



**Annual Report  
Fiscal Year 2011**

*July 1, 2010—June 30, 2011*

**KADF**  
KENTUCKY AGRICULTURAL  
DEVELOPMENT FUND



**KAFC**

Kentucky Agricultural Finance Corporation





**Kentucky  
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COMMONWEALTH OF KENTUCKY  
OFFICE OF THE GOVERNOR

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Dear Friends:

Since I became Governor of the Commonwealth, my administration has worked hard to generate investments that strengthen, diversify and create opportunities within our rural economy. One way I have achieved this goal is by fighting aggressively to maintain agriculture's fifty percent share of the Tobacco Master Settlement Agreement funds.

This past February, I issued a challenge to Kentucky agriculture at the 2011 Governor's Office for Agriculture Policy Conference. I encouraged my fellow Kentucky Agricultural Development Board members and the agriculture community to take a fresh look at the Kentucky Agricultural Development Fund (KADF) and explained that we must always strive to use available resources to spark new and innovative ideas.

Consideration needs to be given as to how the KADF can be used to create or expand markets for farmers, build on core agricultural assets in the various regions of the state and foster agricultural entrepreneurship and agribusiness development throughout Kentucky.

The KADF, paired with the hard work and innovative thinking of Kentucky farmers and farm families, has been the key ingredient in Kentucky agriculture's recipe for success over the last decade. KADF investments are critical in future agriculture initiatives and in growing our state's economy. I will continue to fight to preserve the KADF.

Farming in Kentucky is not a fading industry. It is, in fact, a growing industry and is constantly changing. The Commonwealth is committed to helping farmers adapt to those changes and remain competitive in the modern global market. As Kentucky agriculture continues to grow and evolve, one thing has not changed – farming and farm families continue to be the heart and soul of our state.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven L. Beshear". The signature is fluid and cursive.

Steven L. Beshear





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KAFC Board Members	
GOAP Staff	
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# Background & Administration

The Governor's Office of Agricultural Policy (GOAP) was established in 1998 to provide a direct link between the Governor of the Commonwealth and one of Kentucky's most important industries, agriculture. It provides administrative staff to several boards and represents Kentucky's interest as state and national policy is developed.

The Kentucky Agricultural Development Board and the Kentucky Agricultural Finance Corporation are two of the boards administered by the Governor's Office of Agricultural Policy, which is led by Executive Director Roger Thomas. Thomas was appointed by Gov. Steve Beshear in 2008. Thomas and GOAP staff are responsible for the daily operations related to these two boards and any of the Governor's agricultural initiatives.

## Kentucky Agricultural Development Board

The Kentucky Agricultural Development Board (KADB) is chaired by Governor Steve Beshear and consists of five statutory members or their designees and 11 appointed members. Statutory members include the Governor, Commissioner of Agriculture, Economic Development Cabinet Secretary, head of the University of Kentucky Cooperative Extension Service and the president of Kentucky State University.

Appointed members are geographically distributed throughout the Commonwealth and are subject to confirmation by both bodies of the General Assembly. Seven of the appointments represent active farmers of which at least four are from substantially tobacco-impacted counties and two have experience in agricultural diversification; the remaining four appointments represent the Kentucky Farm Bureau, the Kentucky Chamber of Commerce, an attorney with farm experience and an agricultural lender.

## Kentucky Agricultural Finance Corporation

The Kentucky Agricultural Finance Corporation (KAFC) is chaired by the Commissioner of Agriculture and consists of one additional statutory member and 10 members appointed by the Governor. Of the 10 private members appointed by the Governor, two may be officers from a commercial lending institution, one may be an officer from a farm credit association, one may be an agricultural economist, one shall be a tobacco farmer, one shall be a cash grain farmer, one shall be a livestock farmer, one shall be a dairy farmer, one shall be a horticultural farmer, and one shall be from the equine industry.



**Joint Meeting of KADB, KAFC Boards**

(left) - Joel Oney (KAFC), Frank McAninch (KAFC), Wayne Hunt (KADB/KAFC)  
(bottom) - Sam Moore (KADB), Dr. Betty Bailey (KADB), George Begley (KAFC)



*Note: The KADB is regulated by KRS 248.701 to 248.727 and 10 KAR 2:020; the KAFC is regulated by KRS 41.606, KRS 247.940 to 247.978, 202 KAR 9:010, 202 KAR 9:020.*

# Investments

Kentucky's historic investment in agricultural diversification created an unprecedented opportunity for Kentucky farmers to access funds to diversify their operations and expand farm-based enterprises.

## Priority Areas

To provide guidance for this investment, Kentucky agriculture provided input for the development of *Cultivating Rural Prosperity: Kentucky's Long-term Plan for Agricultural Development (2000)*. This long-term plan was the culmination of a two-day summit, 14 regional forums, and six feedback forums that resulted in a guide for the funding and policy direction of the Board.

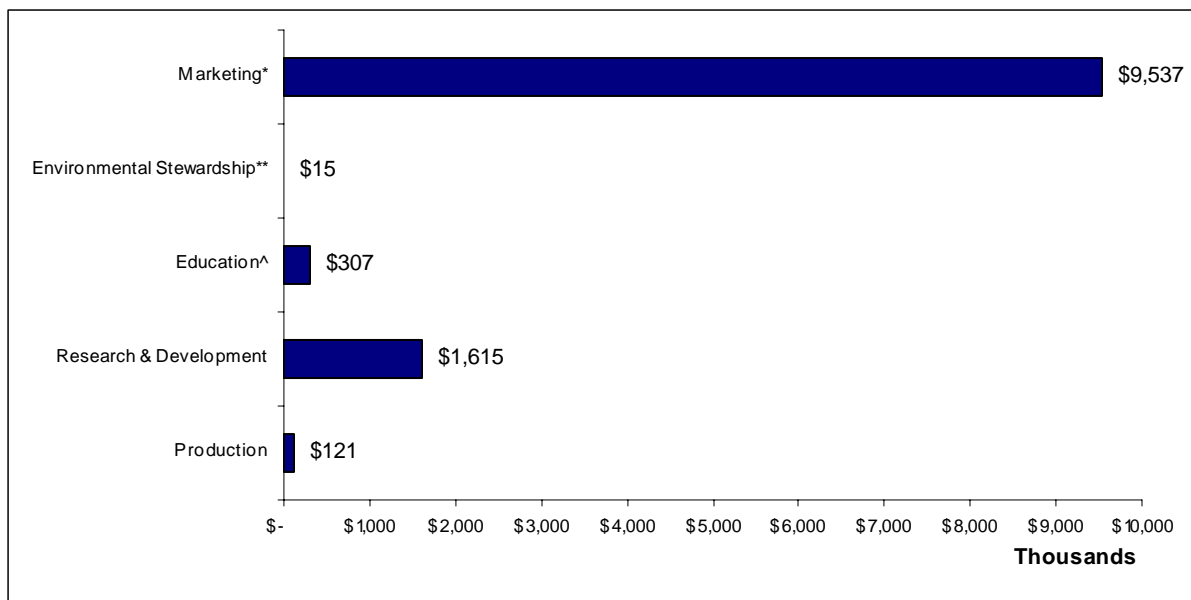
*Cultivating Rural Prosperity* is the blueprint for Kentuckians in addressing issues associated with agricultural growth and diversification in the Commonwealth. The six priorities identified in the plan are marketing and market development, access to capital, environmental stewardship, farm family education & computer literacy, local leadership, and research and development.

