Farm Bureau
Original Amount Approved \$24,649
Execution Date 5/24/2017
Requested Change The applicant requests an additional \$4,450 in Oldham County funds for the *CAIP Program*. The request received a high priority from the Oldham 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 \$29,099.
Recommend Approval

Requested Program Amendments

App # A2017-0086
Applicant Name Trimble County Cattleman's Association, Inc.
Original Amount Approved \$122,640
Execution Date 5/30/2017
Requested Change The applicant requests an additional \$16,900 in Trimble County funds for the *CAIP Program*. The request received a high priority from the Trimble 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 \$139,540.
Recommend Approval

App# A2017-0098
Applicant Name Washington County Cattlemen Association, Inc.
Original Amount Approved \$102,000
Execution Date 7/29/2017
Requested Change The applicant requests an additional \$40,000 in Washington County funds for the *CAIP Program*. 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 \$142,000.
Recommend Approval

App# A2017-0103
Applicant Name Garrard County Farm Bureau, Inc.
Original Amount Approved \$200,000
Execution Date 5/30/2017
Requested Change The applicant requests an additional \$42,944 in Garrard County funds for the *CAIP Program*. The request received a high priority from the Garrard 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 \$242,944.
Recommend Approval

Requested Program Amendments

App # A2017-0110
Applicant Name Morgan County Fiscal Court
Original Amount Approved \$201,082
Execution Date 6/29/2017
Requested Change The applicant requests an additional \$19,011 in Morgan County funds for the *CAIP Program*. The request received a high priority from the Morgan 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 \$220,093.
Recommend Approval

App# A2017-0112
Applicant Name Mercer County Conservation District
Original Amount Approved \$135,000
Execution Date 7/12/2017
Requested Change The applicant requests an additional \$22,423 in Mercer County funds for the *CAIP Program*. 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 \$157,423.
Recommend Approval

App# A2017-0125
Applicant Name Allen County Conservation District
Original Amount Approved \$188,219
Execution Date 6/27/2017
Requested Change The applicant requests an additional \$14,987 in Allen County funds for the *CAIP Program*. The request received a high 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 \$203,206.
Recommend Approval

Requested Program Amendments

App # A2017-0126
Applicant Name Grant County Cattlemens Association, Inc.
Original Amount Approved \$128,000
Execution Date 8/17/2017
Requested Change The applicant requests an additional \$20,000 in Grant County funds for the *CAIP Program*. The request received a high priority from the Grant 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 \$148,000.
Recommend Approval



App# A2017-0150
Applicant Name Menifee County Beef Producers, Inc.
Original Amount Approved \$63,600
Execution Date 9/29/2017
Requested Change The applicant requests an additional \$9,292 in Menifee County funds for the *CAIP Program*. The request received a high priority from the Menifee 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 \$72,892.
Recommend Approval



App# A2017-0050
Applicant Name Meade County Cattleman Association Corporation
Original Amount Approved \$40,868
Execution Date 5/12/2017
Requested Change The applicant requests an additional \$2,650 in Meade County funds for the *CAIP Program*. The request received a high priority from the Meade County Council.
 This is the **second request for an amendment** to this application number.
 The first amendment request of \$4,772 received approval at the September meeting of the KADB.
 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 **\$48,290**.
Recommend Approval



APPENDIX D: Blue Application Committee Meeting Minutes



Meeting Date:	10/20/2017
Meeting Location:	Franklin County Extension Office
Meeting Chair:	Bill McCloskey
Attendees:	Bobby Foree, Al Pedigo, Keith Rogers, Katie Moyer, Sarah Butler, Bill McCloskey, Warren Beeler, Steve Doan, Stefanie Osterman, Beth Mobley and Hannah Forte
Minutes Issued By:	Stefanie Osterman
Meeting Call to Order:	1:00
Meeting Adjourned:	3:00

Agenda Items: Pending and New applications	
1.	2017-0181 Kentucky Nutrition Service <ul style="list-style-type: none"> a. \$500,000 State funds as a participatory loan @ 2% (1.25% Ag Development Board/0.75% Central Kentucky Ag Credit) b. LTV of 85%
2.	2017-0173 Two Rivers Fisheries, Inc. <ul style="list-style-type: none"> a. Continue pending to give applicant time to work with KCARD and Small Business
3.	2017-0185 Beef & Bacon Custom Processing L.L.C. <ul style="list-style-type: none"> a. County match State up to 50% of the updated budget of \$19,650, 6 months to obtain county funds.
4.	2017-0187 Pulaski County Conservation District <ul style="list-style-type: none"> a. Recommend to approve as submitted.
5.	2017-0188 Pulaski County Conservation District <ul style="list-style-type: none"> a. Recommend to approve as submitted.
6.	2017-0198 Vance Mill Farms, Inc. <ul style="list-style-type: none"> a. Recommend to approve as submitted.
7.	2017-0200 St. Mary School <ul style="list-style-type: none"> a. Recommend to approve as submitted.

