

The actions delineated below were taken in open session of the Kentucky Agricultural Development Board at the October 15, 2021 business meeting. This is provided in summary form; an official record of the meeting is available in the permanent records of the Kentucky Office of Agricultural Policy, 404 Ann Street, Frankfort, Kentucky 40601.



**Kentucky Agricultural Development Board
Summary Minutes of the Regular Business Meeting
Capital Plaza Hotel
405 Wilkinson Blvd in Frankfort, KY
October 15, 2021**

Call to Order

Commissioner of Agriculture Dr. Ryan Quarles, presiding, called the Kentucky Agricultural Development Board (KADB) regular business meeting to order at 11:30 a.m. (EDT).

Roll Call

The following members were present: Agriculture Commissioner Dr. Ryan Quarles, Dr. Laura Stephenson (designee for Dean Nancy Cox), Bobby Foree, Brenda Paul, Al Pedigo, Matt Hinton, Wayne Hunt, Suzanne Cecil White and Michael Peterson. The following members participated via Zoom: Dorsey Ridley (designee for Governor Andy Beshear), Tom McKee, Fritz Giesecke, Dr. Gordon Jones, Dr. Kirk Pomper (designee for KSU President Clara Stamps) and Sarah Butler (designee for interim Secretary Larry Hayes).

Members Absent: Mark Barker

Notification of Media

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

Welcome

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

Approval of Minutes

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

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

VOTE: Motion Passed; Unanimous.

Kentucky Department of Agriculture Report

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

Executive Director's Report

Commissioner Quarles called on Brian Lacefield, KOAP Executive Director, to report to the board. Mr. Lacefield gave an overview of his activities since the previous board meeting and updated the board on changes in staff. Mr. Lacefield referenced the Tobacco Settlement Agreement Fund Oversight

Committee Meeting. Mr. Lacefield encouraged members to watch the Tobacco Oversight video, featuring board member Wayne Hunt. Mr. Lacefield lastly, thanked board members and staff that were able to attend the meeting.

Deputy Executive Director's Report

Commissioner Quarles yielded the floor to Bill McCloskey to report to the board.

Mr. McCloskey referenced the Kentucky Agricultural Development Fund State Pool Tobacco Funds (*on file*) as of October 5, 2021.

Mr. McCloskey reviewed Kentucky Agricultural Development Fund County Balances (*on file*) as of September 30, 2021.

Mr. McCloskey reviewed the K AFC Statement of Financial Position (*on file*) as of September 30, 2021.

Mr. McCloskey referenced the September K AFC agenda and list of applications presented for approval (*on file*).

Mr. Pedigo moved to approve the Financial Reports, as presented; Mr. Hinton seconded the motion.

VOTE: Motion Passed; Unanimous.

KADB Compliance Committee

Commissioner Quarles called on Mr. Foree to give the KADB Compliance Committee report.

Mr. Foree moved to accept the committee report, as presented; Mr. Hinton seconded the motion.

VOTE: Motion Passed; Unanimous.

Kentucky Proud Recipient Review Committee

Commissioner Quarles called on Ms. Butler to give the KY Proud Recipient Review Committee report.

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

VOTE: Motion Passed; Commissioner Quarles abstained.

Kentucky Horticulture Council (KHC) Recipient Review Committee

Commissioner Quarles called on Dr. Pomper to give the KHC Recipient Review Committee report.

Dr. Pomper moved to accept the committee report, as presented; Mr. Hinton seconded the motion.

VOTE: Motion Passed; Unanimous.

On-Farm Energy Committee

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

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

VOTE: Motion Passed; Unanimous.

Presentation

A2020-0250

Kentucky Department of Agriculture: (KY. Proud Program)

Commissioner Quarles called on Sandra Gardner to introduce presenter Melanie McPartin to provide an update on the progress of the Kentucky Proud program towards its benchmarks, goals and objectives.

Mr. Foree moved to approve the report and release second year funds; Ms. Paul seconded the motion.

