

The actions delineated below were taken in open session of the Kentucky Agricultural Development Board at the May 15, 2020 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
May 15, 2020
404 Ann Street
Frankfort, KY 40601**

Call to Order

Commissioner Quarles, presiding, called the Kentucky Agricultural Development Board (KADB) regular business meeting to order at 10:00 a.m. (EDT).

Roll Call

The following members were present: Commissioner Ryan Quarles, Dorsey Ridley (designee for Governor Andy Beshear), Sarah Butler (designee for interim Secretary Larry Hayes), Dean Nancy Cox, Dr. Kirk Pomper (designee for Dr. M. Christopher Brown II., President), Mark Barker, Bobby Foree, Fritz Giesecke, Pat Henderson, Matt Hinton, Stewart Hughes, Wayne Hunt, Dr. Gordon Jones, Jim Mahan, Katie Moyer and Al Pedigo.

Members absent: None.

Notification of Media

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

Welcome

Commissioner Quarles welcomed everyone to the meeting.

Commissioner Quarles commended agriculture across the U.S. during the COVID-19 outbreak.

Commissioner Quarles updated the board on the activities of the Kentucky Department of Agriculture (KDA) and its response to the COVID-19 outbreak.

Approval of Minutes

Commissioner Quarles entertained a motion to approve the minutes of the April 17, 2020 board meeting.

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

VOTE: Motion Passed; Unanimous.

Executive Director's Report

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

Mr. Beeler welcomed everyone to the meeting and mentioned that the \$112 million Master Settlement Agreement payment was received.

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 a memorandum (*on file*) regarding Western Kentucky University (A2018-0208) Final County Funds Update.

Mr. McCloskey referenced the March 2020 Kentucky Broadcaster's Association Public Education Partnership (PEP) Program (*on file*).

Mr. McCloskey referenced the Kentucky Agricultural Development Fund State Pool Tobacco Funds (*on file*) as of April 28, 2020.

Mr. McCloskey reviewed Kentucky Agricultural Development Fund County Balances (*on file*) as of April 27, 2020.

Mr. McCloskey reviewed the K AFC Statement of Financial Position (*on file*) as of April 30, 2020.

Mr. McCloskey reviewed the Kentucky Agricultural Finance Corporation meeting agenda (*on file*) as of May 8, 2020.

Mr. Pedigo commented on the Mesonet weather stations being helpful in applying for WIC Farmers Market Nutrition Program.

Mr. Pedigo moved to approve the Deputy Executive Director's Report; Mr. Barker seconded the motion.

VOTE: Motion Passed; Unanimous.

KADB Meat Processing Expansion Committee

Commissioner Quarles called on Mr. Hunt to provide the KADB Meat Processing Expansion Committee report.

Mr. Hunt gave the Meat Processing Expansion Committee report and recommended the approval of \$1,000,000 allocated to the KADF Meat Processing Investment Program.

In response to a question from Ms. Moyer, staff clarified how projects that have previously received funding would be handled and that most inspection is done by the U.S. Department of Agriculture (USDA) not the Food and Drug Administration (FDA).

Commissioner Quarles explained FDA inspection compared to USDA inspection of food products.

Dr. Jones commented on the Level 1 incentives and stated consideration of rewards for custom processing as well.

Mr. Hughes commented on the importance of food safety and stated his belief that the current processors in the state will take advantage of the new program.

Mr. Beeler stated the baseline of head slaughtered of USDA inspected facilities are available, however only estimates of numbers head slaughtered at custom processors are available.

Mr. Pedigo inquired on loan forgiveness availability for current processors and encouraged the board and staff to seek out potential clients interested in venturing into processing.

Mr. Henderson commented on the need of the new program and asked the board to allow KCARD staff, UK staff and GOAP staff to develop an incentive for people that want to get into processing, not just for current processors.

Mr. Hunt stated the board can approve the program and allow staff time to collect information for custom processors to be surveyed on what they would need to grow their operations in order to be USDA inspected at least one day a week.

Mr. Foree explained a few of the proposed changes for the programs.

Dean Cox posed the question regarding producers having opportunity to have an equity position in new ventures.

Ms. Moyer asked about funding more than \$1,000,000 in the program.

Dr. Pomper stated his concern of small processors not having access to use the allocated funds with only \$1,000,000 available.

Mr. Foree commented on there being no current language in the program guidelines denying commercial operations to be approved, but also stated that all project applications would be subject to KADB final approval.

Mr. Hunt moved to approve the committee report and presented guidelines and to develop further policy for custom processors and language for an advisory team; Ms. Moyer seconded the motion.

VOTE: Motion Passed; Unanimous.

Red Application Review Committee

Commissioner Quarles called on Mark Barker to provide the Red Application Review Committee report.

Mr. Barker gave the Red Application Review Committee report.

Mr. Barker moved to approve the committee report; Ms. Moyer seconded the motion.

VOTE: Motion Passed; Unanimous.

Kentucky Dairy Development Council (KDDC) Recipient Review Committee

Commissioner Quarles called on Dr. Jones to provide the KDDC Recipient Review Committee report.

Dr. Jones gave the KDDC Recipient Review Committee report.

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

VOTE: Motion Passed; Unanimous.

On-Farm Energy Committee

Commissioner Quarles called on Mr. Henderson to give the On-Farm Energy Committee report.

Mr. Henderson gave the On-Farm Energy Committee report.

Mr. Henderson made a motion to accept the committee report; Ms. Moyer seconded the motion.

VOTE: Motion Passed; Unanimous.

Blue Application Review Committee

Commissioner Quarles called on Mr. Foree to give the Blue Application Review Committee report.

Mr. Foree gave the Blue Application Review Committee report.

Mr. Foree made a motion to accept the committee report; Dr. Pomper seconded the motion.

VOTE: Motion Passed; Unanimous.