## Production Agriculture

While marketing, value-added processing and technical assistance are important to the agriculture economy, none of these are necessary without production agriculture. The KADB recognized this importance and developed, in conjunction with state and local stakeholders, cost-share incentive programs that would provide producers an opportunity to try new farm enterprises or enhance their existing enterprises.

While not one of the six long-term priorities, investments in production agriculture are reflected in the chart below with four of the six priorities that had monetary investments in fiscal year 2011.

**Chart:** Summary of investments by long-term priority, fiscal year 2011.



\* Includes value-added processing

\*\* Excludes annual earmark for the Division of Conservation's environmental stewardship programs.

^ Includes technical assistance



# Investments (cont.)

## On-farm Investments

The *County Agricultural Investment Program (CAIP)* provides farmers with incentives to allow them to improve and diversify their current production practices. CAIP covers a wide variety of agricultural enterprises in its eleven investment areas, including commercial production of aquaculture; bees and honey; equine; forage; fruit; livestock; mushrooms; ornamental horticulture; poultry; rabbits; timber; and vegetables, as well as agritourism business development; commercial kitchen construction or conversion; energy efficiency/production; and on-farm water enhancement.

In fiscal year 2011, 93 counties made CAIP available to their farm families with more than \$20.2 million invested. (See *Appendix C for specific counties.*)

## Shared Opportunities

The *Shared-Use Equipment Program* is designed to impact a high number of producers who cannot justify ownership expenses associated with certain equipment by helping them access technology necessary to improve their operations in an economical manner.

During fiscal year 2011, 11 counties invested \$116,469 into shared-use equipment. (See *Appendix C for specific counties.*)

In June 2011, the KADB approved the *Shared-Use Equipment Initiative* to help counties that receive minimal or no allotment in KADF. The shared-use equipment program was chosen for this initiative because of its proven record to provide wide impact using fewer dollars.

The initiative will provide state funds that when combined with the county's annual allotment will total no more than \$15,000. These funds may be used to implement the current shared-use equipment program within the county or in cooperation with neighboring counties.

Counties eligible for this initiative are as follows: Bell, Boyd, Crittenden, Floyd, Fulton, Harlan, Hickman, Knott, Leslie, Letcher, Livingston, Martin, McCreary, Perry, Pike and Union. The deadline for these sixteen counties to access this one-time offer for state funds is June 30, 2012.

An update on counties accessing this program will be provided in the fiscal year 2012 annual report.



**Logo Unveiled:** More than 300 participants at the 2011 GOAP Conference in Bowling Green witnessed the unveiling of the new Kentucky Agricultural Development Fund logo.

The logo is being used to increase awareness of the benefits and impact provided by the fund to the Commonwealth. Metal signs, bumper stickers and advertising are just some of the ways projects and programs benefiting from the KADF are using the logo to increase awareness of the funds and its importance to Kentucky.



## Kentucky Agricultural Finance Corporation

The 1984 Kentucky General Assembly created the Kentucky Agricultural Finance Corporation (KAFC) to address the unique financing needs of agriculture. It was established to assist in providing the capital necessary to permit small, family farm operators to continue to compete successfully in agricultural enterprises.

Nearly two decades later, KAFC was seen as a way to help the KADB address capital access issues as addressed in their long-term plan for agricultural development. KAFC administers six loan programs, services loans made by the Kentucky Agricultural Development Board (KADB) and administers the Linked Deposit Program.

KAFC offers an annual interest rate of two percent (2% a.p.r.) in its participation loans, allowing participating lenders to charge a 0.75% servicing fee. Direct loans are provided at Wall Street Journal prime.

### Loan Programs

KAFC participates with lenders to provide financing to producers making capital expenditures for agricultural projects through the **Agricultural Infrastructure Loan Program (AILP)**. Eligible projects include permanent farm structures with attached equipment that improves the profitability of farming operations.

The **Agricultural Processing Loan Program (APLP)** is designed to provide loan opportunities to companies and individuals in Kentucky interested in adding value to Kentucky grown agricultural commodities through further process. KAFC will provide or participate in loans that may cover construction of a new facility and renovation/expansion of an existing facility.

The **Beginning Farmer Loan Program (BFLP)** is designed to assist individuals with some farming experience who desire to develop, expand or buy into a farming operation. KAFC will participate in loans to purchase livestock, equipment, agriculture facilities, to secure permanent working capital, purchase real estate or invest in a partnership or LLC.

KAFC will provide or participate in loans to entities with operations in Kentucky that are expanding their contracting opportunities with Kentucky farmers. The **Coordinated Value-added Assistance Loan Program (CVALP)** may provide for renovation/expansion of existing facilities, acquisition of equipment and permanent working capital to facilitate expansion.

The **Diversification through Entrepreneurship in Agribusiness Loan Program (DEAL)** provides financing to beginning agri-entrepreneurs who are attempting to diversify their farming operations through non-traditional agricultural production or services. DEAL may provide financing for equipment, facilities, working capital and real estate with a participating lender.

The **Large/Food Animal Veterinary Loan Program (Vet)** is designed to assist individuals licensed to practice veterinary medicine in Kentucky who desire to construct, expand, equip or buy into a practice serving large animal producers, as well as other smaller food animals.

As of June 30, 2011, KAFC had approved a cumulative total of 362 loans for more than \$40.3 million and accumulated over \$2.6 million in interest. KAFC also continues to service 12 KADB zero interest loans, totaling \$2,744,729. (See Appendix D for specific loans.)

Investments were made in the programs for fiscal year 2011, as follows:

Agricultural Infrastructure Loans .....	\$ 756,847	(23%)
Agricultural Processing Loans .....	\$ 226,582	( 7%)
Beginning Farmer Loans .....	\$1,878,691	(56%)
Diversification through Entrepreneurship .....	\$ 267,500	( 8%)
Large/Food Animal Veterinary Loans .....	\$ 210,000	( 6%)

# Agricultural Policy

## Deceased Farm Animal Removal

Dead animal disposal has long been an issue farmers have had to deal with, but in 2009 when the Food and Drug Administration released a new set of regulations concerning the disposal of livestock carcasses, it brought more light to this critical issue.

Because of these regulations, it made some options for dead animal disposal less cost-effective. The Kentucky Agricultural Development Board and the Division of Conservation partnered to offer assistance programs to help counties implement a plan for the removal of deceased farm animals within the county, knowing this was only going to be a temporary solution.

One result of the partnership is the Deceased Farm Animal Disposal Assistance Program. This program serves as a temporary measure to facilitate the coordination of environmentally sound and cost effective disposal of deceased livestock for Kentucky producers. Programs approved to cover fiscal year 2011 (July 2010 – June 2011) expenses related to deceased farm animal removal included 28 counties for a total of \$179,183.

