

The actions delineated below were taken in open session of the Kentucky Agricultural Development Board at the June 19, 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
June 19, 2020
404 Ann Street
Frankfort, KY 40601**

Call to Order

Governor Andy Beshear, 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: Governor Andy Beshear, Commissioner Ryan Quarles, 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, Stewart Hughes, Matthew Hinton, Wayne Hunt, Dr. Gordon Jones, Jim Mahan, Katie Moyer and Al Pedigo.

Members absent: None.

Notification of Media

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

Welcome

Governor Beshear welcomed everyone to the meeting.

Governor Beshear updated the board on the priorities of his administration including agriculture and agritech and thanked the Board members for their dedication to moving Kentucky agriculture forward.

Approval of Minutes

Governor Beshear entertained a motion to approve the minutes of the May 15, 2020 board meeting.

Mr. Henderson moved to approve the minutes, as presented; Mr. Hinton seconded the motion.

VOTE: Motion Passed; Unanimous.

Kentucky Department of Agriculture Report

Governor Beshear yielded the floor to Commissioner Ryan Quarles to report to the board.

Commissioner Quarles thanked the Governor for approving the State Fair to continue for 2020 and updated the board on the activities of the Kentucky Department of Agriculture (KDA).

Executive Director's Report

Governor Beshear yielded the floor to Warren Beeler, GOAP Executive Director, to report to the board.

Mr. Beeler welcomed everyone to the meeting.

Mr. Beeler introduced Brian Murphy, GOAP General Counsel, as well as, Grace Clark and Martin Williams, GOAP summer interns.

Mr. Beeler updated the board on the activities of GOAP including the new Meat Processing Investment Program approved by the Board at the May 15, 2020 meeting.

Deputy Executive Director's Report

Governor Beshear yielded the floor to Bill McCloskey, GOAP Deputy Executive Director, to report to the board.

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

Mr. McCloskey referenced the Kentucky Agricultural Development Fund State Pool Tobacco Funds (*on file*) as of May 21, 2020.

Mr. McCloskey referenced the Kentucky Agricultural Development Fund Cash Flow Statement (*on file*) as of May 21, 2020.

Mr. McCloskey reviewed Kentucky Agricultural Development Fund County Balances (*on file*) as of May 19, 2020.

Mr. McCloskey reviewed the KAFC Statement of Financial Position (*on file*) as of May 31, 2020.

Mr. McCloskey reviewed the Kentucky Agricultural Finance Corporation meeting agenda (*on file*) as of June 12, 2020.

Mr. Mahan moved to approve the Deputy Executive Director's Report; Mr. Hinton seconded the motion.

VOTE: Motion Passed; Unanimous.

Red Application Review Committee Report

Governor Beshear called on Mr. Henderson to provide the Red Application Review Committee Report.

Mr. Henderson gave the Red Application Review Committee report.

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

VOTE: Motion Passed; Unanimous.

White Application Review Committee Report

Governor Beshear called on Mr. Hinton to provide the White Application Review Committee report.

Mr. Hinton gave the White Application Review Committee report.

Mr. Hinton moved to approve the committee report; Mr. Giesecke seconded the motion.

VOTE: Motion Passed; Unanimous.

Marketing and Entrepreneurship Committee Report

Governor Beshear called on Mr. Hunt to provide the Marketing and Entrepreneurship Committee report.

Mr. Hunt gave the Marketing and Entrepreneurship Committee report, noting that the committee denied the request for use of Promotional Funds for the Hardin County small animal livestock pens project.

Mr. Hunt moved to approve the committee report; Mr. Hinton seconded the motion.

VOTE: Motion Passed; unanimous.

Compliance Committee

Governor Beshear called on Mr. Barker to give the Compliance Committee report.

Mr. Barker gave the report on the special meeting of the Compliance Committee.

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

VOTE: Motion Passed; Unanimous.

Kentucky Department of Agriculture (KDA) Recipient Review Committee

Governor Beshear called on Ms. Butler to provide the KDA Recipient Review Committee report.

Ms. Butler gave the KDA Recipient Review Committee report.

Ms. Butler moved to accept the committee report; Dr. Jones seconded the motion.

Commissioner Quarles thanked Melanie McPartlin, Executive Director of the KDA Office of Agricultural Marketing, and staff for their hard work on the Kentucky Proud program.

VOTE: Motion Passed; Unanimous.

Kentucky Dairy Development Council (KDDC) Recipient Review Committee

Governor Beshear 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 accept the committee report; Mr. Mahan seconded the motion.

VOTE: Motion Passed; Unanimous.

Joint KADB/KAFC Committee on Hemp

Governor Beshear called on Mr. Hunt to give the KADB/KAFC Committee on Hemp report.

Mr. Hunt gave the KADB/KAFC Committee on Hemp report.

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

VOTE: Motion Passed; Unanimous.