Presentation

Commissioner Quarles called on Sandra Gardner to introduce Sarah Preston, program manager for the Kentucky State Beekeepers Association (KSBA), to present to the board as a requirement of the legal agreement on KSBA's project, A2018-0255.

A video presentation was shown to the board.

Mr. Mahan moved to approve the video presentation and progress towards benchmark, goals and objectives; Mr. Hinton seconded the motion.

VOTE: Motion Passed; Unanimous.

Memo Action Items

Commissioner Quarles called on Danielle Milbern, Ali Hulett and Ms. Gardner to present the following memo action items:

A2018 – 0255 Kentucky State Beekeepers Association

Ms. Milbern presented a memorandum (*on file*) on the above referenced project requesting a fiscal sponsor organization. The KADB Compliance Committee recommended approval of the request.

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

VOTE: Motion Passed; Unanimous.

A2008 – 0440 Kentucky Agricultural Finance Corporation

Ms. Hulett presented a memorandum (*on file*) on the above referenced project requesting the transfer of \$5 million from the KADF to the KAFC to continue to provide low-interest loans through the established revolving loan program.

Ms. Moyer moved to approve the request; Dr. Jones seconded the motion.

VOTE: Motion Passed; Unanimous.

KADF Standard Operating Guidelines

Ms. Gardner presented a memorandum (*on file*) regarding revisions to the KADF Standard Operating Guidelines. The KADB Compliance Committee recommended approval of the changes.

Ms. Butler moved to approve the committee recommendation; Mr. Barker seconded the motion.

VOTE: Motion Passed; Unanimous.

KADF Standard Operating Guidelines

Ms. Gardner presented a memorandum (*on file*) regarding a time extension for County Council Submissions. The KADB Compliance Committee recommended approval of the request.

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

VOTE: Motion Passed; Unanimous.

At this time, 11:54 a.m. EDT, Commissioner Quarles turned the chair to Mr. Keith Rogers.

A2018 – 0201 Kentucky Dairy Development Council

Ms. Milbern presented a memorandum (*on file*) on the above referenced project requesting to allow Dairy Herd Improvement Association (DHIA) payments to be used as matching funds for the 2020 MILK Program. The KDDC Recipient Review Committee recommended approval of the request.

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

VOTE: Motion Passed; Unanimous.

A2018 – 0032 Magoffin County Extension District Board

Ms. Milbern presented a memorandum (*on file*) on the above referenced project requesting a six (6) month time extension until December 25, 2020. Staff recommended approval of the request.

Mr. Mahan moved to approve the staff recommendation; Ms. Moyer seconded the motion.

VOTE: Motion Passed; Unanimous.

A2019 – 0002 Community Farm Alliance, Inc.

Ms. Milbern presented a memorandum (*on file*) on the above referenced project requesting a budget amendment. The Red Application Review Committee recommended approval of the request.

Mr. Hinton moved to approve the committee recommendation; Mr. Barker seconded the motion.

VOTE: Motion Passed; Unanimous.

A2019 – 0068 The Jericho Farmhouse, LLC

Ms. Milbern presented a memorandum (*on file*) on the above referenced project a six (6) month time extension until December 1, 2020. Staff recommended approval of the request.

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

VOTE: Motion Passed; Unanimous.

New Business

New Applications for Referral

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

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

In response to a question from Mr. Henderson, staff explained how current processor applications would be handled through the committee structure.

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

VOTE: Motion Passed; Unanimous.

Programs Recommended for Approval

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

Mr. McCloskey referenced ten (10) County Agricultural Investment Program (CAIP) applications totaling \$1,459,804, five (5) Dead Animal Removal (DAR) applications totaling \$52,624; one (1) Next Generation Farmer (NextGen) application totaling \$45,000; and three (3) Youth Ag Incentives Program applications totaling \$39,000. The total program funding is \$1,596,428.

Ms. Butler moved to approve the programs 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 three (3) counties requesting additional funds for existing CAIP's: Casey (\$247,260), Owen (\$275,000) and Shelby (\$15,500). Total program amendment funding is \$537,760.

Dr. Jones moved to approve the program amendments as presented; Mr. Giesecke seconded the motion.

VOTE: Motion Passed; Unanimous.

Project Recommendations for Funding

Commissioner Quarles called on Renee Carrico and Danielle Milbern to present the following recommendations for funding:

A2019 – 0283 JSW Farm Chop Shop, Inc.

Ms. Milbern referenced the above application requesting \$783,367 in State funds to purchase equipment for a wastewater treatment facility system and a carcass washing unit.

The Red Application Review Committee recommended approving 75% of the project budget up to \$173,230 in State funds as a forgivable loan for a carcass washing unit, subject to terms and conditions.

Mr. Hinton moved to approve the committee recommendation, as presented; Mr. Mahan seconded the motion.

VOTE: Motion Passed; Unanimous.

A2020 – 0023 Winchester Clark County Farmers Market

Ms. Carrico referenced the above application \$225,000 in State funds and \$25,000 in Clark County funds to construct a permanent farmers market structure.

The Red Application Review Committee recommended approving the request for up to \$210,000 in State funds and \$25,000 in Clark County funds, subject to terms and conditions.

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

VOTE: Motion Passed; Unanimous.

A2020 – 0062 University of Kentucky Research Foundation

Ms. Carrico referenced the above application requesting \$311,802 in State funds to launch an online integrated beef assessment tool.

The Red Application Review Committee recommended funding the request for up to \$256,602 in State funds, subject to terms and conditions.

Mr. Hughes moved to approve the committee recommendation with the Red Application Review Committee selecting who will develop the videos; Mr. Pedigo seconded the motion.

VOTE: Motion Passed; Dean Cox abstained.

A2020 – 0063

Clark County Fair and Horseshow, Incorporated

Ms. Milbern referenced the above application requesting \$21,332 in Clark County funds to build a new facility to house the FFA and 4-H exhibits.

The Red Application Review Committee recommended approving the request for up to \$21,322 in Clark County funds, subject to terms and conditions.