## Energy

In Sept. 2009, Gov. Beshear announced a new partnership between the GOAP and Kentucky's Energy and Environment Cabinet that positions Kentucky to be a leader in the development of bio-based alternative energy sources.



As a result of this partnership, two energy-related programs were implemented using American Recovery & Reinvestment Act (ARRA) funding and Kentucky Agricultural Development Funds.

A portion of these funds went to *The On-farm Energy Efficiency & Production Incentives* for Kentucky farm families to increase on-farm energy efficiency or increase renewable fuel production. This program provided up to 25 percent reimbursement of the actual cost of a federally qualified energy saving project, up to \$10,000. Investments eligible for this program included energy audits, energy efficient farm building components, on-farm energy upgrades, on-farm energy efficiency training and biomass energy production activities.

Producers had an opportunity to learn about these and other cost-share opportunities at an Energy Resource Room hosted by GOAP and Kentucky's Department for Energy Development and Independence. Held during the National Farm Machinery Show in Louisville February 16-17, exhibits were located in the Kentucky Exposition Center South Wing C105-108. Technical resource personnel, grant writers, energy program facilitators, and other resources were featured.

The final round of applications were approved in early 2011 with 100 applicants approved for \$773,447 in ARRA funds for their on-farm energy projects. The total cost of these projects was more than \$8.7 million. More than \$1.4 million was approved through the program (2009-2011) to 190 applicants, resulting in an annual energy savings of 146 billion BTUs.

The remaining portion of ARRA funds were allocated for the *Multi-county Collaborative Agricultural Energy Initiatives Program*. The funds awarded through this program were enhanced with tobacco settlement funds for grants to multi-county collaborations that will enhance and advance renewable energy production at the farm level. Funding was made available in the prior fiscal year for demonstration projects in the areas of energy efficiency and renewable energy production.



## Ky. Bioenergy Group Tours the Show Me State



This past May, the Governor's Office of Agricultural Policy and the Energy and Environment Cabinet teamed up to host the 2011 Bioenergy Bus Tour. Over 50 participants from across the state traveled to St. Louis, Missouri to attend the 4<sup>th</sup> Annual International Biomass Conference & Expo.

Participants connected with industry professionals focusing on crop residues, dedicated energy crops, forest and wood process residues, food processing residues, livestock and poultry wastes, and municipal solid wastes, urban wastes and landfill gas. Show Me Energy Cooperative, Monsanto Research Center and Abengoa Bioenergy were also visited on this tour.

*"Whether you are motivated by improving our environment, creating economic growth for your community, establishing an affordable, dependable supply of energy for your business, or reducing our dependence on foreign crude from hostile nations, your seat on this bus shows your concern."*

*- Governor Steve Beshear*

*The 2011 Bioenergy Tour was support in part by America's Recovery & Reinvestment Act (ARRA) funding.*



RECOVERY.GOV

### Energy Initiative Logos

(Clockwise, top left) - Kentucky at Work (Kentucky's recovery logo); state seal; Department for Energy Development and Independence; ARRA logo.

# Special Initiatives

## World Equestrian Games

In September 2010, Kentucky watched as visitors came from 63 countries and all 50 states to our beautiful state for the Alltech FEI World Equestrian Games at the Kentucky Horse Park. The FEI World Equestrian Games are the combination of the world championships of all eight FEI disciplines - Jumping, Dressage, Eventing, Driving, Endurance, Vaulting, Reining, and Para-Equestrian – held concurrently at the same place. The games ran from September 25 through October 10, 2010. This was the first time the international event had been held outside of Europe. Ticket sales exceeded 400,000 for this once-in-a-lifetime event.



In June 2011, Governor Beshear announced the games had an economic impact of \$201.5 million. The study of the economic impact of the games was conducted by Certec Inc., of Versailles. Information for the study was supplied by the World Games 2010 Foundation Inc., the Kentucky Horse Park, and the Kentucky Tourism, Arts and Heritage Cabinet.

“The World Equestrian Games were indeed a success and this report illustrates the positive result that our local and state governments, our sponsors, the many volunteers, the business community and the citizens of the Commonwealth working together can have.” Gov. Beshear said. “It also underscores the important role of the Kentucky Horse Park and the legacy the games will have for future years.”

The Tourism, Arts and Heritage Cabinet, the Governor’s Office of Agricultural Policy, the Kentucky Department of Agriculture and the Artisan Center at Berea came together to make the Kentucky Proud Product Pavilion a reality. This was part of the Kentucky Experience’s 25,000 square foot area highlighting all the great things Kentucky had to offer.

In addition to purchasing Kentucky products visitors were able to experience food demonstrations, book signings as well as Artisan demonstrations daily. Kentucky’s very diverse agricultural history was also captured in an interactive display that highlighted the importance of agriculture as well as the Commonwealth’s top commodities.

The other half of the Kentucky Proud Product Pavilion focused on the “over 21 crowd,” featuring Kentucky Proud Wine, Bourbon and Kentucky Ale. Kentucky products were also featured in hospitality areas and at the world famous James Beard “Cookin’ in the Bluegrass” Celebrity Chef Dinner Series.

The FEI World Equestrian Games return to Europe in 2014 to the region around Caen, Normandy, France.

## Future Investments

At the Feb. 2011 GOAP Conference, Gov. Steve Beshear challenged the board, staff and all of agriculture to take a fresh look at the Kentucky Agricultural Development Fund and how it can be used to propel agriculture to new heights. A two-pronged approach was used to address the Governor’s challenge: top-down with state resources and board committees; grassroots with input from individuals and organizations.

The top-down approach involves dividing the KADB into three regional committees to evaluate resources and possibilities for the regions, along with partnering with the Cabinet for Economic Development to identify existing agriculture-related businesses in the state. This approach continued through fiscal year 2012 and will be addressed in that year’s report.



## KADF Forums

The grassroots effort started with a series of eight regional forums that GOAP hosted across the Commonwealth. These forums provided an opportunity for public input into the direction of future KADF investments and to share the successes of the Fund in our communities.

This was an opportunity to reinvigorate the spirit of the Kentucky Agricultural Development Fund within the agriculture community, because there is still the need to work with "one accord, one voice" to maintain the funds for agriculture. This was also an opportunity to increase awareness of the Fund to those outside agriculture. There are still many in Kentucky who are not fully aware of the Fund and what has been achieved through its investments.

More than 370 citizens took time out of their busy lives to share ideas and reiterate the importance of the Fund to Kentucky agriculture. More than 48% who participated indicated they are farmers, which is a true testament to the importance of the Fund to Kentucky's farm families. This exercise involved all aspects of agriculture from agency and organizational representatives to farmers and local leaders, providing excellent dialogue and networking opportunities.