At this time, 10:57 a.m. EDT, Governor Beshear yielded the chair to Commissioner Quarles and Dorsey Ridley assumed proxy designation for Governor Beshear.

Memo Action Items

Commissioner Quarles called on Renee Carrico, Mr. McCloskey, and Danielle Milbern to present the following memo action items:

Joint KADB/KAFC Committee on Hemp

Ms. Carrico presented a memorandum (*on file*) on the Joint KADB/KAFC Committee on Hemp. The KADB/KAFC Committee on hemp recommended no changes to the 2020 KADB/KAFC Hemp Policy but added additional language to clarify that hemp production related projects will be eligible for a participation loan under the KAFC Agricultural Processing Loan Program.

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

VOTE: Motion Passed; Unanimous.

A2014 – 0420 Trackside Butcher Shoppe, LLC

Mr. McCloskey presented a memorandum (*on file*) on the above referenced project requesting to subordinate the KADB zero interest loan.

The Compliance Committee recommended approving the subordination request, as long as the combined loan to appraised value does not exceed 85 percent.

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

VOTE: Motion Passed; Mr. Barker and Mr. Foree abstained.

A2019 – 0164 City of Somerset

Ms. Milbern presented a memorandum (*on file*) on the above referenced project requesting a budget amendment.

The Blue Application Review Committee recommended approving the request to reallocate \$146,373.

Mr. Pedigo moved to approve the committee recommendation; Mr. Hunt 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 seven (7) new applications for referral.

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

VOTE: Motion Passed; Unanimous.

Programs Recommended for Approval²

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

Mr. McCloskey referenced twelve (12) County Agricultural Investment Program (CAIP) applications totaling \$1,798,272, one (1) Next Generation Farmer (NextGen) application totaling \$30,000; two (2) Shared-Use Equipment applications totaling \$10,590; and three (3) Youth Ag Incentives Program applications totaling \$50,000. The total program funding is \$1,888,862.

Mr. Mahan moved to approve the programs as presented; Dr. Jones seconded the motion.

VOTE: Motion Passed; Mr. Henderson abstained.

Requested Program Amendments³

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

Mr. McCloskey referenced four (4) counties requesting additional funds for existing CAIP's: Barren (\$106,972), Lee (\$40,300), Owsley (\$124,000) and Washington (\$103,000); one (1) county requesting additional funds for an existing Youth Ag Incentives (Washington \$11,000). Total program amendment funding is \$385,272.

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

VOTE: Motion Passed; Unanimous.

On-Farm Energy Program Recommendations for Funding⁴

Commissioner Quarles called on Stefanie Osterman to present requests for On-Farm Energy Efficiency Incentives Program funds.

Ms. Osterman referenced twenty (20) On-Farm Energy Program applications totaling \$155,426 in State funds: Barren (\$16,353), Breckinridge (\$10,150), Christian (\$38,025), Garrard (\$5,511), Hickman (\$20,150), Kenton (\$10,150), Letcher (\$1,875), Muhlenberg (\$10,150), Ohio (\$10,150), Pulaski (\$2,844), Warren (\$10,150), Washington (\$9,768), and Webster (\$10,150) counties.

Mr. Barker moved to approve the energy projects as presented; Mr. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous.

On-Farm Water Small Scale Grant Project Recommendations for Funding⁵

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

Mr. McCloskey referenced four (4) On-Farm Water Small Scale Grant Project applications totaling \$31,594: Breckinridge (\$7,227), Fayette (\$9,844), McLean (\$10,000) and Pulaski (\$4,533) counties.

Mr. Pedigo moved to approve the projects as presented; Mr. Hughes seconded the motion.

VOTE: Motion Passed; Unanimous.

Project Recommendations for Funding

Commissioner Quarles called on Ms. Carrico and Ms. Milbern to present the following recommendations for funding:

A2020 – 0076 Hardin County Agricultural Extension Foundation, Inc.

Ms. Carrico referenced the above application requesting \$21,442 in Hardin County funds and \$21,442 in State funds to purchase small animal livestock pens.

The White Application Review Committee recommended approving \$21,442 in Hardin County funds, subject to terms and conditions.

Mr. Giesecke moved to approve the committee recommendation, as presented; Mr. Foree seconded the motion.

VOTE: Motion Passed; Unanimous.

A2020 – 0091 Trackside Butcher Shoppe, LLC

Ms. Milbern referenced the above application requesting \$125,000 in State funds and \$125,000 in multiple county funds to obtain a Global Food Safety Initiative (GFSI) audit, hire a Food Safety Coordinator and facility improvements.

The White Application Review Committee recommended approving the request for 75 percent of the project budget, excluding the Food Safety Coordinator position, for up to \$247,500 in State funds as a forgivable loan and any county funds received will be in the form of a grant. subject to terms and conditions.

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

VOTE: Motion Passed; Mr. Barker abstained.

A2020 – 0092 Jessamine County FFA Alumni Association, Inc.