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

VOTE: Motion Passed; Unanimous.

Pending Applications

Mr. McCloskey stated there were three (3) projects and one (1) program applications pending.

No action necessary on pending projects or programs.

Withdrawn/Expired Applications

Mr. McCloskey stated there was one (1) project application withdrawn.

No action necessary on withdrawn/expired applications.

Closing Remarks

At this time 12:26 p.m. EDT, Commissioner Quarles re-assumed the chair.

Commissioner Quarles stated the KADB White Application Review Committee would meet immediately following the board meeting.

Commissioner Quarles stated that the next KADB meeting would be on June 19, 2020.

Adjournment

Commissioner Quarles entertained a motion to adjourn.

Mr. Mahan moved to adjourn the May KADB meeting; Mr. Hinton seconded the motion.

VOTE: Motion Passed; Unanimous.

The KADB meeting adjourned at 12:28 p.m. (EDT).

APPROVED DATE:

6-23-2020

PRESIDING OFFICER:

Ben Quarles

BOARD SECRETARY:

Marielle McElmurray
Marielle McElmurray

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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 amendments funded under the listed programs is attached as Appendix C.
 4. A copy of the KADB Processing Expansion Committee minutes is attached as Appendix D.
 5. A copy of the Kentucky Dairy Development Council Recipient Review Committee minutes is attached as Appendix E.
 6. A copy of the KADB Red Application Review Committee minutes is attached as Appendix F.
 7. A copy of the KADB On-Farm Energy Committee minutes is attached as Appendix G.
 8. A copy of the KADB Blue Application Review Committee minutes is attached as Appendix H.
 9. A copy of the KADB White Application Review Committee minutes is attached as Appendix I.
 10. A copy of the KADB Marketing & Entrepreneurship Committee minutes is attached as Appendix J.
 11. A copy of the On-Farm Water Management Committee minutes is attached as Appendix K.
 12. A copy of the Joint KADB/KAFC Committee on Industrial Hemp minutes is attached as Appendix L.
 13. A copy of the Red Application Review Committee minutes is attached as Appendix M.
 14. A copy of the White Application Review Committee minutes is attached as Appendix N.
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APPENDIX A: New Applications for Referral

APP #	APPLICANT	COUNTY	Cmte.
A2020-0071	International Farmaceutical Extracts LLC <i>Hemp Education and Processing Facility</i>	Boyle	White
A2020-0076	Hardin County Agricultural Extension Foundation, Incorporated <i>Small Animal Livestock Pens</i>	Hardin	White
A2020-0091	Trackside Butcher Shoppe LLC <i>Meat Processing</i>	Henry	White
A2020-0092	Jessamine County FFA Alumni Association, Inc. <i>4H & FFA Cost Share Program</i>	Jessamine	White
A2020-0093	Summit Property Management LLC d.b.a. Summit Meat Processing, Inc. <i>Meat Processing</i>	Pulaski	White
A2020-0101	Bill Flaughter, Teresa Flaughter <i>On-Farm Water Management - PIP</i>	Pendleton	Water

APPENDIX B: Programs Recommended for Approval**CAIP**

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2020-0031	Muhlenberg County Cattlemen's Association, Inc	Muhlenberg	\$42,413.00
A2020-0039	Clark County Conservation District	Clark	\$184,000.00
A2020-0050	Trimble County Cattleman's Association, Inc.	Trimble	\$130,000.00
A2020-0052	Carroll County Conservation District	Carroll	\$120,798.00
A2020-0053	Oldham County Farm Bureau of Oldham County, Kentucky	Oldham	\$30,000.00
A2020-0061	Montgomery County Conservation District	Montgomery	\$200,000.00
A2020-0079	Mercer County Conservation District	Mercer	\$206,593.00
A2020-0080	Marion County Conservation District	Marion	\$216,000.00
A2020-0081	Jessamine County FFA Alumni Association, Inc.	Jessamine	\$100,000.00
A2020-0102	Henry County Cattlemen's Association, Inc.	Henry	\$230,000.00
			\$1,459,804.00

Deceased Farm Animal Removal (DAR)

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2020-0055	Oldham County Fiscal Court	Oldham	\$5,000.00
A2020-0058	Marion County Fiscal Court	Marion	\$12,624.00
A2020-0066	Shelby County Fiscal Court	Shelby	\$7,500.00
A2020-0074	Hardin County Fiscal Court	Hardin	\$12,500.00
A2020-0077	Lincoln County Fiscal Court	Lincoln	\$15,000.00
			\$52,624.00

Next Generation Farmer (NextGen)

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2020-0103	Henry County Cattlemen's Association, Inc.	Henry	\$45,000.00
			\$45,000.00

Youth Ag Incentives Program (Youth)

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2020-0051	Trimble County Cattleman's Association, Inc.	Trimble	\$20,000.00

Programs Recommended for Approval

A2020-0054	Oldham County Farm Bureau of Oldham County, Kentucky	Oldham	\$4,000.00
A2020-0104	Henry County Cattlemen's Association, Inc.	Henry	\$15,000.00
			<hr/>
			\$39,000.00

Total County Funds Recommended for Approval in Programs: **\$1,596,428.00**

APPENDIX C: Requested Program Amendments

App # A2020-0037
Applicant Name Owen County Farm Bureau
Original Amount Approved \$25,000
Execution Date 04/17/2020
Requested Change The applicant requests an additional \$275,000 in Owen County funds for the *CAIP Program*. The request received a high priority from the 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 \$300,000.

Recommend Approval

App# A2019-0230
Applicant Name Casey County Conservation District
Original Amount Approved \$290,000
Execution Date 10/28/2019
Requested Change The applicant requests an additional \$247,260 in Casey County funds for the *CAIP Program*. The request received a high priority from the 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 \$537,260

Recommend Approval

App# A2019-0174
Applicant Name Shelby County Farm Bureau, Inc
Amount Approved \$275,000
Execution Date 9/3/19
Requested Change The applicant requests an additional \$15,500 in Shelby County funds for the *CAIP Program*. The request received a high priority from the 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 agreement.