Some of the ideas presented included certification for woodland owners, working on the demand side of local foods initiatives, agritourism, increasing awareness through urban agriculture, farm-to-school, farm succession planning assistance, biomass for renewable energy, genetics testing for meat selection, dairy processing and other regional projects, including grain storage, meat processing and retail centers. Ideas presented at the Forums were compiled into a report that is available to the public at [http://agpolicy.ky.gov/planning/documents/2011-KADF-Forums\\_Comments.pdf](http://agpolicy.ky.gov/planning/documents/2011-KADF-Forums_Comments.pdf).

To augment the feedback received through the forums, the KADB also developed a Stakeholder Survey to gather additional ideas for county, regional and statewide projects, particularly those with both a direct impact to the farmer and a regional focus. The surveys will be collected through Dec. 15, 2011 and compiled for the KADB's use.



Scenes from the 2011 KADF Forums

(Clockwise, top left) - Kick off in Frankfort, Maysville, West Liberty, Somerset, Bowling Green, Elizabethtown, Gilbertsville, and Owensboro







# Appendix A: Financial Statements

## Kentucky Agricultural Development Fund Fiscal Year 2011

FUNDS	STATE	COUNTY	TOTAL	Off Budget
				COUNTY
ADF Beginning Cash-July 2010	\$ 23,892,661		\$ 23,892,661	\$ 19,033,033
Transfers In	\$ 10,648,546	\$ 16,419,375	\$ 27,067,921	\$ 16,419,375
Revenue				\$ 42,382
<i>ADF Funds Available</i>	<i>\$ 34,541,207</i>	<i>\$ 16,419,375</i>	<i>\$ 50,960,582</i>	<i>\$ 35,494,790</i>
<b>EXPENDITURES</b>				
Disbursements/Expenditures	\$ 6,083,248		\$ 6,083,248	\$ 17,109,092
Transfers Out		\$ 16,419,375	\$ 16,419,375	
<i>ADF Expenditures</i>	<i>\$ 6,083,248</i>	<i>\$ 16,419,375</i>	<i>\$ 22,502,623</i>	<i>\$ 17,109,092</i>
<i>Cash Balances</i>	<i>\$ 28,457,959</i>	<i>\$ -</i>	<i>\$ 28,457,959</i>	<i>\$ 18,385,698</i>
Grants - Unexpended commitments	\$ (7,091,513)		\$ (7,091,513)	\$ (4,772,366)
<b>Actual Available Balance</b>	<b>\$ 21,366,446</b>		<b>\$ 21,366,446</b>	<b>\$ 13,613,332</b>

# Appendix A: Financial Statements (cont.)

## Kentucky Agricultural Finance Corporation Statement of Financial Position, Fiscal Year 2011

### Assets:

Interest Earned from Loans	\$ 2,445,390
Interest Earned from State Investment Commission	<u>\$ 1,074,486</u>
Account 2802 (Interest Fund)	\$ 3,519,876
Account 2803 (Loan Fund)	\$ 2,956,719
Funds Loaned to Borrowers	\$ 29,175,469
KADB Approved Loans Not Transferred	\$ -
Authorized, unissued	<u>\$ 2,000,000</u>
<b>Total Assets</b>	<b>\$ 37,652,063</b>

## Cash Flow (FY2011)

Kentucky Agricultural Finance Corporation

Fiscal Year Begins: Jul-10

	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Total Item
<b>Cash on Hand</b> (beginning of month)	6,537,302	6,333,863	5,988,892	6,009,372	5,524,966	5,776,950	4,932,884	6,176,442	6,281,140	6,468,425	6,261,741	6,016,003	
<b>CASH RECEIPTS</b>													
Principal Payments (2803)	62,546	39,326	166,216	166,213	260,316	293,744	1,185,682	208,512	308,432	179,008	88,211	531,953	3,490,159
Interest Payments (2802)	12,046	4,493	25,927	48,277	28,804	31,844	313,905	44,550	35,375	39,714	18,007	66,369	669,311
Interest Earned (SIC / 2802)	0	1,210	1,208	1,417	948	1,766	1,558	1,636	977	1,594	1,408	5,586	19,308
<b>TOTAL CASH RECEIPTS</b>	74,592	45,029	193,351	215,907	290,069	327,354	1,501,145	254,698	344,785	220,316	107,625	603,907	4,178,778
Other Income (Grants, 0% Loans)		20,000		86,470							30,000		136,470
<b>Total Cash Available</b> (before cash out)	6,611,894	6,398,892	6,182,244	6,311,748	5,815,034	6,104,304	6,434,029	6,431,140	6,625,925	6,688,741	6,399,366	6,619,911	
<b>CASH PAID OUT</b>													
Loans Closed (Funds Wired)	278,031	410,000	172,872	733,006	38,084	1,058,157	257,587	150,000	157,500	427,000	383,363	143,318	4,208,918
Refunds to KADB				53,776		113,263							167,039
<b>TOTAL CASH PAID OUT</b>	278,031	410,000	172,872	786,783	38,084	1,171,420	257,587	150,000	157,500	427,000	383,363	143,318	
<b>Cash Position</b> (end of month)	6,333,863	5,988,892	6,009,372	5,524,966	5,776,950	4,932,884	6,176,442	6,281,140	6,468,425	6,261,741	6,016,003	6,476,593	
<b>ESSENTIAL OPERATING DATA (non cash flow information)</b>													
Loans Committed, Not Paid (\$)	3,157,089	2,977,014	3,090,080	2,586,378	2,962,239	1,629,743	1,436,659	1,782,089	1,714,488	1,950,456	1,766,301	1,719,384	
Debt Balance (owed KAFC)	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	
Total KAFC Funds (uncommitted)	5,176,774	5,011,879	4,919,292	4,938,587	4,814,711	5,303,141	6,739,783	6,499,051	6,753,937	6,311,285	6,249,702	6,757,209	
Pending Loans (\$)		100,000	420,677	750,677	213,814	324,177	1,209,661	576,768	20,000	255,519	207,725	770,073	



# Appendix B: Linked Deposit Activity Report



## Linked Deposit Loan Program: FY 2011 Activity Report

### Outstanding Loans Per Lender as of June 30, 2011

<u>Lending Institution</u>	<u>Total Loans</u>	<u>Outstanding Balance</u>
Kentucky Bank	3	\$ 76,329.17
South Central Bank of Barren County	24	\$ 925,007.28
The Springfield State Bank	2	\$ 174,725.00
Traditional Bank	2	\$ 54,418.36
	<b>31</b>	<b>\$ 1,230,479.81</b>

### Loan Payoffs July 1, 2010 - June 30, 2011

<u>Lending Institution</u>	<u>Borrower</u>	<u>Payoff Date</u>
Citizens Commerce National Bank	Daniel & Sarah Mattingly	4/27/2011
Kentucky Bank	Roger Sparrow	1/31/2011
PBK Bank Inc.	John Cox	7/22/2010
South Central Bank	Arterburn Farm	1/4/2011
	Baywash Inc.	4/19/2011
	Lonnie Clark	8/9/2010
	Charles & Frances Galloway	4/25/2011
	Bobby Douglas Jamison, Jr.	4/29/2011
	Doug Jamison	3/28/2011
	Randy H. & Gary L. London	5/17/2011
	Joe Michael Montgomery	10/25/2010
	Joe Michael Moore	9/10/2010
	Michael W. and Jan Morgan	2/28/2011
	Scotty & Marie Poynter	6/6/2011
	Dean Russell	7/26/2010
	Jerel Smith	3/3/2011
	William W. Strader	11/30/2010
	Timmy & Renee Waddell	5/17/2011
	Arthur T. & Ruby Wilkerson	8/9/2010
Traditional Bank	Pete Dailey IV	9/10/2010
	Perry Howard	3/5/2010

# Appendix C: FY2011 Investments

Applications approved between July 1, 2010 and June 30, 2011

More than \$32 million was invested in state, regional and local projects and programs between July 1, 2010 and June 30, 2011.