Ms. Milbern referenced the above application requesting \$8,000 in Jessamine County funds for a Jessamine County 4-H and FFA cost-share program.

The White Application Review Committee recommended funding the request for \$8,000 in Jessamine County funds, subject to terms and conditions.

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

VOTE: Motion Passed; Unanimous.

A2020 – 0093 Summit Meat Processing, Inc.

Ms. Milbern referenced the above application requesting \$74,536 in State funds and \$74,536 in Pulaski County funds to obtain a GFSI certification and upgrade its equipment to increase capacity as well as processing speed.

The White Application Review Committee recommended approving the request for 75 percent of the project budget up to \$149,072 in State funds as a forgivable loan and any County funds received in the form of a grant, subject to terms and conditions.

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

VOTE: Motion Passed; Unanimous.

A2020 – 0101 Bill Flaughner, Teresa Flaughner

Ms. Carrico referenced the above application requesting \$57,100 in State funds to implement water harvesting, pond renovations and rotational grazing on their beef cattle operation. This is a Producer Implemented Project (PIP) in Pendleton County.

The On-Farm Water Management Committee recommended approving the request for \$57,100 in State funds, subject to terms and conditions.

Dean Cox moved to approve the committee recommendation, as presented; Dr. Pomper seconded the motion.

Mr. Foree and Dr. Jones commented on the applicant using USDA NRCS EQIP funds for the project.

Dr. Jones moved to amend the motion to pend the application until further information is obtained by the Committee, Mr. Foree seconded the motion.

VOTE: Motion to amend Passed; Unanimous.

VOTE: Motion as amended Passed; Unanimous

Dr. Jones and Mr. Hunt encouraged the applicant to seek USDA NRCS funds before the KADB would approve the project funding.

Mr. Beeler clarified if the board wants On-Farm Water Management applicants be required to apply for EQIP money and State Conservation Cost-Share before KADB considering. The On-Farm Water Management Committee will discuss this at its next meeting.

Commissioner Quarles commented on including Dr. Greg Stone and Paulette Akers to attend the next On-Farm Water Committee meeting.

Project Recommendations for No Funding

Commissioner Quarles called on Ms. Carrico and Ms. Osterman to present the following recommendations for no funding:

A2020 – 0044 Baesler Farms

Ms. Carrico referenced the above application requesting \$179,000 in State funds for hemp processing facility expansion.

The Red Application Review Committee recommended denying the request based on the 2020 KADB/KAFC Hemp Policy and asked staff to direct the applicant to the KAFC Agricultural Processing Loan Program.

Mr. Hughes moved to approve the committee recommendation, as presented; Mr. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous.

A2020 – 0071 International Farmaceutical Extracts, LLC

Ms. Carrico referenced the above application requesting \$3,475,000 in State funds for a hemp education and processing facility.

The Red Application Review Committee recommended denying the request based on the 2020 KADB/KAFC Hemp Policy and asked staff to direct the applicant to the KAFC Agricultural Processing Loan Program.

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

VOTE: Motion Passed; Unanimous.

A2020 – 0073 Godby's Farm and Produce

Ms. Carrico referenced the above application requesting \$323 in State funds to add a water hydrant and drip irrigation system. This is a Small Scale Grant project in Pulaski County.

The On-Farm Water Management Committee recommended denying the request as it did not meet eligibility criteria.

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

VOTE: Motion Passed; Unanimous.

A2020 – 0098 Keeton Farms

Ms. Osterman referenced the above application requesting \$10,150 in State funds for the On-Farm Energy Program.

The On-Farm Energy Committee recommended denying the request because the project payback was greater than 25 years – outside the guideline requirements.

Dr. Pomper moved to approve the committee recommendation, as presented; Ms. Moyer seconded the motion.

VOTE: Motion Passed; Unanimous.

Pending Applications

Mr. McCloskey stated there is one (1) project application pending.

No action necessary on pending projects or programs.

Withdrawn/Expired Applications

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

A2020-0048 Ecofibre USA, Inc.

No action necessary on withdrawn/expired applications.

Closing Remarks

Commissioner Quarles called on Mr. Hunt to comment on meat processing expansion in Kentucky.

Mr. Beeler stated GOAP staff will need further guidelines or instruction for handling new processing facility interest under the Meat Processing Investment Program.

Mr. Beeler congratulated Shelby Wade, GOAP Compliance and Administrative Loan Manager, on accepting a new position with Central Kentucky Ag Credit.

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

Commissioner Quarles commented on KDA's new Victory Garden Program in conjunction with UK Extension offices.

Commissioner Quarles stated that the next KADB meeting would be on July 17, 2020.

Adjournment

Commissioner Quarles entertained a motion to adjourn.

Dean Cox moved to adjourn the June KADB meeting; Mr. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous.

The KADB meeting adjourned at 11:37 a.m. (EDT).