Approval of this request would bring the program total to \$290,500

Recommend Approval

APPENDIX D (1) : Meat Processing Expansion Committee Meeting Minutes

Meeting Date:	Friday, April 24, 2020
Meeting Location:	Zoom
Meeting Chair:	Wayne Hunt
Attendees:	Committee: Wayne Hunt, Al Pedigo, Dr. Gordon Jones, Stewart Hughes, Pat Henderson, Bobby Foree KDA Staff: John Chism KCARD Staff: Aleta Botts, Brent Lackey GOAP Staff: Warren Beeler, Bill McCloskey, Danielle Milbern, Renee Carrico, Marielle McElmurray
Minutes Issued By:	Marielle McElmurray
Meeting Call to Order:	9:00 AM
Meeting Adjourned:	10:30 AM

Agenda Items:	
I.	The committee discussed the need for processing expansion in Kentucky.
II.	Further discussion regarding size, location and number of facilities necessary to expand processing ability.
III.	Ms. Botts explained two concerns that need to be addressed: 1) the need for a new, large scale processor and 2) needs of current processors to expand their operations.
IV.	Mr. Pedigo commented on the importance of remembering cow-calf operations and what makes Kentucky an important cattle producing state.
V.	Dr. Jones stated the potential markets for conventionally finished cattle, never-ever cattle and grass fed. Dr. Jones also commented on the potential profitability for dairy farmers and their operations in feeding out cattle.
VI.	Mr. Foree explained the challenges faced by Beef Solutions.
VII.	In response to a question from Mr. Hughes, staff will find the number of cattle finished in Kentucky. Mr. Hughes also commented on the importance of smaller, custom processors.
VIII.	The committee discussed a plan for surveying current Kentucky processors to find out their immediate needs and where KADF money could be used to help, i.e. purchasing more penning or expanding freezer space, etc.
IX.	The committee discussed different ideas for funding custom processors and USDA processing facilities, including forgivable loans, county commitments, grants, cost-share etc.
Next Meeting Date: TBD	

APPENDIX D (2): Meat Processing Expansion Committee Meeting Minutes

Meeting Date:	Monday, May 4, 2020
Meeting Location:	Zoom
Meeting Chair:	Wayne Hunt
Attendees:	Committee: Wayne Hunt, Al Pedigo, Dr. Gordon Jones, Stewart Hughes, Pat Henderson, Bobby Foree KDA Staff: Keith Rogers KCARD Staff: Aleta Botts, Brent Lackey UK Staff: Dr. Gregg Rentfrow GOAP Staff: Warren Beeler, Bill McCloskey, Danielle Milbern, Renee Carrico, Marielle McElmurray
Minutes Issued By:	Marielle McElmurray
Meeting Call to Order:	9:00 AM
Meeting Adjourned:	10:30 AM

Agenda Items:

- I. Updates from last committee meeting
 - a. Mr. Beeler asked committee members to provide feedback on the previous committee meeting.
 - b. Ms. Botts provided update on information that KCARD has available and has collected in terms of needs for processors and their sizes.
 - c. Dr. Rentfrow stated Kentucky currently has around 20-30 USDA facilities and 60-70 custom processors.
 - d. Mr. Hunt mentioned over \$4.4 million has been invested in processors by KADF to date. He posed the question of how to help the successful processors to grow to meet demand.
- II. Discussion
 - a. First/Immediate Needs
 - i. Mr. Hunt stated the importance and difficulty of getting money back to the farmer.
 - ii. Offering short-term loans to cover labor costs or operating costs based on percentage of increase of number of head processed for Kentucky producers.
 - b. Second/Intermediate Needs
 - i. Existing plant expansion, including additional cooler/freezer space, upgrades in packaging equipment or plant certification investments.
 - ii. Dr. Jones stated a survey of current needs for processors would be beneficial.
 - iii. Mr. Hughes expressed concern regarding small producers that rely on USDA inspected processors.
 - c. Third/Long-Term Needs
 - i. Discussion on developing a plan for new plant capacity and new producer ownership/profit sharing.
 - d. Funding Requirements
 - i. There was discussion on how much funding would be reasonable per processor and the impact of a forgivable loan program.
 - ii. Mr. Henderson expressed his support of forgivable loans in funding any expansion.
 - e. Current Projects
 - i. Mr. Beeler stated current projects include Marksbury, Chop Shop, Summit Meats and Trakside Butcher Shoppe.
 - f. Other discussion

APPENDIX D (2 cont'd.): Meat Processing Expansion Committee Meeting Minutes

- i. Mr. Pedigo inquired about USDA inspectors being paid federally but receiving no overtime pay.
 - ii. Mr. Rogers stated that it is up to the processors to decide if they want to grow, but encouraged the committee to incentive expansion.
- III. Next Meeting - May 11, 2020 @ 9:00 a.m. EDT on Zoom

APPENDIX D (3): Meat Processing Expansion Committee Meeting Minutes

Meeting Date:	Monday, May 11, 2020
Meeting Location:	Zoom
Meeting Chair:	Wayne Hunt
Attendees:	Committee: Wayne Hunt, Al Pedigo, Dr. Gordon Jones, Pat Henderson, Bobby Foree KDA Staff: Dr. Ryan Quarles, Keith Rogers, John Chism KCARD Staff: Aleta Botts, Brent Lackey, Olivia Vogel UK Staff: Dr. Gregg Rentfrow GOAP Staff: Warren Beeler, Bill McCloskey, Danielle Milbern, Renee Carrico, Marielle McElmurray, Shelby Wade, Sandy Gardner, Stefanie Osterman Other: Dave Maples, Becky Thompson, Katelyn Hawkins
Minutes Issued By:	Marielle McElmurray
Meeting Call to Order:	9:00 AM
Meeting Adjourned:	9:53 AM

Agenda Items:

- I. Updates from last committee meeting
 - a. Ms. Botts provided an overview on the proposed timeline for the KADF Meat Processing Expansion Program.
 - b. Mr. Beeler explained the proposed Level 1 and Level 2 applications and guidelines. He explained the application/committee process as well.
 - c. Mr. Beeler explained the immediate needs, intermediate needs and long-term needs of the KADB Meat Processing Program.
- II. Discussion
 - a. Mr. Hunt stated this is a good starting point.
 - b. Dr. Jones stated his concern with how this program can help with labor needs. Dr. Jones asked what it is exactly that is most needed by the processors.
 - c. The committee discussed the limiting factors for the processors to expand, i.e., labor, freezer space, penning room, etc.
 - d. Mr. Pedigo inquired about the reality of individual guidance/inspection/consultation on how each processor could expand.
 - e. Mr. Henderson asked about the previously approved KADB project applications that involve processing expansion and cautioned about grants.
 - f. Mr. Rogers stated an incentive-based program for the processors would be beneficial and stated 75% cost-share may be a good starting point.
 - g. Mr. Foree urged the committee to keep an eye on the long-term plan for Kentucky processing.
 - h. Mr. Chism provided a recent market update.
 - i. The committee instructed staff to narrow the guidelines and types of applications for potential projects.
- III. Next Meeting - TBD

APPENDIX E: KY Dairy Development Council Recipient Review Committee Meeting Minutes

Meeting Date:	May 6 ,2020
Meeting Location:	Zoom Meeting
Committee Chair:	Dr. Jones
Attendees:	Committee members: Dr. Gordon Jones, Dean Nancy Cox, Mark Barker, Tim Hughes GOAP staff: Bill McCloskey, Warren Beeler, Danielle Milbern, Sandra Gardner KDDC staff: H.H Barlow, Jennifer Hickerson, Meredith Scales, Tom Hastings, Freeom Brundige Guest: Tony Cowherd, Jeffery Bewely
Minutes Issued By:	Danielle Milbern
Meeting Call to Order:	2:00 p.m.
Meeting Adjourned:	2:50 p.m.
Agenda Items:	
<p>I. A2018-0201 Grant Benchmarks, Goals & Objectives – Progress Update The committee reviewed the progress KDDC has made in all program areas.</p> <p>II. Memo for Budget Amendment Request Dr. Jones moved to allow producer DHIA payments to be used as matching funds for the 2020 Milk Program. Dean Cox seconded this motion. Motion passed.</p>	
Next Meeting August 14, 2020	

APPENDIX F: Red Application Review Committee Meeting Minutes

Meeting Date:	May 7, 2020
Meeting Location:	Video Teleconference
Meeting Chair:	Bill McCloskey
Attendees:	Committee members: Stewart Hughes, Mark Barker, Dr. Kirk Pomper, Pat Henderson and Keith Rogers KADB members: Dean Nancy Cox and Matt Hinton GOAP staff: Warren Beeler, Bill McCloskey, Renee Carrico, Danielle Milbern and Sandra Gardner UK Beef Specialist: Dr. Darrh Bullock, Dr. Les Anderson, Kevin Laurent, Dr. Jeff Lehmkuhler, and Dr. Katie Vanvalin UK ANR Agents: Adam Probst, April Wilhoit and Colby Guffey
Minutes Issued By:	Danielle Milbern
Meeting Call to Order:	11:00 p.m. EDT
Meeting Adjourned:	1:00 p.m. EDT

Agenda Items:

1. A2020-0034 University of Kentucky Research Foundation
 - a) Committee recommends funding the request up to \$256,602 in State funds.
 - Initial motion to fund for 246,602 in State funds and utilize the Kentucky Cattlemen's Association's (KCA) video bid was made by Stewart Hughes, seconded by Keith Rogers.
 - Pat Henderson suggested additional funds be made available for hiring an intern to research and obtain permission to use any current videos created by other entities as to not duplicate work. A motion to amend to add \$10,000 for an intern was made by Rogers and seconded by Henderson.
2. A2019-0283 JSW Farm Chop Shop Inc.
 - a) Committee recommends funding 75% of the project, up to \$173,230 in State funds as a forgivable loan.

Committee requested the following terms and condition:

 - Prior to the disbursement of funds, the Recipient shall provide the following documentation:
 1. Documentation showing a settlement with Internal Revenue Service (IRS).
 2. Documentation showing proper permits for a lagoon system.
 3. Updated cash flow projection to reflect lower cost of implementing two stage lagoon system to handle the waste water.
 4. Documentation of executed letter of engagement with Certified Public Account Company to perform a certified audit of financial statements for the 2020 calendar year. The report shall be submitted to the Governor's Office of Agricultural Policy by June 1, 2021.
 - The Recipient may request reimbursement for expenses incurred in completing the project for up to 12 months, once the equipment is operational. The Board shall reimburse the Recipient \$0.75 per \$1.00 of approved documented payments, in accordance with the budget, which shall be attached as an exhibit to the Legal Agreement. The Recipient shall

APPENDIX F: Red Application Review Committee Meeting Minutes

Agenda Items:

submit itemized receipts/invoices and either a cancelled check or copy of the relevant credit card statement as documentation of payment. The Board shall not reimburse the Recipient for purchases made with cash.

- The Board shall file a UCC financing statement to secure its interest in the processing equipment.
- The Recipient shall submit an annual report documenting and distinguishing pounds of Kentucky cattle processed as part of the Beef Solutions program and those that are processed for other Kentucky producers for the life of the forgivable loan. Information shall include but not be limited to name and address of producer and gross pounds supplied to Recipient for processing with proper source verification criteria.
- Quarterly Financial Statements for 5 years.
- The KADB Compliance Committee will monitor this project with terms and conditions in the Legal Agreement.

3. A2020-0032 City of Princeton

- a) Committee recommends pending at the applicant's request.

4. A2020-0048 Ecofibre USA, Inc.

- a) Committee recommends pending at the applicant's request.