APPENDIX E: KDA RRC

Meeting Minutes



Meeting Date:	October 19, 2017
Meeting Location:	GOAP
Meeting Chair:	Wayne Mattingly
Attendees:	Committee: Wayne Mattingly, Katie Moyer KDA Staff: Melanie Blandford, Tim Hughes, Chad Smith GOAP Staff: Biff Baker, Bill McCloskey, Steve Doan, Sandy Gardner
Minutes Issued By:	Biff Baker
Meeting Call to Order:	2:15 PM
Meeting Adjourned:	4:15 PM

Agenda Items:
<ol style="list-style-type: none">1. A2014-0189 Grant<ol style="list-style-type: none">a. There have been approximately \$339,000 in total grant funds returned so far.b. KDA estimates that approximately \$20,000 in additional POP encumbrances will be returned. All other programs have been closed out for this grant. 2. A2016-0210 Grant (2017 funds)<ol style="list-style-type: none">a. Point of Purchase- Funds have all been encumbered. Applications have temporarily been suspended until more funding becomes available. Approximately 40% of the applications are first-time grantees.b. Branding & Advertising- Approximately \$200,000 has been encumbered since the last triannual report. Will spend bulk of allotment as the holiday seasons approach.c. Buy Local- Several distributors are now coding the Ky. Proud sales. KDA working to raise awareness of the program.d. Retail Program- KDA working on several leads for projects.e. LAND- Have had three regional meetings which were well-attended. Will continue working with KAM and Economic Development Cabinet to strengthen the relationship with those entities and the agricultural community.f. Farm-to-Fork- Have sponsored 26 events throughout the state with over 4,400 attendees. 3. A2016-0201 Amendment Request for 2018 Funds <p>Summary of Request: KDA is requesting additional funds totaling \$1.57 million for calendar year 2018 to continue the Kentucky Proud Program. This is a decrease of 5% from the funds approved for 2017.</p> <p>The categories for 2018 remain the same as 2017: POP, Branding & Advertising, Buy Local, Retail, LAND, and Farm to Fork.</p> <p><u>POP</u>- \$450,000 fund request, the same as 2017.</p> <p>Changes:</p> <ul style="list-style-type: none">• Decreasing the limit on the utilization of funds to six months (down from 10 months)

APPENDIX E: KDA RRC

Meeting Minutes



Agenda Items:

- Decreasing the yearly cap to \$8,000 (down from \$12,000)
- Notifying KDA within three months of grant approval if the recipient wants to reduce the award amount without penalty (down from five months)
- Limiting demos to less than 10% of total grant requested
- Requiring the KY Proud logo to be at least 20% of the width of the advertising material

Branding & Advertising- \$655,000 fund request, down from \$720,000.

Changes:

- No substantive changes

Buy Local- \$280,000 fund request, down from \$317,750.

Changes:

- Increasing the quarterly incentive for distributors to 2.5% on gross sales of eligible products sold to restaurants and other food service participants (up from 1%)
- Utilizing some funds to increase recognition of businesses that have reached lifetime limits

Retail- \$80,000 fund request, down from \$90,000.

Changes:

- No substantive changes

LAND- \$75,000 fund request, up from \$50,000.

Changes:

- No substantive changes

Farm to Fork- \$30,000 fund request, the same as 2017.

Changes:

- Hosting an event in at least 25 counties, down from 40
- \$750 grant per event, up from \$500

APPENDIX F: KY Horticulture Council Recipient Review Committee Meeting Minutes



Meeting Date:	October 19, 2017
Meeting Location:	Governor's Office of Agricultural Policy, 404 Ann Street, Frankfort, KY
Meeting Chair:	Jim Mahan
Attendees:	Mac Stone, Dr. Bob Houtz, Dr. Kirk Pomper, Jim Mahan, Sandy Gardner, Bill McCloskey, Steve Doan, Hannah Forte
Minutes Issued By:	Hannah Forte
Meeting Call to Order:	9:06 a.m.
Meeting Adjourned:	10:19 p.m.