APPROVED DATE:

7-27-2020

PRESIDING OFFICER:

Don 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 detailed list of On-Farm Energy Efficiency Incentives funded is attached as Appendix D.
 5. A detailed list of On-Farm Water Small Scale Grant projects is attached as Appendix E.
 6. A copy of the KADB Compliance Committee minutes (special and regular meetings) is attached as Appendix F.
 7. A copy of the Kentucky Department of Agriculture Recipient Review Committee minutes is attached as Appendix G.
 8. A copy of the Kentucky Dairy Development Council Recipient 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 Meat Processing Expansion Committee minutes is attached as Appendix J.
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APPENDIX A: New Applications for Referral

APP #	APPLICANT	COUNTY	Cmte.
A2020-0118	Louisville Parks Foundation, Inc. <i>Community Garden</i>	Jefferson	White
A2020-0126	University of Kentucky Research Foundation <i>Viticulture and Oenology Research and Extension</i>	Fayette	White
A2020-0127	Marksbury Farm Foods, LLC <i>Meat Processing Investment Program - Level 3</i>	Garrard	Processing
A2020-0128	Bluegrass Area Development District <i>Broadband Feasibility Study</i>	Fayette	White
A2020-0129	Garrison Meat Processing <i>Meat Processing Investment Program - Level 2</i>	Lewis	Processing
A2020-0130	Hampton Meat Processing <i>Meat Processing Investment Program - Level 2</i>	Christian	Processing
A2020-0131	Dennis Ray Wise, d/b/a Wise Meat Packing <i>Meat Processing Investment Program - Level 2</i>	Taylor	Processing

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

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2020-0041	County Agriculture Investment Program Council, Inc.	Russell	\$218,000.00
A2020-0109	Graves County Conservation District	Graves	\$43,958.00
A2020-0112	Caldwell-Lyon Cattlemen's Association Inc.	Caldwell	\$86,719.00
A2020-0114	Anderson County Farm Bureau, Inc.	Anderson	\$114,500.00
A2020-0115	Adair County Cattlemen's Association, Inc.	Adair	\$191,000.00
A2020-0117	Magoffin County Agriculture Investment Program Incorporated	Magoffin	\$114,331.00
A2020-0119	Ballard County Agricultural Development Fund LLC	Ballard	\$375,000.00
A2020-0120	Whitley County Cattlemen's Association, Inc.	Whitley	\$31,000.00
A2020-0121	Harrison County Beef Cattle Association, Inc.	Harrison	\$311,892.00
A2020-0122	Morgan County Fiscal Court	Morgan	\$190,234.00
A2020-0123	McCreary County Farm Bureau of McCreary County, Kentucky	McCreary	\$39,465.00
A2020-0125	Carlisle County Conservation District	Carlisle	\$82,173.00
			\$1,798,272.00

Next Generation Farmer (NextGen)

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2020-0111	Hardin County Extension District Board	Hardin	\$30,000.00
			\$30,000.00

Shared-Use Equipment Program

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2020-0106	Washington County Farm Bureau, Inc.	Washington	\$4,250.00
A2020-0124	Breckinridge County Cattlemen's Association	Breckinridge	\$6,340.00
			\$10,590.00

Youth Ag Incentives Program (Youth)

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2020-0110	Hardin County Extension District Board	Hardin	\$10,000.00

Programs Recommended for Approval

A2020-0113	Caldwell-Lyon Cattlemen's Association Inc.	Caldwell	\$10,000.00
A2020-0116	Adair County Cattlemen's Association, Inc.	Adair	\$30,000.00
			<hr/>
			\$50,000.00

Total County Funds Recommended for Approval in Programs: **\$1,888,862.00**

APPENDIX C: Requested Program Amendments

App # A2020-0018
Applicant Name Washington County Cattlemen Association
Original Amount Approved \$10,350
Execution Date 03/06/2020
Requested Change The applicant requests an additional \$11,000 in Washington County funds for the *Youth 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 \$21,350.

Recommend Approval

App# A2020-0056
Applicant Name Owsley County Conservation District
Original Amount Approved \$140,000
Execution Date 05/8/2020
Requested Change The applicant requests an additional \$124,000 in Owsley 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 \$264,000