VOTE: Motion Passed; Commissioner Quarles abstained

A2020-0202

Kentucky Horticulture Council

Commissioner Quarles called on Ms. Gardner to introduce presenter Cindy Finneseth to provide an update on the progress of the Kentucky Horticulture Council towards its benchmarks goals and objectives.

Mr. Hunt moved to approve the report and release second year funds; Mr. Peterson seconded the motion.

VOTE: Motion Passed; Unanimous

Memo Action Items

Commissioner Quarles called on Mr. McCloskey, Danielle Milbern, Ms. Gardner and Brian Murphy to present the following memo action items.

Project Time Extensions

Mr. McCloskey referenced two (2) projects requesting time extensions (*on file*).

Staff recommended approval of these time extension requests.

Mr. Hinton moved to accept the staff recommendation, as presented; Mr. Foree seconded the motion.

VOTE: Motion Passed; Unanimous.

A2017-0025

American Black Hereford association (ABHA)

Mr. Murphy, KOAP General Counsel, presented a memorandum (*on file*) on the above referenced project, regarding ABHA's response to the Board's request for pro-rated return of funds.

The Compliance Committee recommends the Board make a counter-offer of \$17,138 in lieu of full payment. Once paid in full the agreement will be closed.

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

VOTE: Motion Passed; Unanimous.

A2019-0024

Ohio Valley Farm Analysis Group Inc.

Ms. Gardner presented a memorandum (*on file*) on the above referenced project, requesting two revisions to its existing agreement: 1) allow KADF expenditures in non KADF budget categories and 2) allow KADF funds for years 1 and 2 to be applied to Year 1 expenditures.

The KADB Compliance Committee recommends approving the requested revisions to the agreement, which will result in a return of \$12,502.41 from OVFAg to the KADB and the closure of the project.

Mr. Hunt moved to approve the Compliance Committee recommendation, as presented; Mr. Foree seconded the motion.

VOTE: Motion Passed; Unanimous.

A2021-0014

Hayz Meatz

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

The Meat Processing Expansion Committee met and recommends approving the applicant's request of moving \$14,650 in State funds to the equipment category on the budget.

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

VOTE: Motion Passed; Unanimous.

New Business

New Applications for Referral

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

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

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

VOTE: Motion Passed; Unanimous.

Programs Recommended for Approval

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

Ms. Bryant referenced one (1) County Agricultural Investment Program (CAIP) applications totaling \$250,000; one (1) Next Gen Program applications totaling \$36,000; one (1) Youth Ag Incentives applications totaling \$10,250. The total program funding is \$296,250.

Staff recommended approval of these applications.

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

VOTE: Motion Passed; Dr. Laura Stephenson abstained.

Requested Program Amendments

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

Ms. Bryant referenced two (2) counties request for additional funds for existing CAIPs totaling \$48,000 (Adair County and Johnson County); (1) Requested for additional funds for an existing YAIP program totaling \$5,500 (Adair County). Total additional funding \$53,500.

Staff recommended approval of these amendments.

Mr. Hinton moved to approve staff recommendation, as presented; Mr. Peterson seconded the motion.

VOTE: Motion Passed; Unanimous.

Applications Recommended for Funding

Commissioner Quarles called on Sarah Bryant, Danielle Milbern and Martin Williams to present the following recommendations for funding:

On-Farm Energy Incentives Program

Ms. Bryant referenced eight (8) On- Farm Energy applications totaling \$66,070.

The On-Farm Energy Committee recommends approval.

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

VOTE: Motion Passed; Unanimous.

Meat Processing Investment Program (MPIP) Level 2 Recommended for Funding

Ms. Milbern referenced one (1) Meat Processing Level 2 application totaling \$30,246.

The Meat processing Expansion Committee recommends funding the request for A2021-0220, Goldy's Meats Ltd. Co. for \$30,426 in State funds.

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

VOTE: Motion Passed; Unanimous.