## State/Regional

**Cattle Demonstration Project**  
KABA/Select Sires Inc. was approved for \$61,180 in state funds to establish five demonstration herds that will use new technology to detect the estrus cycle in cattle.

### Cattle Marketing & Education Initiative

Kentucky Beef Network LLC (KBN) was approved for \$1,916,529 in state funds over two years to continue their marketing and education initiatives for Kentucky's beef cattle producers.

### Commodity Cooking Facility Expansion / Construction

Kentucky Pork Producers Association was approved for \$164,900 in state funds to expand cooking structures at the Kentucky Exposition Center and construct additional cooking facilities for the pork, aquaculture and cattlemen's organizations.

### Crop Research & Development

University of Kentucky Research Foundation, on behalf of UK Princeton Research and Education Center, was approved for \$84,276 in state and \$41,391 in multi-county funds for a high clearance sprayer and greenhouse for grain crop production research.

### Dairy Financial Incentives

Kentucky Dairy Development Council Inc. was approved for \$1,641,095 in state funds over two years to continue providing dairy farmers financial incentives to improve milk quality and quantity produced.

### Farms to Food Banks - 2

Kentucky Association of Food Banks Inc. was approved for \$163,000 in state funds to purchase and distribute 15 types of surplus produce for low-income clients.

### Grain Cleaning System

The Hopkinsville Elevator Company was approved for \$164,000 multi-county funds and \$55,000 in state funds for a grain cleaning system to expand their customer base to pet nutrition and wine/spirits industries.

## Horticulture Initiatives

The Kentucky Horticulture Council was approved for \$1,440,000 in state funds over two years to support the expansion and profitability of Kentucky horticultural crop producers.

### Kentucky Agricultural Council

The Kentucky Agricultural Council was approved for \$125,000 in state funds for general operations and for an agriculture summit in 2011.

### Kentucky Proud

The Kentucky Department of Agriculture was approved for \$2,830,500 in state funds over two years to continue the Kentucky Proud program, the state's official farm marketing program.

### Management & Genetics 60

The Kentucky Beef Network LLC was approved for \$310,000 in state funds to develop the Management and Genetics 60 (MAG-60) program for Kentucky producers.

## Investments by County

### Adair

CAIP ..... \$250,800  
DAR ..... \$ 3,269

\* See also Marion, Value-added Dairy (\$3,000).

### Allen

CAIP ..... \$142,378  
DAR ..... \$ 7,500

### Market Feasibility Study

Heart of Scottsville Inc. was approved for \$12,500 in Allen County funds to conduct a Farmers' Market Feasibility Study in Allen County.

### High School Greenhouse Expansion

The Allen County Board of Education was approved for \$35,000 in Allen County funds to build a new greenhouse for the Allen County High School Agriculture Department.

\* See also State/Regional, Grain Cleaning System (\$5,000).

### Anderson

CAIP ..... \$226,272

### Ballard

\* See State/Regional, Crop Research (\$5,000).

## Barren

CAIP ..... \$365,000

\* See also State/Regional, Grain Cleaning System (\$25,000); Hart, Regional Livestock Facility (\$5,000); and Warren, Climatological Data Collection (\$2,315).

## Bath

CAIP ..... \$493,500

\* See also State/Regional, Crop Research (\$1,500).

## Bell

Shared-Use ..... \$ 3,292

## Boone

CAIP ..... \$429,518

## Bourbon

CAIP ..... \$404,386  
DAR ..... \$ 7,500

## Boyd

CAIP ..... \$ 7,000  
Shared-Use ..... \$ 9,000  
Equipment

## Boyle

CAIP ..... \$280,000  
DAR ..... \$ 7,500  
Shared-Use ..... \$ 20,250  
Equipment

## Bracken

CAIP ..... \$299,337

## Breckinridge

CAIP ..... \$267,355

### Farmer Welding Course

Breckinridge County Board of Education was approved for \$4,740 in Breckinridge County funds to provide a metal inert gas (MIG) welding training program for area producers.

## Bullitt

CAIP ..... \$155,000  
Shared-Use ..... \$ 9,904  
Equipment

## Butler

CAIP ..... \$ 47,146

Greenhouse Development ATP Greenhouses LLC was approved for \$4,000 in Butler County funds for greenhouse equipment related to

hydroponic tomato production.

### Cattle Handling

Butler County Stockman's Association Inc. was approved for \$10,000 in Butler County funds to purchase gates and panels for cattle handling needed for livestock sales and shows held in the county.

\* See also State/Regional Grain Cleaning System (\$5,000).

## Caldwell

CAIP ..... \$ 59,397

\* See also State/Regional, Crop Research (\$5,000).

## Calloway

CAIP ..... \$ 31,500

## Campbell

CAIP ..... \$ 32,575

## Carlisle

CAIP ..... \$ 30,598

\* See also State/Regional, Crop Research (\$1,000).

## Carroll

CAIP ..... \$160,256  
DAR ..... \$ 2,250

## Carter

CAIP ..... \$290,602

## Casey

CAIP ..... \$553,000  
DAR ..... \$ 7,500

## Christian

DAR ..... \$ 7,500

\* See also State/Regional, Crop Research (\$5,000) and Grain Cleaning System (\$35,000).

## Clark

CAIP ..... \$290,000

## Clinton

CAIP ..... \$136,300

## Crittenden

### High School Greenhouse

The Crittenden County Board of Education was approved for \$21,000 in Crittenden County funds to build a greenhouse at the high school for teaching plant production and horticulture marketing.

Only projects and programs approved between July 1, 2010 and June 30, 2011 are listed in this Appendix. Some counties may not be listed if investments were made outside of the above timeline.



**Cumberland**

CAIP ..... \$241,268

*Demonstration Kitchen*

The Cumberland County Extension District was approved for \$49,919 in Cumberland County funds for the construction of a demonstration kitchen. The facility will be utilized for both educational and value-added processing purposes.

**Daviess**

CAIP ..... \$100,000

*Trainings for Farmers*

The Owensboro Community & Technical College was approved for \$22,696 in Daviess County funds to provide a Metal Inert Gas (MIG) welding course and a computer training course for producers in Daviess County.

\* See also *State/Regional, Crop Research (\$5,000)*.