Agenda Items:	
<ol style="list-style-type: none"> 1. Benchmarks, Goals & Objectives – Progress Update <ol style="list-style-type: none"> a. On-Farm Demonstration & Consultations <ol style="list-style-type: none"> i. Individual contact with growers vs. field days was prioritized. Extension associates have been asked to document demonstration projects with video to be shared at later trainings and meetings – thus reducing the number of actual demos. b. Development & Evaluation of Production and Marketing Systems <ol style="list-style-type: none"> i. The KHC Board of Directors will meet in early November to establish research priorities for 2018. c. Horticulture Market Research, Analysis and Marketing Education d. Sustainable Market Access & Demand for Horticultural Products <ol style="list-style-type: none"> i. Audits must be performed every year, although it is easier after the initial season because the manual, SOP's, record keeping system and water sampling techniques are established, and may only need small updates. ii. 19 farms have been assisted in drafting food safety manuals, only 5 proceeded to take/pass KDA mock audit and official USDA audit. e. Horticulture Council Operations 2. Amendment Request <ol style="list-style-type: none"> a. 5% reduction <ol style="list-style-type: none"> i. The University of Kentucky is also undergoing a review. The 5% cut will be taken with consideration from the university, particularly how to reallocate funds to maximize impact. b. Position Changes / Flowchart <ol style="list-style-type: none"> i. The KHC Executive Director will serve as support to groups related to KHC (surrounding states, KNLA, OAK, extension associates/specialists, etc.) and work with the Center for Crop Diversification to distribute information. The goal is to improve communication, maximize knowledge dissemination and more efficiently use resources. ii. The job description for the ED is being drafted, but responsibilities will include coordinating annual conventions, grower meetings, events/tours, grant writing, policy work and the KHC Board of Directors. iii. This position is currently part-time, but will transition to full-time. 	

**APPENDIX F: KY Horticulture Council
Recipient Review Committee Meeting
Minutes**



Agenda Items:

APPROVED DATE: _____

PRESIDING OFFICER: _____

SECRETARY: _____

APPENDIX G: KADB Compliance Committee Meeting Minutes



Meeting Date:	October 20, 2017
Meeting Location:	Franklin Co. Extension Office, Room C, Frankfort
Meeting Chair:	Sandra Gardner, Director of Compliance & Outreach
Attendees:	Bobby Foree, Pat Henderson, Wayne Mattingly Warren Beeler, Steve Doan, Hannah Forte, Sandra Gardner, Bill McCloskey, Beth Mobley
Minutes Issued By:	Sandra Gardner
Meeting Call to Order:	8:35 a.m.
Meeting Adjourned:	9:40 a.m.
Agenda Items:	
<p>1. Call to Order</p> <p>2. Old Business: Status Updates</p> <ul style="list-style-type: none"> a. Castle Hill Farm (A2005-0444) has earned forgiveness; the committee concurred that staff shall ensure the equipment is installed before releasing the agreement by the next regularly scheduled compliance meeting (Jan.) b. Foothills Country Meats (A2008-0280) has made payments and earned credit under its new deferred payment schedule. However, Foothills is behind on payments. Staff will visit the applicant and meet the marketing person recently hired. <p>3. New Business: Compliance Review</p> <ul style="list-style-type: none"> a. The list of 0-2% interest loans was reviewed with additional explanation of METCO (A2011-0173), Meade County Riverport Authority (A2013-0038), and Crowley's Mill (A2017-0020) provided by staff. b. The list of open forgivable loans was reviewed, noting that Hope Ridge Farm Country Ham had made its last payment to the Pork Producers for the promotional fund, which was the terms of the project's forgiveness. Discussion of KBA-PEP will need to occur in the future, as payments into the promotional fund begin to expire. c. The list of projects with reporting 31 or more days late was reviewed. The total late reports represents ~1 percent of the total projects/programs. d. Hannah reported on the site visit process for projects and how the visits are a tool for long-term monitoring of the board's investments. <ul style="list-style-type: none"> i. The committee requested success stories be presented once per quarter to highlight one or two older projects visited. <p>4. Next Meeting – January</p>	