Recommend Approval

APPENDIX D: On-Farm Energy Programs Recommended for Approval

APP #	APPLICANT	COUNTY	Funds Requested
A2020-0020	Greg A Boaz <i>On-Farm Energy</i>	Hickman	\$10,150.00
A2020-0035	John S. Young <i>On-Farm Energy</i>	Christian	\$7,575.00
A2020-0067	Rickey S. Nuckols <i>On-Farm Energy</i>	Barren	\$1,660.00
A2020-0068	Adam Ping <i>On-Farm Energy</i>	Pulaski	\$2,844.00
A2020-0069	Perry Michael Smith <i>On-Farm Energy</i>	Warren	\$10,150.00
A2020-0070	Redman's Farm Winery, LLC <i>On-Farm Energy</i>	Kenton	\$10,150.00
A2020-0072	Bolinger Family Farms <i>On-Farm Energy</i>	Christian	\$10,150.00
A2020-0078	Brad Bertram <i>On-Farm Energy</i>	Barren	\$10,150.00
A2020-0082	Riney Dairy LLC <i>On-Farm Energy</i>	Washington	\$9,768.00
A2020-0083	Charlotte Shaw (Poor Due Dairy) <i>On-Farm Energy</i>	Barren	\$1,743.00
A2020-0084	David A Brame <i>On-Farm Energy</i>	Christian	\$10,150.00
A2020-0085	Isom Brothers <i>On-Farm Energy</i>	Christian	\$10,150.00
A2020-0086	Williams Grain Farms, LLC <i>On-Farm Energy</i>	Webster	\$10,150.00

On-Farm Energy Programs Recommended for Approval

APP #	APPLICANT	COUNTY	Funds Requested
A2020-0087	Zachary C Farmer <i>On-Farm Energy</i>	Hickman	\$10,000.00
A2020-0088	Mellott Farms <i>On-Farm Energy</i>	Ohio	\$10,150.00
A2020-0089	Barr Farms Organic Produce, LLC <i>On-Farm Energy</i>	Breckinridge	\$10,150.00
A2020-0094	Foxy Farm, LLC <i>On-Farm Energy</i>	Muhlenberg	\$10,150.00
A2020-0095	Lazy Eight Stock Farm, LLC <i>On-Farm Energy</i>	Garrard	\$5,511.00
A2020-0096	Harmon H Barlow III <i>On-Farm Energy</i>	Barren	\$2,800.00
A2020-0097	South Down Farm, LLC <i>On-Farm Energy</i>	Letcher	\$1,875.00
Total State Funds Recommended for Approval in Program			\$155,426.00

APPENDIX F: KADB Compliance Committee Meeting Minutes (Part II)

Meeting Date:	June 25, 2020
Meeting Location:	GOAP <i>via</i> Zoom Meeting ID: 987 4456 1835
Meeting Chair:	Sandra Gardner, Director of Compliance & Outreach
Attendees:	Committee: Mark Barker, Bobby Foree, Pat Henderson Staff: W. Beeler, R. Carrico, S. Gardner, B. McCloskey, D. Milbern, B. Murphey, S. Osterman, S. Wade Guests: Kentucky Queen Bee Breeders Association (Dorothey Morgan, Tammy Horn Potter)
Minutes Issued By:	Sandra Gardner
Meeting Call to Order:	9:01 a.m. EDT
Meeting Adjourned:	9:50 a.m. EDT
Agenda Items:	
<p>I. Previous Meeting Minutes Staff noted that the committee minutes for the special meeting of the committee on June 4 will be included in their July mailing as part of the full KADB June meeting minutes.</p> <p>II. Old Business</p> <p>Atalo Holdings, Inc. (A2015-0028)</p> <ul style="list-style-type: none"> i. Warren Beeler provided an update a call he received from Bill Hilliard, related to the project. ii. Brian Murphy commented on filing a claim related to the bankruptcy settlement, but noted that it is unlikely the Board will be paid. iii. The consensus of the committee was to file the claim, as stewards of state funds, with the understanding that, as an unsecured creditor, it is unlikely that any funds will be paid back. <p>III. New Business</p> <p>A. Discussion</p> <p>Seven Springs Sorghum Producers LLC (A2015-0108)</p> <ul style="list-style-type: none"> i. Sandra Gardner reviewed the most recent report for the project and updated the committee on the status of the organization. The Recipient received \$30,000 in State and multiple County funds to construct a 50' x 70' event barn and sorghum production kitchen for use of the annual Sorghum Festival in Metcalfe County. ii. After discussion, it was recommended that staff investigate the arrangement between the LLC and owner of the land where the building was constructed. iii. There was also a consensus to have the recipient submit another Annual Report next year, since there was no event in 2019 and likely to not be an event in 2020. <p>Action: Staff will investigate the lease arrangements surrounding the facility and LLC. Staff will also communicate that an additional report for 2021 will be required. Staff will report back at the next regular meeting of the committee.</p>	

B. Report Review

The Committee reviewed the most recent reports for the following projects:

1. UK Grain & Forage Center of Excellence (A2015-0220)

- i. Ms. Gardner reviewed the most recent quarterly report for the project and updated the committee on the status of the project,
- ii. Ms. Gardner noted that this will be the last quarterly report for the project, as they have met and exceed the Match goal of \$15,000,000 ahead of the Sept. 2020 deadline.

2. Beef Solutions (A2017-0118)

- i. Ms. Gardner reviewed the most recent quarterly report for the project.
- ii. Committee members asked questions about the Profit/Loss Statement and asked staff to follow up with the Recipient to clarify what some items mean.