Projects

A2021-0169 Burnett's Enterprise, LLC

Ms. Milbern referenced the above application requesting \$238,599 in State funds, under MPIP Level 3 guidelines, to renovate its current processing facilities to become USDA Certified and to purchase processing equipment.

The Meat Processing Committee recommends approving the applicant for the amount up to \$238,599 in State funds, as a forgivable loan, contingent upon the board approving an additional \$93,105 since the Meat Processing Expansion Committee only has \$145,494 available, subject to terms and conditions.

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

VOTE: Motion Passed; Unanimous.

A2021-0199 Hancock County Cattleman's Association LTD.

Mr. Williams referenced the above application requesting \$5,000 in Hancock County funds for a Hancock County Youth Agriculture Production Cost-Share Program.

The Blue Application Review Committee recommends funding the applicant \$5,000 in Hancock County Funds, subject to the terms and conditions.

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

VOTE: Motion Passed; Unanimous.

A2021-0206 City of LaGrange

Mr. Williams referenced the above application requesting \$245,000 in State funds and \$5,000 in Oldham County funds to aid in building a farmers markets pavilion structure for its existing producers to utilize.

The Blue Application Review Committee recommends funding the project for up to \$245,000 in State and \$5,000 in Oldham County funds, subject to the terms and conditions.

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

VOTE: Motion Passed; Unanimous.

A2021-0216 Kentucky State University

Mr. Williams referenced the above application requesting \$990,000 in State funds to continue its KSU Mini Grant Program to help small scale producers across the commonwealth.

The Blue Application Committee recommends funding the applicant up to \$990,000 in State funds subject to the terms and conditions.

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

VOTE: Motion Passed; Dr. Pomper abstained.

A2021-0217 Kentucky Center for Agriculture and Rural Development, Inc.

Ms. Milbern referenced the above application requesting \$900,000 in State funds, over two years, to deliver technical assistance and provide educational opportunities to agricultural and rural businesses.

The Blue Application Committee recommends funding the project for \$900,000 in State funds over a two-year period, subject to the terms and conditions.

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

VOTE: Motion Passed; Unanimous.

Expired/Withdrawn Applications

Mr. McCloskey stated one (1) application has withdrawn.

A2021-0071 Logan Premium Meats and Processing LLC

No action necessary on expired/withdrawn projects or programs.

Pending Applications

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

A2021-0150 University of Kentucky Research Foundation

No action necessary on pending projects or programs.

Closing Remarks

Commissioner Quarles stated the KADB/KAFC Joint Hemp Committee will meet 30 minutes after adjournment of the business meeting with the KADF White Application Committee to meet immediately upon adjournment of the KADB/KAFC Joint Hemp Committee meeting. The KADF Blue Application Review Committee will meet immediately following White Application Review Committee.

The next KADB meeting will be November 19, 2021 at 9:30 a.m. (EDT).

Adjournment

There being no further business, Commissioner Quarles entertained a motion to adjourn the meeting at 12:56 pm (EDT).

Mr. Hinton moved to adjourn the August KADB meeting; Mr. Foree seconded the motion

VOTE: Motion Passed; Unanimous.

APPROVED DATE:

11-29-21

PRESIDING OFFICER:

Ryan Quarles

Commissioner Ryan Quarles

BOARD SECRETARY:

Hannah Johnson

Hannah Johnson, Board Secretary

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1. A detailed list of the New Applications for Referral is attached as Appendix A.
 2. A detailed list of the applications funded under the listed programs is attached as Appendix B.
 3. A detailed list of requested Program Amendments is attached as Appendix C.
 4. A detailed list of time extensions is attached as Appendix D.
 5. A detailed list of the On-Farm Energy projects approved is attached as Appendix E.
 6. A copy of the KADB Compliance Committee minutes is attached as Appendix F.
 7. A copy of the Kentucky Proud Recipient Review Committee minutes is attached as Appendix G.
 8. A copy of the Kentucky Horticulture Council Recipient Review Committee minutes is attached as Appendix H.
 9. A copy of the Joint KADB/KAFC Hemp Policy Committee minutes is attached as Appendix I.
 10. A copy of the Blue Application Review Committee minutes is attached as Appendix J.
 11. A copy of the Red Application Review Committee minutes is attached as Appendix K.
 12. A copy of the White Application Review Committee minutes is attached as Appendix L.