5. A2020-0044 Baesler Farms

- a) Committee recommends pending until the Joint KADB/KAFC Committee on Industrial Hemp meets to clarify 2020 policy.
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APPENDIX G: Energy Committee Meeting Minutes

Meeting Date:	May 13, 2020
Meeting Location:	Zoom Meeting
Committee Chair:	Bill McCloskey
Attendees:	Committee members: Alan Goble, Pat Henderson, Michael Montross, Scott Maas GOAP staff: Warren Beeler, Bill McCloskey, Stefanie Osterman UK Staff: Dr. Sam McNeil, Dr. Doug Overhults
Minutes Issued By:	Stefanie Osterman
Meeting Call to Order:	9:30 a.m.
Meeting Adjourned:	11:00 a.m.
Agenda Items:	
<p>I. Program Evaluation Committee</p> <p>A. Review of energy projects</p> <p>The Committee met and discussed all the energy projects. All energy projects were recommended for approval except for Jacob Keeton project. Jacob Keeton project did not have a payback period less than 25 years. The rest of the energy projects will be presented for approval at the June board meeting.</p> <p>B. Review of energy amendment request</p> <p>Staff brought up a concern from Rocky Bluff farm. The producer wanted to change the original estimate. It was decided by the group that the legal agreement does not allow for an increase in the original estimate submitted with the application. Staff will communicate with Rocky Bluff options for moving forward.</p>	
II.	Next Meeting September 17

Appendix H: Blue Application Review Committee Meeting Minutes

Meeting Date:	5/15/2020
Meeting Location:	Zoom Meeting
Meeting Chair:	Bill McCloskey
Attendees:	Committee Members: Bobby Foree, Sarah Butler, Katie Moyer, Wayne Hunt, Keith Rogers KADB: Dean Nancy Cox GOAP Staff: Warren Beeler, Bill McCloskey, Marielle McElmurray
Minutes Issued By:	Danielle Milbern
Meeting Call to Order:	9:00 a.m.
Meeting Adjourned:	9:50 a.m.

Agenda Items:
<ol style="list-style-type: none"> 1. A2019-0164 City of Somerset Farmers Market <ol style="list-style-type: none"> a. Committee recommends approving a budget reallocate of \$146,373 in State funds. 2. A2019-0236 Kentucky Sheep & Goat Development Office <ol style="list-style-type: none"> a. No board action needed.

Appendix I: White Application Review Committee Minutes

Meeting Date:	5/15/2020
Meeting Location:	Zoom Video Conferencing
Meeting Chair:	Bill McCloskey
Attendees:	Committee members: Fritz Giesecke, Keith Rogers, Matt Hinton, Dean Nancy Cox, Dr. Gordon Jones and Jim Mahan GOAP staff: Warren Beeler, Bill McCloskey, Danielle Milbern, Renee Carrico and Sandra Gardner KCARD: Aleta Botts and Brent Lackey
Minutes Issued By:	Danielle Milbern
Meeting Call to Order:	12:45 p.m.
Meeting Adjourned:	2:00 p.m.

Agenda Items:	
1. A2020-0071	International Farmaceutical Extract, LLC. a) Committee recommends pending the applicant's request.
2. A2020-0076	Hardin County Extension Foundation a) Committee recommends funding \$21,422 in Hardin County funds and referring the request for \$21,422 in State funds to the KADB Marketing and Entrepreneurship Committee.
3. A2020-0091	Trackside Butcher Shoppe, LLC a) Committee recommends funding 75 percent of the project costs up to \$247,500 in State funds in the form of a forgivable loan. Any county funds received for this project will be in the form of a grant.
4. A2020-0092	Jessamine County FFA Alumni Association, Inc. a) Committee recommends funding \$8,000 in Jessamine County funds.
5. A2020-0093	Summit Meats Processing Inc. a) Committee recommends funding the project costs up to \$149,072 in State funds in the form of a forgivable loan. Any county funds received for this project will be in the form of a grant.

APPENDIX J: Marketing & Entrepreneurship Committee Meeting Minutes

Meeting Date:	Wednesday, May 20, 2020
Meeting Location:	Zoom Meeting
Meeting Chair:	Wayne Hunt
Attendees:	Committee: Wayne Hunt, Dr. Gordon Jones, Al Pedigo, Matt Hinton, Keith Rogers Commodity Representation: Bonnie Jolly (KPPA) Hardin County Representation: Doug Shepherd and Chuck Crutcher GOAP Staff: Renee Carrico, Sandra Gardner, Bill McCloskey, Marielle McElmurray, Shelby Wade
Minutes Issued By:	Marielle McElmurray
Meeting Call to Order:	2:05 PM
Meeting Adjourned:	3:05 PM
Agenda Items:	
<ol style="list-style-type: none"> 1. Planning/Discussion of Promotional Fund <ol style="list-style-type: none"> A. Review of Background Material <ol style="list-style-type: none"> i. Mr. Hunt provided a review of the KBA-PEP investment. ii. Ms. Gardner explained the 2012 KADB priority rankings compared to the 2020 priority rankings and stated that "Promotion: Agriculture Awareness, KADF Marketing/Communications Plan" fell from #2 to #8. B. Review of KBA-PEP Investment <ol style="list-style-type: none"> i. Ms. McElmurray stated that KBA-PEP has valued the commercials and radio ads at over \$14 million over the eight-year campaign with \$1,200,000 KADF invested. C. Discussion of Funding 2020-2021 KBA-PEP <ol style="list-style-type: none"> i. Committee members stated concerns and opinions on funding another year of the KBA-PEP investment. ii. Dr. Jones moved to approve funding the 2020-2021 KBA-PEP subject to funding from the commodity groups (Kentucky Poultry Federation, Kentucky Cattlemen's Association and Kentucky Pork Producers Association); Mr. Rogers seconded the motion. Motion passed by voice vote. D. Discussion on Promotional Funding <ol style="list-style-type: none"> i. Committee members directed GOAP staff to compile a definition of "promotion of agriculture" to help advise the commodity groups' 2021 promotional fund budgets. ii. In response to a question from Dr. Jones, staff clarified that an independent study of the value of KBA-PEP commercials has not been done by GOAP. 	