Action: Staff will contact the Recipient to clarify some of the items in the financial statements.

3. Kentucky Queen Bee Breeders Association (A2019-0044)

- i. Ms. Gardner referenced the Annual and Semi-Annual Reports submitted by the Recipient. Ms. Gardner noted the committee will review the report and make a recommendation to the Board to release second year funds, during its Report in July.
- ii. Ms. Gardner introduced and yielded the floor to Dorothee Morgan to update the Committee on the project's activities.
- iii. After review and discussion, *Mr. Foree moved to recommend release of second year funds; Mr. Barker seconded the motion.* The motion passed.

Action: Committee will report its recommendation to release second year funds at the July meeting.

IV. Compliance Review

- A.** The list of **0-2% interest loans** was reviewed with staff, highlights included
- i. Two loans were one month late on their payments – staff will follow-up.
 - ii. The Weekly Juicery (A2013-0275) – producer impact report and financial statements were received and reviewed.

- B.** The list of open **forgivable loans** was reviewed.
- i. Loans where forgiveness is earned over five years of operation were highlighted, which comprises 1/3 of the remaining forgivable loans.
 - ii. Two forgivable loans requiring follow-up were noted.

- C.** The list of projects/programs with **reporting 31 or more days late** was reviewed. Out of 465 active projects/programs, a total of 21 were on the list (4.5%).

- D.** Ms. Gardner updated the committee on the status of the 2020-2022 County Agricultural Development Council submissions. To date six counties have submitted complete or near complete council membership lists (5%). The deadline for submission is Oct. 31, 2020.

- V. Next Regular Quarterly Meeting – September**
Additional special meetings may be called, as needed.

- VI. Meeting adjourned** by acclamation at 9:50 a.m. EDT.

APPENDIX F: KADB Compliance Committee Meeting Minutes

Meeting Date:	June 4, 2020
Meeting Location:	GOAP <i>via</i> Zoom (Meeting ID: 952 1990 0265)
Meeting Chair:	Sandra Gardner, Director of Compliance & Outreach
Attendees:	Mark Barker, Sarah Butler, Pat Henderson Staff: W. Beeler, R. Carrico, S. Gardner, A. Hulett, B. McCloskey, D. Milbern, S. Wade Guests: John Edwards, Trakside; Brent Lackey, KCARD
Minutes Issued By:	Sandra Gardner
Meeting Call to Order:	8:33 a.m. EDT
Meeting Adjourned:	9:03 a.m. EDT
Agenda Items:	
<p>I. Previous Meeting Minutes Staff noted that the previous meeting minutes were approved as part of the full KADB meeting minutes for April.</p> <p>II. Old Business</p> <p>A. Crowley’s Mill L.L.C. (A2017-0020) Bill McCloskey provided an update on the UCC termination and termination of security agreement executed for the project. Further updates will be provided if a buyer for the equipment is secured.</p> <p>B. Atalo Holdings, Inc. (A2015-0028)</p> <p>i. Sandra Gardner updated the committee on activity related to the Recipient’s Chapter 7 bankruptcy.</p> <p>ii. Staff received a copy of the “Notice of Intent to Sell Property at Private Sale,” showing that listed and non-listed assets would be sold to AVF CBD, LLC for \$500,000. Because the Board’s investment was an unsecured grant, an objection to the sale was not submitted.</p> <p>iii. Action: Staff will follow up on the question if Chapter 7 bankruptcy negates the “Refund Contingency” of the Legal Agreement, if the operation ceases.</p> <p>III. New Business</p> <p>A. Trakside Butcher Shoppe LLC (A2014-0010)</p> <p>i. Mr. McCloskey reviewed a request from the Recipient to keep its KADB zero interest loan in a subordinate position, as it seeks to refinance its existing lender financing.</p> <p>ii. The committee reviewed the financial documents related to the zero interest loan, as well as the impact of new proposed funding for an expansion project by the Recipient.</p> <p>iii. After discussion, Mr. Henderson moved to maintain the subordinate position as long as the combined loan to appraised value is no worse than 85%, with the proposed new forgivable loan not being used in the calculation; Ms. Butler seconded the motion. Motion passed with Mr. Barker abstaining.</p>	

Action: Staff will prepare a memo from the committee to the full board for final approval at the June KADB meeting.