APPENDIX A: New Applications for Referral

Kentucky Agricultural Development Fund

New Applications for Referral

APP #	APPLICANT	COUNTY	Cmte.
A2021-0199	Hancock County Cattleman's Association LTD. <i>Youth Cost-Share Program</i>	Hancock	Blue
A2021-0206	City of LaGrange <i>Farmer's Market Project</i>	Oldham	Blue
A2021-0216	Kentucky State University <i>KSU Mini Grant Program</i>	Franklin	Blue
A2021-0217	Kentucky Center for Agriculture and Rural Development, Inc. <i>Technical Assistance Services</i>	Hardin	Blue

Board Meeting

APPENDIX B:

Kentucky Agricultural Development Fund

Programs Recommended for Approval

CAIP			
<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2021-0224	Woodford County Agriculture Advancement Council, Inc.	Woodford	\$250,000.00
			\$250,000.00
Next Generation Farmer (NextGen)			
<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2021-0225	Woodford County Agriculture Advancement Council, Inc.	Woodford	\$36,000.00
			\$36,000.00
Youth Ag Incentives Program (Youth)			
<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2021-0226	Shelby County 4-H Council, Inc	Shelby	\$10,250.00
			\$10,250.00
Total County Funds Recommended for Approval in Programs:			\$296,250.00

APPENDIX C:

A Kentucky Agricultural Development Fund

Requested Program Amendments

App # A2021-0107
Applicant Name Adair County Cattlemen's Association
Original Amount Approved \$172,675
Execution Date 08/03/2021
Requested Change The applicant requests an additional \$45,000 in Adair 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 \$217,675.
Recommend Approval

App# A2021-0108 YAIP
Applicant Name Adair County Cattlemen's Association
Original Amount Approved \$30,000
Execution Date 08/03/2021
Requested Change The applicant requests an additional \$5,500 in Adair County funds for the *YAIP 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 \$35,500.
Recommend Approval

App # A2021-0109
Applicant Name Johnson County Agricultural Advancement Council
Original Amount Approved \$43,000
Execution Date 06/11/2021
Requested Change The applicant requests an additional \$3,000 in Johnson 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 \$46,000.
Recommend Approval

APPENDIX D:

A Kentucky Agricultural Development Fund

Requested Time Extensions

App# **A2020-0173**
Applicant Name **Hinton Orchard & Farm Market, LLC**
Amount Approved \$5,000 in LaRue County funds and \$2,500 in Hardin County
Execution Date 11/19/2020
Requested Change The applicant requests a 6-month time extension to finish the project. There have been several delays due to COVID-19. The new deadline will be May 19, 2022.

Recommend Approval

App# **A2020-0198**
Applicant Name **Bourbon County Board of Education**
Amount Approved \$18,000 in Bourbon County Funds
Execution Date 11/20/2020
Requested Change The applicant requests a 6-month time extension, since the applicant's construction of the project has been delayed due to back order material and COVID-19. The new deadline will be May 20, 2022.

Recommend Approval

APPENDIX E:

Kentucky Agricultural Development Fund

On-Farm Energy Programs Recommended for Approval

APP #	APPLICANT	COUNTY	Funds Requested
A2020-0343	Susana Lein <i>On-Farm Energy Horticulture</i>	Rockcastle	\$2,650.00
A2021-0105	Wilson Workman Farm <i>On-Farm Energy Poultry</i>	Hickman	\$10,150.00
A2021-0135	William M. Kuegel, Jr. <i>On-Farm Energy Beef</i>	McLean	\$10,150.00
A2021-0167	Eddie Humphrey <i>On-Farm Energy Poultry</i>	Ohio	\$10,150.00
A2021-0203	Tom & DeeAnn Bauerle <i>On-Farm Energy Dairy</i>	Marion	\$2,520.00
A2021-0207	Lee's Plant Farms, Inc <i>On-Farm Energy Horticulture</i>	LaRue	\$10,150.00
A2021-0209	Pumpkin Vine Creek, LLC <i>On-Farm Energy Horticulture</i>	Madison	\$10,150.00
A2021-0215	Kyle Lancaster d/b/a Lancaster Poultry <i>On-Farm Energy Poultry</i>	Webster	\$10,150.00
Total State Funds Recommended for Approval in Program			\$66,070.00

APPENDIX F: KADB Compliance Committee Meeting Minutes

Meeting Date:	September 17, 2021
Meeting Location:	Franklin Co. Extension Office and <i>via Zoom</i>
Meeting Chair:	Sandra Gardner, Director of Compliance & Outreach
Attendees:	Committee: Mark Barker (virtual), Bobby Foree, Brenda Paul Staff: S. Gardner, B. Lacefield, B. McCloskey, B. Murphy
Minutes Issued By:	Sandra Gardner
Meeting Call to Order:	12:30 p.m. EDT
Meeting Adjourned:	1:31 p.m. EDT
Agenda Items:	
<p>I. Call to Order</p> <p>II. Old Business</p> <p>A. American Black Hereford Association (ABHA) - A2017-0025 <i>negotiation of repayment</i></p> <ol style="list-style-type: none"> 1. Brian Murphy, general counsel, reviewed the background and recent counter offer related to the issue of the KADB requesting ABHA pay back a pro-rated amount of funds for the remaining two years of the project. 2. The committee had recommended and the board approved a pro-rated payback of \$22,138 for the remainder of the agreement (Jan. 2021 – May 2021). In ABHA's counter offer, an Oct. 2021 default date was proposed with cost-savings calculated (\$5,120) and costs the organization will incur to keep its employee. ABHA offered half the cost-savings to be refunded: \$2,560. 3. After cursory discussion, Mr. Foree moved to adjourn into closed session pursuant to KRS 61.810(1)(c) to discuss potential litigation against ABHA; Ms. Paul seconded the motion. <i>The committee entered into closed session at 12:37 p.m.</i> 4. <i>The committee reconvened in open session at 1:16 p.m.</i> 5. After additional discussion, Mr. Foree moved to recommend the Board make a counter-offer of \$17,138 in lieu of full payment; Ms. Paul seconded the motion. The motion passed unanimously. <p>B. Ohio Valley Farm Analysis Group Inc. (OVFAG) - A2019-0024</p> <ol style="list-style-type: none"> 1. Sandra Gardner, director of compliance & outreach, reviewed the background on this project and its current status. Ms. Gardner also outlined a request from OVFAG to make two revisions to its existing agreement: 1) allow KADF expenditures in non-KADF budget categories and 2) allow KADF funds for year 1 and year 2 to be applied to Year 1 expenditures. 2. After review and discussion, Mr. Barker moved to recommend approval of the requested changes to the Legal Agreement, as presented; Ms. Paul seconded the motion. <p>Action: Staff will prepare a memo for each of the above agenda items for the full board's consideration at its October 2021 business meeting.</p> <p>III. Next Regular Quarterly Meeting – January 2022 – date TBD</p> <p>IV. Meeting adjourned by acclamation at 1:31 p.m. EDT.</p>	