APPENDIX J: Marketing & Entrepreneurship Committee Meeting Minutes

iii. In response to a question from Mr. Hinton, staff confirmed that any promotional fund money not spent by the commodity groups in KBA-PEP is subject to Committee approval.

2. Hardin Co. Extension District Request

A. Discussion of Request and Current Funding Approved

i. Mr. McCloskey stated that the request has received a county commitment of \$21,442 from Hardin County funds and that if Promotional Funds are approved, then the KADF commitment of the project would be 100%.

ii. Mr. Hinton expressed his concern with the request being a regional project compared to statewide initiative in which the promotional fund money is intended to support. Mr. Hinton also stated that KADF should not exceed 50% of the project costs.

iii. Ms. Jolly stated she would take the request to her board to inquire about additional funding opportunities as match for the project costs.

iv. In response to a question from Mr. Hunt, Mr. Crutcher and Mr. Shepherd stated the pens will be stored on a trailer and can be used by other counties.

v. Dr. Jones moved to deny the request, Mr. Pedigo seconded the motion. Motion passed by voice vote, Mr. Rogers abstained.

3. Next Meeting – TBD for late June or early July

4. Adjourned.

APPENDIX K: On-Farm Water Management Committee Meeting Minutes

Meeting Date:	May 20, 2020
Meeting Location:	Zoom Video Conferencing
Committee Chair:	Renee Carrico
Attendees:	Committee members: Fritz Giesecke, Pat Henderson, John Dix, Eddie Melton and Al Pedigo DOW Staff: Dale Booth, Bill Caldwell and Alice Mandt KFB Staff: Joe Cain KCARD: Spencer Guinn GOAP Staff: Warren Beeler, Renee Carrico and Bill McCloskey
Minutes Issued By:	Renee Carrico
Meeting Call to Order:	3:00 p.m. EDT
Meeting Adjourned:	4:30 p.m. EDT
Agenda Items:	
<p>I. A2020-0101 Bill and Teresa Flaughter – PIP The Committee recommends funding the project for \$57,100 in State funds pending the following are received by GOAP:</p> <ul style="list-style-type: none"> • 2 years of Schedule F tax forms • Water bills for the previous year <p>Motion made by Kevin Jeffries and seconded by John Dix; passed unanimously.</p>	
<p>II. Small Scale Grant (SSG) Applications: The Committee recommends approving the four (4) applications below for funding:</p> <ul style="list-style-type: none"> • A2020-0065 Poplar Grove Poultry, Inc. (McLean) - \$10,000 • A2020-0090 Barr Farms Organic Produce, LLC. (Breckinridge) - \$7,228 • A2020-0099 Alex Gibson (Pulaski) - \$4,523 • A2020-0100 Barton Bros. (Fayette) - \$9,845 <p>The Committee recommends denying the application below due to not meeting eligibility criteria:</p> <ul style="list-style-type: none"> • A2020-0073 Godby's Farm and Produce (Pulaski) <\$25,000 on farm income <p>Motion made by Pat Henderson and seconded by Jeffries; passed unanimously.</p>	
<p>III. Updates on Current Projects GOAP Staff and TAG gave updates on the projects below:</p> <ul style="list-style-type: none"> • A2017-0214 Kentucky Division of Water – RDD Project is complete – finalizing disbursement paperwork (\$6,189 under budget) • A2018-0193 David R. Appleman – RDD Project is complete. • A2018-0199 Litsinger Enterprises, LLC – PIP Withdrawn due to not receiving NRCS funding 	

APPENDIX K: On-Farm Water Management Committee Meeting Minutes

- A2018-0231 Sustainable Harvest Farm, LLC – PIP
Project complete (\$1,406 under budget)
- A2019-0023 Imel's Greenhouse – RDD
GOAP Staff gave an update on project timeline for completion as Summer 2020.
- A2019-0045 Brown Ag, LLC. – RDD
Working through issues qualifying as a low hazard dam. Bill Caldwell is working with Division of Water and Gary Brown to find solutions.
- A2019-0194 Brangers Angus Farm – PIP
Withdrawn – unable to secure matching loan funds

IV. Final Discussions

- GOAP Staff presented the following for Committee to see OFWM impact:
 - Total Funds Committed (2017-2019): \$417,112
 - Total Funds Dispersed: \$76,396
 - Total Funds Available before May 20: \$1,000,000
 - Counties Impacted: 7 approved (*5 additional counties discussed May 20*)
 - Applications Submitted to Date: 15 (*RDD – 5, PIP – 4, SSG – 5*)
 - Committee Decisions to Date: Approved – 7 (*2 later withdrew*) Denied – 2
- Committee requested that large changes in final price from initial quotes be shared and that data from projects be shared to committee and board as it is ready.
- Committee requested a map be presented at each meeting to show where projects have been approved across the state and that advertising of program continue.
- Staff received feedback on electronic packets and SSG program.
- Next Meeting Date is TBD and a notice will go out to schedule in August once State Fair decision is announced.

There being no further business, the meeting was adjourned.