IV. Next Regular Quarterly Meeting – June 25 @ 9 a.m. EDT via Zoom

APPENDIX G: KDA Recipient Review Committee Minutes

Meeting Date:	June 18, 2020
Meeting Location:	GOAP
Meeting Chair:	Renee Carrico
Attendees:	Members: Pat Henderson, Sarah Butler and Katie Moyer. KDA Staff: Melanie Blandford, Chad Smith, Tyler Madison and David Morris. GOAP Staff: Warren Beeler, Sandra Gardner, Renee Carrico and Bill McCloskey.
Minutes Issued By:	Renee Carrico
Meeting Call to Order:	2:05 PM
Meeting Adjourned:	4:15 PM

Agenda Items:

1. A2018-0169 Grant (Budget)
 - a. Reviewed the various budget categories.
 - b. Effects of COVID-19 were discussed in terms of remaining balances and encumbered funds in each category.
2. A2018-0169 Grant (Benchmarks)
 - a. POP
 - 50 grantees were reimbursed during this reporting period 24 grantees being first time applicants.
 - Reported total direct Kentucky farm impact for grants awarded during this period was \$15,588,841.
 - b. Branding & Advertising
 - KDA staff reviewed the numerous functions that were sponsored during this period.
 - A website and video were created to showcase restaurants with Kentucky proud product options on their carryout menu.
 - Email to all KDA database at start of pandemic to see where assistance was needed
 - Farmers Market Roundtable sparked solutions for hand sanitizer needs and social media campaign on proper consumer practices at farmers markets.
 - Food Lion is a potential new retail partner for Kentucky Proud.
 - c. Buy Local
 - 25% decrease in total purchases in 2020 versus 2018-2019 average.
 - Although there was a decrease in purchases and sit in dining closures, Buy Local is still on pace to hit \$2 million in KY Proud purchases in 2020.
 - d. LAND
 - Eight regional LAND meetings have been held throughout the state.
 - e. Farm-to-Fork

APPENDIX G: KDA Recipient Review Committee Minutes

Agenda Items:

- COVID-19 restricting the majority of planned events and alternatives are being discussed.
 - With crowd size restrictions, may not utilize all of funds in this category.
3. Discussion of New Application Submission:
- a. Committee members recommended that KDA consider funding sources to supplement their application such as USDA or KY Proud Member fees.
 - b. Discussion was had about the upcoming budget session and no guarantee of year 2 funding until that is completed.
 - c. Two years of 5% cuts and submission deadlines were discussed.
 - d. Staff will send those to KDA at conclusion of the meeting
4. Other:
- a. Recipient Review Committee is not scheduled to meet again until a new application is submitted.
 - b. There being no further business, the meeting was adjourned.

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

Meeting Date:	June 19 ,2020
Meeting Location:	Zoom Meeting
Committee Chair:	Dr. Gordon Jones
Attendees:	Committee members: Dr. Gordon Jones, Dean Nancy Cox, Mark Barker, Tim Hughes KADB members: Keith Rogers, Jim Mahan GOAP staff: Bill McCloskey, Warren Beeler, Danielle Milbern, Sandra Gardner, Grace Clark, Martin Williams, Bill Hearn KDDC staff: H.H Barlow, Jennifer Hickerson, Dave Roberts, Freeman Brundige
Minutes Issued By:	Danielle Milbern
Meeting Call to Order:	8:36 a.m.
Meeting Adjourned:	9:45 a.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. Discussed ideas for KDDC 2021-2022 application for funding The ideas mentioned during discussion:</p> <ul style="list-style-type: none"> • Genomic Testing for replacement heifers • Breeding to beef bulls • Crossing dairy breeds • Breeding back during the summer months • Cost share program • Reducing the total budget by 5% <p>III. Motion to adjourn was made by Dr. Jones and seconded by Dean Nancy Cox, all committee members left the zoom call.</p>	
Next Meeting October 16, 2020	

APPENDIX I: White Application Review Committee Minutes

Meeting Date:	6/19/2020
Meeting Location:	Zoom Video Conferencing
Meeting Chair:	Bill McCloskey
Attendees:	Committee members: Fritz Giesecke, Matt Hinton, Dean Nancy Cox, Dr. Gordon Jones and Jim Mahan GOAP staff: Warren Beeler, Bill McCloskey, Danielle Milbern, Renee Carrico, Sandra Gardner, Stefanie Osterman, Brian Murphy, Grace Clark, Martin Williams
Minutes Issued By:	Danielle Milbern
Meeting Call to Order:	11:43 a.m. EDT
Meeting Adjourned:	12:45 p.m. EDT

Agenda Items:	
1. A2018-0156	Kentucky Department of Agriculture a) Committee recommends approving request to reallocate funds.
2. A2019-0158	Maggie's Garden and More a) Committee recommends approving request to reallocate funds
3. A2020-0118	Louisville Parks Foundation a) Committee recommends funding the request for \$2,500 in Jefferson County funds.
4. A2020-0128	Bluegrass Area Development District a) Committee recommends funding the request for \$5,657 in multiple county and State funds. No more than 25% of total project costs may come from State funds.
5. A2020-0126	University of Kentucky Research Foundation a) Committee recommends funding the request for the amended amount of \$352,145 in State funds.