APPENDIX G: KDA Recipient Review Committee Minutes

Meeting Date:	October 12, 2021
Meeting Location:	Zoom Video Conferencing
Meeting Chair:	Kara Keeton
Attendees:	Members: Sarah Butler, Wayne Hunt, Michael Peterson, and Suzanne White KDA Staff: Melanie McPartlin, Emma Heimlich, Tyler Madison, David Morris, and Chad Smith, KOAP Staff: Bill McCloskey, Sandra Gardner, Brian Murphy, Kara Keeton, Diana Carrier
Minutes Issued By:	Kara Keeton
Meeting Call to Order:	9:02 AM EST
Meeting Adjourned:	11: 51 AM EST
Agenda Items:	<ol style="list-style-type: none"> 1. A2020-0250 Grant (Budget) <ol style="list-style-type: none"> a. Ms. McPartlin reviewed the five budget categories, highlighted expenditures to date and encumbrances. 2. A2020-0250 Grant (Benchmarks) <p>Ms. McPartlin provided an update on progress towards the grant's goals/benchmarks for each program area below.</p> <ol style="list-style-type: none"> a. POP <ul style="list-style-type: none"> • 41 grantees were reimbursed during this reporting period 13 grantees being first time applicants. • Reported total direct Kentucky farm impact for grants awarded during this period was over \$91 million. • Two applicants reached their lifetime cap of \$36,000 during this period. b. Branding & Advertising <ul style="list-style-type: none"> • COVID-19 Delta variant continues to impact sponsorship causing delays/ cancellations, but successful sponsorships with SoulFeast, Lexington Legends, and Railbird. • KY Proud Evergreen project production concluded and launch soon. • Homegrown by heroes participate in Inaugural AgVets Day event • Farmers Market Campaign was a success with sponsorship of 30 social media influencers who promoted KY Proud markets. • Work continues on the KY Proud database and online application. c. Buy Local <ul style="list-style-type: none"> • Registered participants have grown by 49% since January 1, 2021, from 85 to 127. • January-July 2021 over \$1,100,000 in Kentucky Proud purchases

APPENDIX H: KY Horticulture Council Recipient Review Committee Meeting Minutes

Meeting Date:	October 12, 2021
Meeting Location:	Zoom Meeting
Committee Chair:	Dr. Kirk Pomper
Attendees:	Committee members: Bobby Foree, Dr. Kirk Pomper, Keith Rogers, Dorsey Ridley KOAP staff: Bill McCloskey, Sarah Bryant, Sandra Gardner, Brian Murphy, Nicholas Van Over, and Diana Carrier KHC staff: Cindy Finneseth
Minutes Issued By:	Sarah Bryant
Meeting Call to Order:	2:04 p.m.
Meeting Adjourned:	3:16 p.m.
Agenda Items:	
<p>I. A2020-0202 Grant</p> <p>A. Dr. Finneseth gave the Committee an update on Kentucky Horticulture Council (KHC), since its last report.</p> <p>B. The Committee discussed upcoming events for stakeholders. Dr. Finneseth spoke about the crop insurance series KHC is hosting with various partners (FSA, Extension, etc.).</p> <p>C. The Committee asked about the grants that KHC has or is currently pursuing. Dr. Finneseth gave an update on some of those listed in the report.</p>	
Next Meeting: TBD	

APPENDIX I: KADB and KAFC Joint Hemp Committee Minutes

Meeting Date:	10/19/2021
Meeting Location:	Hybrid Meeting Capital Plaza Hotel and on Zoom
Meeting Chair:	Bill McCloskey
Attendees:	Committee Members: Keith Rogers, Wayne Hunt, Doug Lawson, Dr. Kenny Burdine, Bobby Foree KAFC Board Members: Billy Aldridge KADB Members: Al Pedigo, Michael Peterson, Brenda Paul KOAP Staff: Bill McCloskey, Brain Lacefield , Danielle Milbern, Martin Williams, Sandra Gardner, Brian Murphy, Hannah Johnson, Nick Van Over, Diana Carrier and Kara Keeton KCARD: Aleta Botts
Minutes Issued By:	Danielle Milbern
Meeting Call to Order:	1:31 pm EDT
Meeting Adjourned:	2:00 pm EDT