APPENDIX L: Joint Committee on Industrial Hemp Meeting Minutes

Meeting Date:	May 27, 2020
Meeting Location:	Zoom Video Conference
Meeting Chair:	Wayne Hunt
Attendees:	Members: Wayne Hunt, Keith Rogers, Bobby Foree, Katie Moyer, Mark Barker, Doug Lawson, Dr. Kenny Burdine and Sarah Butler KCARD: Spencer Guinn GOAP Staff: Bill McCloskey, Warren Beeler and Renee Carrico
Minutes Issued By:	Renee Carrico
Meeting Call to Order:	9:30 AM EDT
Meeting Adjourned:	11:45 AM EDT

Agenda Items:
<p>The Joint Committee on Industrial Hemp met to reevaluate how the Kentucky Agricultural Development Board (KADB) and the Kentucky Agricultural Finance Corporation (KAFC) should move forward regarding the processing of grant and loan applications relating to industrial hemp in 2020.</p> <p>Wayne Hunt reviewed the current 2020 KADB, KAFC Industrial Hemp Policy and opened the floor for current KADB hemp projects to present to the committee.</p> <p>Scotty Baesler presented project A2020-0044 for a hemp processing expansion of Baesler Farms requesting an amended amount of \$95,000 in State funds. Members of the committee asked questions and recommended he update his budget and send to staff.</p> <p>Eric Wang presented project A2020-0048 for a hemp processing expansion at EcoFibre USA, LLC. Members of the committee asked questions and discussed the project at length.</p> <p>Martin Smith presented project A2020-0071 for a hemp education and processing facility. Member of the committee asked questions and discussed the project at length.</p> <p>Keith Rogers gave an update from the Kentucky Department of Agriculture on hemp across Kentucky and reminded the group that Kentucky did not utilize the state plan option for the 2020 growing season and is continuing the pilot plan until federal guidelines are better established.</p> <p>Hunt discussed many issues seen in the hemp industry this year and his experiences with both cooperatives and ESOPs. He voiced his support for participation loans in regards of how hemp projects should be handled.</p> <p>Katie Moyer emphasized the need for education for not only farmers but youth as well and voiced her support of hemp production projects going through the KAFC loan programs.</p> <p>Doug Lawson echoed her thoughts about loan programs and supported the continued collaboration between KAFC and KADB.</p>

APPENDIX L: Joint Committee on Industrial Hemp Meeting Minutes

Agenda Items:

A motion was made by Bobby Foree and seconded by Moyer that the 2020 Hemp Policy remain as it is written. Motion passed unanimously.

A second motion was made by Rogers and seconded by Foree to add clarifying language to the current policy that allow for hemp processing projects to be eligible for a participation loan under the KAFC Agricultural Processing Loan Program. Motion passed unanimously.

The Committee confirmed they were only to vote on policy and that applicants that presented should have a funding recommendation made to the full KADB by the Application Review Committee they were initially referred to.

Staff announced that the Joint Red and White Application Review Committee Meeting would be held on June 1, 2020 at 9 a.m. EDT via Zoom video conferencing.

There being no further business, the meeting was adjourned.

APPENDIX M: Red Application Review Committee Meeting Minutes

Meeting Date:	6/1/2020
Meeting Location:	Video Teleconference
Meeting Chair:	Renee Carrico
Attendees:	Committee members: Stewart Hughes, Mark Barker, Dr. Kirk Pomper and Pat Henderson KADB members: Wayne Hunt, Katie Moyer, Dean Nancy Cox, Matt Hinton, Fritz Giesecke, Dr. Gordon Jones and Jim Mahan GOAP staff: Warren Beeler, Bill McCloskey, Renee Carrico, Danielle Milbern and Sandra Gardner
Minutes Issued By:	Renee Carrico
Meeting Call to Order:	9:01 a.m. EDT
Meeting Adjourned:	10:30 a.m. EDT

Agenda Items:
<p>1. A2020-0034 University of Kentucky Research Foundation</p> <ul style="list-style-type: none"> a) Committee accepted the Kentucky Cattlemen's Association video bid for the project. b) Motion was made by Mark Barker and seconded by Pat Henderson. c) The motion passed unanimously. <p>2. KAFC, KADB Joint Committee on Industrial Hemp Members discussed the current 2020 Hemp Policy and explained that a clarifying statement will be added, if approved by both boards, to allow hemp processing applicants to be referred to KAFC Agriculture Processing Loan Program.</p> <p>3. A2020-0044 Baesler Farms</p> <ul style="list-style-type: none"> a) Committee recommends denying the applicant's request based on the 2020 KAFC, KADB Hemp Policy and asked that staff refer the applicant to the KAFC Agriculture Processing Loan Program. b) Motion was made by Pat Henderson and seconded by Stewart Hughes. c) The motion passed unanimously.

APPENDIX N: White Application Review Committee Minutes

Meeting Date:	6/1/2020
Meeting Location:	Zoom Video Conferencing
Meeting Chair:	Renee Carrico
Attendees:	Committee members: Fritz Giesecke, Matt Hinton, Dean Nancy Cox, Dr. Gordon Jones and Jim Mahan KADB members: Wayne Hunt, Katie Moyer, Mark Barker, Dr. Kirk Pomper, Stewart Hughes and Pat Henderson GOAP staff: Warren Beeler, Bill McCloskey, Danielle Milbern, Renee Carrico and Sandra Gardner
Minutes Issued By:	Renee Carrico
Meeting Call to Order:	9:01 a.m. EDT
Meeting Adjourned:	10:30 a.m. EDT

Agenda Items:
<p>1. KAFC, KADB Joint Committee on Industrial Hemp Members discussed the current 2020 Hemp Policy and explained that a clarifying statement will be added, if approved by both boards, to allow hemp processing applicants to be referred to KAFC Agriculture Processing Loan Program.</p> <p>2. A2020-0071 International Pharmaceutical Extract, LLC.</p> <p style="padding-left: 40px;">a) Committee recommends denying the applicant's request based on the 2020 KAFC, KADB Hemp Policy and asked that staff refer the applicant to the KAFC Agriculture Processing Loan Program.</p> <p style="padding-left: 40px;">b) Motion was made by Matt Hinton and seconded by Dean Nancy Cox.</p> <p style="padding-left: 40px;">c) The motion passed unanimously.</p> <p>3. A2020-0048 EcoFibre, USA</p> <p style="padding-left: 40px;">a) Applicant requested to withdraw application</p> <p style="padding-left: 40px;">b) No action was needed by the Committee</p>