**Edmonson**

CAIP ..... \$ 86,415

\* See also *State/Regional Grain Cleaning System (\$2,000)*.

**Elliott**

CAIP ..... \$302,216

**Estill**

CAIP ..... \$100,000

*Certified Kitchen Renovation*

The Estill County Extension District Public Properties Corporation was approved for \$24,000 in Estill County funds for the renovation of an existing kitchen into a certified kitchen for area farmers interested in value-added processing.

**Fayette***4-H Livestock Project Barn*

The Fayette County 4-H Council was approved for \$34,800 in Fayette County funds to construct a livestock barn for youth to house their animal projects.

**Fleming**

CAIP ..... \$361,514

**Franklin**

CAIP ..... \$100,000

DAR ..... \$ 4,500

Shared-Use ..... \$ 800

Equipment

**Fulton**

\* See *State/Regional, Crop Research (\$350)*.

**Gallatin**

CAIP ..... \$104,455

**Garrard**

CAIP ..... \$300,000

DAR ..... \$ 2,500

*Marketing Facility Improvement*

The Garrard County Fair Board was approved for \$4,439 in Garrard County funds to construct a wash rack as an extension to an existing facility.

**Grant**

CAIP ..... \$225,700

Shared-Use ..... \$ 8,500

Equipment

**Grayson***Slaughter Facility Construction*

C & C Processing LLC was approved for \$5,000 each in Grayson and Hart County funds and up to \$15,000 in state funds for construction of a slaughter processing facility and related equipment.

*Farmer Welding Program*

The Grayson County Conservation District was approved for \$6,000 in Grayson County funds to provide arc and metal inert gas (MIG) welding training to 15 tobacco dependent producers at the Grayson County Area Technology School.

**Green**

CAIP ..... \$450,000

**Hancock**

CAIP ..... \$113,928

**Hardin**

CAIP ..... \$150,565

DAR ..... \$ 7,500

\* See also *Warren, Climatological Data Collection (\$2,315)*.

**Harrison**

CAIP ..... \$565,000

*Ag. Promotional Map*

Licking River Valley Resource Conservation and Development Council Inc. was approved for \$975 in Harrison County funds for the promotion of area farms and agribusinesses.

**Hart**

CAIP ..... \$320,000

DAR ..... \$ 7,500

*Regional Livestock Facility*

Burley Fields LLC was approved for

\$25,000 in county funds (\$10,000 in Barren County funds, \$5,000 in Hart County funds and \$10,000 in LaRue County funds) to construct a multi-purpose agriculture facility in Hart County.

\* See also *Grayson, Slaughter Facility Construction (\$5,000)*.

**Henderson**

CAIP ..... \$ 63,269

\* See also *State/Regional, Crop Research (\$10,000)*.

**Henry**

CAIP ..... \$320,094

DAR ..... \$ 7,500

**Hopkins**

\* See *State/Regional Grain Cleaning System (\$2,000)*.

**Jackson**

CAIP ..... \$405,000

**Jefferson**

CAIP ..... \$ 66,883

*Food Distribution*

Grasshopper Distribution LLC was approved for \$35,000 in state funds as a zero-interest loan to continue providing a link between Kentucky farm products and urban markets.

**Jessamine**

CAIP ..... \$430,000

Producer ..... \$ 524  
Education & Training

*Livestock Arena*

The Jessamine County Fiscal Court was approved for \$40,000 in Jessamine County funds to construct a covered arena at the Jessamine County Fairgrounds for livestock shows and sales.

*Vocational Agriculture Equipment*

The Jessamine County FFA Alumni Association was approved for \$12,500 in Jessamine County funds to purchase new equipment for the recently modernized high school vocational agriculture workshop.

*Youth Cost-share Program*

The Jessamine County FFA Alumni Association was approved for \$8,000 in Jessamine County funds for a youth cost-share program to aid students with their 4-H or FFA projects.

**Johnson**

CAIP ..... \$101,500

**Kenton**

CAIP ..... \$104,808

**Knox**

CAIP ..... \$ 99,104

**LaRue**

CAIP ..... \$270,000

\* See also *Hart, Regional Livestock Facility (\$10,000)*.

**Laurel**

CAIP ..... \$183,332

**Lawrence**

CAIP ..... \$186,774

**Lee**

CAIP ..... \$ 78,800

**Letcher**

\* See *Madison, Queen Nutrition (\$500)*.

**Lewis**

CAIP ..... \$248,489

**Lincoln**

CAIP ..... \$259,269

DAR ..... \$ 7,500

**Logan**

CAIP ..... \$121,247

DAR ..... \$ 7,500

\* See *State/Regional Grain Cleaning System (\$25,000)*.

**Lyon**

CAIP ..... \$ 46,277

**Madison**

CAIP ..... \$310,851

DAR ..... \$ 7,500

Shared-Use ..... \$ 16,650  
Equipment

*Queen Nutrition on Surface Mines*  
Eastern Kentucky University was approved for \$44,130 in state funds and \$500 each in Perry and Letcher County funds to promote queen bee production on surface mines through the assessment of the nutritional content of royal jelly.

**Magoffin**

CAIP ..... \$201,576

**Marion**

CAIP ..... \$447,258

(Continued on page VI)

## Appendix C: FY2010 Investments by County (cont.)

(Continued from page V)

(Marion cont.)

*Value-added Dairy Study*  
The Marion County Industrial Foundation Inc. was approved for \$20,000 in Marion and \$3,000 in Adair County funds for a study to evaluate the feasibility of a value-added dairy processing and product initiative.

### Marshall

CAIP ..... \$ 48,203

### Mason

CAIP ..... \$321,341

### McCracken

CAIP ..... \$140,860

\* See also *State/Regional, Crop Research (\$1,576)*

### McLean

CAIP ..... \$ 67,994

*Watershed Restoration*  
East Buck Creek Watershed Conservancy District was approved for \$15,000 in McLean County funds for debris and sediment removal from the East Buck Creek Watershed.

### Meade

CAIP ..... \$ 70,000

*River Port Grain Facility*  
The Meade County Riverport Authority was approved for \$2,000,000 for the construction of a regional port facility for area producers to market their grain, including specialty grain crops.

### Menifee

CAIP ..... \$164,184

Shared-Use ..... \$ 13,440  
Equipment

### Mercer

CAIP ..... \$210,000

DAR ..... \$ 5,000

Shared-Use ..... \$ 10,736  
Equipment

### Youth Livestock Pens

The Mercer County Board of Education was approved for \$1,500 in Mercer County funds to purchase livestock pens for agriculture education events in Mercer County to provide a safe agricultural learning environment.

### Metcalfe

CAIP ..... \$294,024

DAR ..... \$ 2,759

### Montgomery

CAIP ..... \$200,000

DAR ..... \$ 7,500

### Morgan

CAIP ..... \$161,391

### Muhlenberg

CAIP ..... \$ 98,691

\* See *State/Regional Grain Cleaning System (\$5,000)*

### Nelson

CAIP ..... \$142,500

DAR ..... \$ 7,500

*Community Farming Center*  
Bardstown Mills Inc was approved for \$10,000 in Nelson County funds for construction of a community greenhouse to provide area producers a location to market horticultural products.