Agenda Items:
<ol style="list-style-type: none"> 1. Kentucky Department of Agriculture Hemp Update <ol style="list-style-type: none"> a) Doris Hamilton (KDA Hemp Program Manager) gave an update on the Hemp industry in Kentucky and reviewed a handout. 2. Committee Review KADB and KAFC Hemp Memo <ol style="list-style-type: none"> a) The Committee reviewed the current Hemp Policy and discussed changes. The Hemp Committee is recommends removal of the following language: 3. The Committee also recommended KADB and KAFC consider funding applications by universities/colleges for equipment and/or infrastructure needed to support the implementation of KDA's state hemp plan approved by the United States Department of Agriculture (USDA) and the removal of certified <ol style="list-style-type: none"> b) If approved by the KADB, the revised policy will now be <ol style="list-style-type: none"> 1. KADB and KAFC consider funding applications from universities or public-private partnerships in two areas: a) to support education of the agricultural community and farmers on hemp production from business planning to final processing, and b) genetic research and variety development. 2. The KADB and KAFC will consider applications for loans on a participation basis. 3. Hemp is an eligible crop for CAIP and NextGen; however, hemp seeds, clones and seedlings are ineligible for cost-share.

**APPENDIX I: KADB and KAFC Joint Hemp
Committee Minutes**

Agenda Items:

Attached is the updated Memo reflecting the committees recommended changes.



Kentucky Office of Agricultural Policy

404 Ann Street
Frankfort, Kentucky 40601
Phone (502) 564-4627
Fax (502) 564-8990

Memo

To: Kentucky Agricultural Development Board (KADB)
From: Joint KADB, KAFC Committee on Hemp
Date: October 15, 2021
Re: Joint KADB, KAFC Committee on Hemp Recommendation

On January 11, 2019, members from the KADB and Kentucky Agricultural Finance Corporation (KAFC) met to consider the position both Boards should adopt regarding hemp projects.

On February 15, 2019, the KADB approved the Committee recommendation that the KADB and KAFC consider applications for funding hemp as the crop was removed from the list of schedule I narcotics, and made legal by the Farm Bill. In 2019, the KADB considered funding hemp applications related to education and certified seed. The KADB and KAFC considered applications for loans on a participation basis. Hemp was an eligible crop for the County Agricultural Investment Program (CAIP) and the Next Generation Farmer Program (NextGen).

On November 15, 2019, the Joint KADB, KAFC Committee on Hemp met to consider the position both Boards should adopt regarding hemp projects in 2020.

On December 20, 2019, the KADB approved the Committee recommendation that for 2020 the KADB and KAFC consider funding applications from universities or public-private partnerships in two areas; 1) to support education of the agricultural community and farmers on hemp production from business planning to final processing, and 2)



genetic research and variety development. Hemp seed as an eligible cost share item for the 2020 CAIP and NextGen investment guidelines.

On May 27, 2020, the Joint KADB, KAFC Committee on Hemp met to reevaluate the position of both Boards regarding hemp projects in 2020.

The Committee recommends no changes to the 2020 KADF, KAFC Hemp Policy but the additional language to clarify that hemp production related projects will be eligible for a participation loan under the KAFC Agricultural Processing Loan Program.

The Committee met on October 15, 2021 and recommends redacting the following language in red. "On December 20, 2019, the KADB approved the Committee recommendation that for 2020 the KADB and KAFC consider funding applications from universities or public-private partnerships in two areas; 1) to support education of the agricultural community and farmers on hemp production from business planning to final processing, and 2) genetic research and variety development. ~~The Committee also recommended KADB and KAFC consider funding applications by universities/colleges for equipment and/or infrastructure needed to support the implementation of KDA's state hemp plan approved by the United States Department of Agriculture (USDA) and the removal of certified~~ Hemp seed as an eligible cost share item for the 2020 CAIP and NextGen investment guidelines."