APPENDIX J: Meat Processing Expansion Committee Meeting Minutes

Meeting Date:	Tuesday, June 23, 2020
Meeting Location:	Zoom Video Conferencing
Meeting Chair:	Wayne Hunt
Attendees:	Committee: Wayne Hunt, Al Pedigo, Dr. Gordon Jones, Pat Henderson, Bobby Foree, Stewart Hughes, Keith Rogers KCARD Staff: Aleta Botts, Brent Lackey UK Staff: Dr. Gregg Rentfrow GOAP Staff: Warren Beeler, Bill McCloskey, Danielle Milbern, Renee Carrico, Brian Murphy, Shelby Wade, Sandy Gardner, Stefanie Osterman, Martin Williams, Grace Clark Other: Dave Maples, Becky Thompson, Laurie White, Dr. William Lawrence, Dr. Debbie Reed, Tracie Jenkins
Minutes Issued By:	Marielle McElmurray
Meeting Call to Order:	9:34 AM
Meeting Adjourned:	11:37 AM

Agenda Items:

I. Applications

a. Level 3 Applications

A2020-0127 Marksbury Farm Foods, LLC

- Preston Correll, Leonard Harrison and Greg Correll gave an overview of the business plans to expand.
- Committee members inquired about current and future harvesting capacity, how expansion would help farmers increase profitability, business responses to increased demand during COVID-19 and long term commitment to those they currently serve
- A motion to recommend the application for funding was made by Pat Henderson and seconded by Dr. Gordon Jones. Motion passed unanimously.

b. Level 2 Applications

A2020-0129 Garrison Meat Processing, LLC

- Renee Carrico gave a brief overview of the application and answered committee members' questions.
- Committee members discussed Level 2 projects being reimbursed as forgivable loans with forgiveness being granted as 20% each year for 5 years based on compliance with annual reporting requirements in the legal agreement.
- A motion to recommend the application for funding was made by Keith Rogers and seconded by Al Pedigo. Motion passed unanimously.

A2020-0130 Hampton Meat Processing, Inc.

- Ms. Carrico gave a brief overview of the application and additional documentation that had been submitted and answered committee members' questions.
- A motion to recommend the application for funding was made by Dr. Jones and seconded by Mr. Rogers. Motion passed unanimously.

A2020-0118 Wise Meat Packing

APPENDIX J: Meat Processing Expansion Committee Meeting Minutes

- Ms. Carrico gave a brief overview of the application and answered committee members' questions.
- Brent Lackey discussed KCARD's work with the applicant and answered inquiries about Wise's marketing strategies.
- Dr. Greg Rentfrow discussed the pros and cons of the pattie attachment equipment listed in the application.
- A motion to recommend the application for funding, pending that GOAP Staff clarify weekly kill capacity, was made by Mr. Pedigo and seconded by Bobby Foree. Motion passed unanimously.

II. Discussion

a. Level 1 Promotion and Guidelines

- Staff discussed promotion of program and current interest of 2 processors to apply.

b. Level 2 Critiques

- Staff requested feedback on additional needs as more Level 2 applications are received.
- Committee members asked that the following information is gathered and placed on a summary sheet for each application:
 - Goals for number of head increase after expansion project
 - Employee changes due to new equipment or efficiency changes
 - Geographic area the facility obtains livestock from
 - Holding space versus number of head being processed daily
 - Marketing strategy of the business
- Committee also requested that Staff create a specialized reporting form for Level 2 projects to turn in each year.

c. Level 3 Critiques

- Committee members asked that projects have business plans submitted before they present at the monthly meeting.

d. Handling of Start-ups

- Staff discussed how those interested in starting a new processing facility were being directed to KCARD and Dr. Rentfrow to begin business planning.
- Dr. Rentfrow gave examples of questions he asked those interested to ensure they understand what a processing plant entails.
- Committee members requested to see that list to better understand the process.
- Aleta Botts gave an overview of the number of inquiries they have received (15) and their efforts to assist in creating a business plan.
- Dr. Jones suggested that a consultant be hired to assist with this process.
- Ms. Botts explained how that may be structured and price per site visit based on research.
- Dr. Jones asked that all new applications be directed to the Meat Processing Committee, whether they fit into a specific level or not, to maintain consistency as a Board.
- Mr. Hunt discussed previous days' conversations regarding the addition of Level 4 to handle these new processors and asked that the committee members read over Warren Beeler's email and have feedback sent to Staff.
- Committee requested that Staff create draft guidelines for Level 4 for the committee to review at the July Meat Processing Expansion Committee meeting.

APPENDIX J: Meat Processing Expansion Committee Meeting Minutes

e. Processors of Product versus Processors of Live Animal Eligibility

- The committee discussed pros and cons of funding processors that do not have a working kill floor and simply process the product for a value added product.
- Committee directed Staff that processors are not required to have a kill floor to apply, however, there must be a strong connection to Kentucky product and Kentucky producers' profitability. They suggested any applicant be made aware that additional documentation to prove these connections to Kentucky agriculture will be requested.

III. Next Meeting – July 21, 2020 at 8:30 a.m. EDT via Zoom Video Conferencing