### Nicholas

CAIP ..... \$548,640

DAR ..... \$ 7,500

### Oldham

CAIP ..... \$45,300

### Owen

CAIP ..... \$627,431

*Farmers' Market Facility*  
The Owen County Farm Bureau Inc. was approved for \$90,419 in Owen County funds to construct a permanent facility for the farmers' market in Owenton.

### Owsley

CAIP ..... \$312,700

### Pendleton

CAIP ..... \$205,232

### Perry

CAIP ..... \$ 9,894

\* See also *Madison, Queen Nutrition (\$500)*.

### Powell

CAIP ..... \$ 52,846

### Pulaski

CAIP ..... \$333,804

DAR ..... \$ 7,500

Shared-use ..... \$ 14,147

Equipment

### Robertson

CAIP ..... \$287,800

### Rockcastle

CAIP ..... \$267,787

### Rowan

CAIP ..... \$ 80,000

### Russell

CAIP ..... \$300,210

### Scott

CAIP ..... \$267,817

DAR ..... \$ 7,500

### Shelby

CAIP ..... \$350,000

DAR ..... \$ 7,500

### Agricultural Conservation Easement Survey

Shelby Area Rural Conservation Inc. was approved for \$5,378 in Shelby County funds to explore opportunities to preserve and protect rural land by acquiring and maintaining agricultural conservation easements.

### Simpson

CAIP ..... \$110,000

\* See *State/Regional Grain Cleaning System (\$5,000)*

### Spencer

CAIP ..... \$180,000

DAR ..... \$ 5,988

### Taylor

CAIP ..... \$302,000

DAR ..... \$ 7,500

### Todd

### Produce Consolidation, Shipping Facility

Scott B. Shackelford was approved for \$24,500 in Todd County funds to construct a facility where producers can bring their produce to consolidate and ship in truckloads.

\* See also *State/Regional, Crop Research (\$5,000) and Grain Cleaning System (\$35,000)*.

### Trigg

CAIP ..... \$175,000

\* See also *State/Regional, Crop Research (\$2,000) and Grain Cleaning System (\$10,000)*.

### Trimble

CAIP ..... \$188,464

### Warren

CAIP ..... \$200,364

DAR ..... \$ 2,917

### Climatological Data Collection

WKU Research Foundation Inc. was approved for \$2,315 each in Hardin and Barren County funds for the addition of soil moisture/temperature and leaf wetness sensors to the current Mesonet stations in each county.

### WKU Apiary

Western Kentucky University's (WKU) Agriculture Department was approved for \$5,000 in state funds to establish an apiary at the WKU farm for education, research and honey production to benefit both students and area beekeepers.

\* See *State/Regional Grain Cleaning System (\$5,000)*.

### Washington

CAIP ..... \$682,500

DAR ..... \$ 7,500

### Local Foods and Craft Network

New Pioneers for a Sustainable Future Inc. was approved for \$10,160 in Washington County funds to develop a strong local food and crafts network in Washington County.

### Wayne

CAIP ..... \$180,000

### Agriculture Leadership & Promotion

The Wayne County Pork Producers were approved for \$2,000 in Wayne County funds on behalf of the Wayne County Women in Agriculture to support participation in agriculture-related workshops and conferences, as well as for the promotion of agricultural significance of Mill Springs, a local tourism site.

### Webster

CAIP ..... \$ 44,036

### Whitley

CAIP ..... \$ 37,634

### Wolfe

CAIP ..... \$125,000

### Woodford

DAR ..... \$ 7,500

Shared-Use ..... \$ 9,750  
Equipment

CAIP = "County Agricultural Investment Program"  
DAR = "Deceased Farm Animal Removal Program"



# Appendix D: FY2011 KAFC Investments by Program

## Agricultural Infrastructure Loan Program

Ager, Jonathan	McLean	\$ 45,000.00
<i>Fairview Farms</i> installation of an energy efficient grain dryer		
Brockman, Dwain	Adair	\$ 87,160.00
construction of a barn		
Crist, Jr., William & Julie	Metcalfe	\$ 100,000.00
construction of two 138' x 200' Bedded Pac Barns and improvements on a newly purchased dairy farm		
Eads, III, Robert G.	Fayette	\$ 30,000.00
construction of an 80' x 50' farm shop		
Galloway, Bobby	Graves	\$ 15,450.00
construction of a shop/building for farm operation		
Grant, Dennis	Daviess	\$ 85,000.00
<i>Grant Farms</i> construction of a grain bin, new leg and grain pit		
Hayden, Freddy	Carlisle	\$ 80,000.00
construction of a grain storage facility with grain drying capacity		
Kimbrow, Billy R.	Calloway	\$ 21,400.00
construction of a tobacco barn		
Lee, Christopher	Taylor	\$ 27,500.00
"Kyle" construction of a tobacco barn		
Morris, Gregory	Marion	\$ 12,000.00
installation of a 10,000 bushel grain bin		
Newcomb, Aaron	Taylor	\$ 25,000.00
construction of a tobacco barn		
Owens, Garnett	Warren	\$ 7,836.50
construction of an equipment and hay storage shed		
Pitts, Larry and Brenda	Logan	\$ 100,000.00
<i>Square P Dairy LLC</i> expansion of existing milk parlor and construction of a new pack barn		
Tanner, Franklin	McLean	\$ 35,000.00
"Scott" construction of a 40' X 80' metal pole barn type machine storage building		
Turner, Mark	McLean	\$ 72,500.00
<i>T-ville Farms, LLC</i> purchase poultry houses and equipment		
Young, Greg	Washington	\$ 13,000.00
construction of a grain bin		

## Beginning Farmer Loan Program

Baggerly, Matthew	Henderson	\$ 64,819.00
purchase a 82.74 acre farm		
Elliott, Jason	Fulton	\$ 250,000.00
purchase of 68.5 acres with six Tyson poultry houses and equipment		
Halich, Gregory	Woodford	\$ 25,000.00
purchase of a 30 acre farm		
Hayden, Jr., Charles & Lorie	Hopkins	\$ 215,938.00
<i>C &amp; T Farms, LLC</i> purchase of 50% interest of 916 acre farm		
Jenkins, Thomas	Henderson	\$ 65,637.00
purchase of 59 acre tract		
Jewell, Keith	Green	\$ 9,371.50
purchase of tractor and beef cattle		
Miller, Brian	Pulaski	\$ 44,017.00
purchase a 51.96 acre farm		
Peden, Casey	Barren	\$ 111,611.25
purchase a 150 acre tract from grandfather's estate		
Ragsdale, Jacob	Jefferson	\$ 30,000.00
purchase of 7.23 acres including 10,000 square foot glass greenhouse and two hooped greenhouses		
Reed, Nathan	Graves	\$ 250,000.00
<i>L &amp; N Reed Properties, LLC</i> construction of six poultry broiler houses		
Tanner, Davin	McLean	\$ 27,872.00
purchase a 38.84 acre farm		
Thurby, Heath W.	Henderson	\$ 54,925.00
purchase an 87.88 acre farm at auction		
Turner, Matthew L.	McLean	\$ 177,500.00
<i>T-ville Farm, LLC</i> purchase 50% of a poultry operation (18.42 acres with 4 poultry houses) and equipment		
Wherry, Dustin	Fulton	\$ 247,000.00
purchase of poultry equipment		
Workman, Zachary	Hickman	\$ 250,000.00
<i>Zach Workman Hog Farm</i> construction of two (2) hog barns		
Young, Greg	Washington	\$ 55,000.00
purchase of a 79 acre farm		