APPENDIX J: Blue Application Review Committee Minutes

Meeting Date:	10/15/2021
Meeting Location:	Capital Plaza Hotel in Frankfort, KY and Zoom Video Conferencing
Meeting Chair:	Bill McCloskey
Attendees:	Committee Members: Wayne Hunt, Michael Peterson, Robert Foree, Al Pedigo, and Keith Rogers KOAP Staff: Bill McCloskey, Danielle Milbern, Martin Williams, Sandra Gardner, Brian Murphy, Kara Keeton, Hannah Johnson, Lane Ryan, and Diana Carrier
Minutes Issued By:	Martin Williams
Meeting Call to Order:	2:09 pm EDT
Meeting Adjourned:	4:43 pm EDT

Agenda Items:

1. A2021-0221 REDS
 Committee recommends pending the application and has requested the following information:
 - a) More Information on A2007-0303 and see if the farmers market could use the facility
 - b) Long term (50-99 year) lease with the farmers market
 - c) Butler County Farmers Market must be an official entity
 - d) Present to the Butler County council to seek county support
 - e) Written support from agriculture organizations in the community

2. A2021-0222 Grain Day, Inc.
 Committee recommends funding the applicant \$5,000 in Daviess County funds.

3. A2021-0223 Alvio's Cuban Meats, LLLP
 Committee recommends pending and has requested the following information from the applicant:
 - a) A bank/lending entity's support and thoughts on this project
 - b) Impact on the hog producers going forward
 The committee directed staff to draft terms and conditions for the November Committee Meeting.

4. A2021-0230 American Farmland Trust Inc.
 Committee recommends not funding the applicant's request of \$50,000 in state funds due to concerns with the viability of the project, potential legislative policy regarding solar, and concerns with American Farmland Trust taking an unbiased position since their matching funds would be sourced from a solar company.

APPENDIX J: Blue Application Review Committee Minutes

Agenda Items:

- | | |
|--|---------------------------------------|
| 5. A2021-0231 | Kentucky State Beekeepers Association |
| Committee unanimously recommends funding the applicant \$57,700 in state funds to run the Certified Kentucky Honey program for an additional year. | |

Appendix K: Red Application Review Committee Meeting Minutes

Meeting Date:	10/19/2021
Meeting Location:	Hybrid Meeting Capital Plaza Hotel and on Zoom
Meeting Chair:	Bill McCloskey
Attendees:	Committee Members: Brenda Paul, Kirk Pomper, Suzanne Cecil White, Dorsey Ridley and Keith Rogers KOAP Staff: Bill McCloskey, Danielle Milbern, Martin Williams, Brian Lacefield, Sandy Gardener, Nick Van Over, Diana Carrie, Hannah Johnson
Minutes Issued By:	Danielle Milbern
Meeting Call to Order:	2:09 p.m.
Meeting Adjourned:	2:12 p.m.

Agenda Items:	
<ol style="list-style-type: none"> 1. A2020-0034 Rockcastle County Board of Education The committee recommends approving the applicant's budget reallocation request. 2. A2021-0072 Owensboro Catholic High School, Inc. The committee recommends approving the applicant's budget amendment request and the request for additional county funds up to \$30,000 contingent upon the applicant providing a new budget. 3. A2021-0059 RedLeaf Biologics, Inc. The committee is recommends approving the applicant's request to change the terms and conditions of its loan agreement. 	

APPENDIX L: White Application Review Committee Minutes

Meeting Date:	10/19/2021
Meeting Location:	Hybrid Meeting Capital Plaza Hotel and on Zoom
Meeting Chair:	Bill McCloskey
Attendees:	Committee Members: Keith Rogers, Dr. Gordon Jones, Fritz Giesecke, Thomas McKee, and Matt Hinton KOAP Staff: Bill McCloskey, Brian Lacefield, Danielle Milbern, Martin Williams, Sandra Gardner, Brian Murphy, Hannah Johnson, Nick Van Over, Kara Keeton and Diana Carrier KCARD: Aleta Botts
Minutes Issued By:	Danielle Milbern
Meeting Call to Order:	2:01 p.m. EDT
Meeting Adjourned:	2:08 p.m. EDT

Agenda Items:	
1. A2019-0107	Pendleton County Extension District Foundation, Inc. a) Committee recommends approving the applicant's request for an additional \$32,000 in State funds and a budget amendment.