## Agricultural Processing Loan Program

Ferguson, Tony	Garrard	\$ 226,582.00
<i>Performance Feeds, LLC</i> complete construction of a feed mix plant and to provide blending and bagging equipment		

## Diversification through Entrepreneurship

Copelin, Stephen	Grayson	\$ 67,500.00
construction of a USDA meat processing facility and purchase of equipment		
Quiggins, Timmy	Hart	\$ 100,000.00
<i>Eurley Fields Livestock Center</i> construction of a sale barn and holding barn		
Shocklee, Brandon	McLean	\$ 100,000.00
purchase poultry house clean out business		

## Large Food Animal Veterinary Loan Program

Beckley DMV, Lloyd	Estill	\$ 80,000.00 (L.W.)
<i>Mountain View Veterinarian Services</i> purchase and remodel of commercial building and lot		
Hughes, Brenda	Metcalfe	\$ 35,000.00
<i>Southern Equine Veterinary Services</i> establish an equine clinic		
Oliver, Rocky	Shelby	\$ 95,000.00
<i>Shelbyville Veterinary Clinic</i> purchase 50% interest in Shelby Veterinary Clinic		



# Appendix E: Guiding Principles for Board Investment

The Board is committed to the goals and priorities of *Kentucky's Long-term Plan for Agricultural Development*. Projects and programs that advance these goals and priorities will be its top priority.

The Board proposes the following statements for the purpose of precipitating discussion of ways the Board can accomplish its goal of expanding the economic base of agriculture in Kentucky.

1. Kentucky should follow the following investment philosophy:

*The Kentucky Agricultural Development Board will invest monies from the Kentucky Agricultural Development Fund in innovative proposals that increase net farm income and affect tobacco farmers, tobacco-impacted communities, and agriculture across the state through stimulating markets for Kentucky agricultural products, finding new ways to add value to Kentucky agricultural products, and exploring new opportunities for Kentucky farms and farm products.*

2. The Board must view its options and actions over the long run and cannot solve all the problems or take advantage of all opportunities.
3. The Board should invest in programs on a pilot basis to prove or disprove the advisability of promoting a particular program statewide.
4. The Board should focus on facilitating success in areas with the potential to reach the most farmers.
5. Pilot programs should be large enough to be commercially viable. The emphasis must be on doing what we do well and be limited to a certain geographical area of the state, until they are proven viable, and then expanded to all the state as funds become available.
6. The Board believes that clusters of a particular type of activity, large enough to be economically viable and support the infrastructure necessary for the success of the program, offer the best opportunity to develop new or better self-sustaining agricultural activity.
7. The Board believes that farmer-owned agri-businesses may be an important vehicle to promote and sustain new and/or improved farm activity.
8. The Board will consider proposals submitted by individuals that have high potential for growth and potential to include other farmers in the future.
9. An emphasis for county programs should be the support of on-farm investment in Board program areas.
10. The object of the Board is to develop self-sustaining programs; therefore, the Board will not support long-term subsidy of production.
11. The Board prefers capital investments. However, it believes that processing, storing and marketing new products is the area where the farmer needs a substantial amount of help on a start-up basis, but business plans must provide for the eventual elimination of assistance in these areas.
12. The Board will consider proposals to enhance existing farm enterprises, the production of new farm products, development of new markets, expansion of existing markets, and any other areas identified by a member or members of the Board as having potential for growth.
13. The Board should define as a priority the development of agriculture businesses and agricultural entrepreneurship, including continuing support of the Kentucky Center for Agriculture and Rural Economic Development.
14. The Board should define as a priority the development of agriculture businesses and agricultural entrepreneurship, including support of agriculture entrepreneurship programs as stipulated in KRS 248.717.
15. The Board will seek programs to enhance the viability of young farmers and part-time farmers in agriculture.





**KADB as of June 30, 2011**

Steven L. Beshear, Governor  
Commonwealth of Kentucky

Richie Farmer, Commissioner  
Department of Agriculture  
(Mac Stone, designee)

Larry Hayes, Secretary  
Economic Development  
(Don Goodin, designee)

M. Scott Smith, Ph.D., Dean  
UK Cooperative Extension

Mary Evans Sias, Ph.D., President  
Kentucky State University  
(Kimberly Holmes, Ph.D. designee)

Sam Lawson  
Ky. Chamber of Commerce  
Term Expires: July 2015

Sam Moore  
Kentucky Farm Bureau  
Term Expires: July 2013

Betty Bailey, Ph.D.  
Bath County  
Term Expires: July 2013

Roy G. Collins  
Clay County  
Term Expires: July 2014

Karen M. Curtis  
Robertson County  
Term Expires: July 2012

Pat Henderson  
Breckinridge County  
Term Expires: July 2012

Wayne Hunt  
Christian County  
Term Expires: July 2014

Jim Mahan  
Fayette County  
Term Expires: July 2012

Wayne Mattingly  
Davies County  
Term Expires: July 2014

Troy Rankin  
Scott County  
Term Expires: July 2015

Jim Sidebottom  
Green County  
Term Expires: July 2015



**KAFC as of June 30, 2011**

Richie Farmer, Commissioner  
Department of Agriculture  
(Bruce Harper, designee)

Lori Hudson Flanery, Secretary  
Finance and Administration  
(Tom Midkiff, designee)

Charles "Westy" Adams  
Lewis County  
Term Expires: June 2012

George R. Begley  
Madison County  
Term Expires: June 2013

Kenneth H. Burdine  
Jessamine County  
Term Expires: June 2013

Wayne Hunt, *ADB Liaison*  
Christian County  
Term Expires: February 2015

Larry Jagers  
Hardin County  
Term Expires: June 2013

Doug Lawson  
Calloway County  
Term Expires: June 2015

M. Frank McAninch  
Casey County  
Term Expires: June 2015

Joel Oney  
Fayette County  
Term Expires: June 2014

Frank A. Penn  
Fayette County  
Term Expires: June 2013

Peggy Peterson  
Marion County  
Term Expires: June 2013

**PHOTO CREDITS**

Governor's Office of Agricultural Policy  
Kentucky Office of Creative Services

**Photos**

Cover and pages iii, iv: tobacco farm in Franklin County

Page i: Kentucky state capitol

Pages 1- 8: tobacco field in Allen County

Appendices: corn, beef cattle in Bath County, soybeans, farm in Trimble County,  
hayfield in LaRue County

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