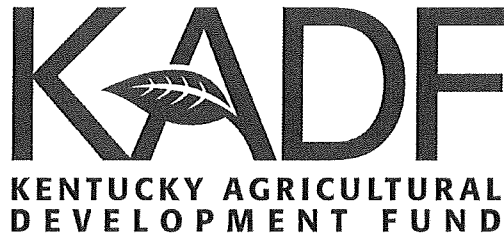


The actions delineated below were taken in open session of the Kentucky Agricultural Development Board at the August 18, 2017 regular business meeting. This is provided in summary form; an official record of the meeting is available in the permanent records of the Governor's Office of Agricultural Policy, 404 Ann Street, Frankfort, Kentucky 40601.



**Kentucky Agricultural Development Board
Summary Minutes of the Regular Business Meeting
Kentucky Exposition Center
Louisville, Kentucky
August 18, 2017**

Call to Order

Commissioner Quarles, presiding, called the Kentucky Agricultural Development Board (KADB) regular business meeting to order at 10:09 a.m. (EDT).

Roll Call

The following members were present: Commissioner Quarles, Keith Rogers (designee for Commissioner Quarles), Dr. Kirk Pomper (designee for KSU President M. Christopher Brown II), Dean Nancy M. Cox, Stewart Hughes, Jessica Burke (designee for Secretary Terry Gill), Pat Henderson, Wayne Mattingly, Dr. Gordon Jones and Al Pedigo.

Members absent: Governor Matt Bevin, Bobby Foree, Wayne Hunt, Jim Mahan, Sam Moore, and Richard Warner.

Notification of Media

Commissioner Quarles received verification from Emily Milam, Public Relations Officer, that the media had been notified of the KADB monthly meeting.

Welcome

Commissioner Quarles welcomed everyone to the meeting.

Commissioner Quarles introduced Jessica Burke, General Council, Cabinet for Economic Development, as Secretary Gill's proxy.

Commissioner Quarles commented on the start of the Kentucky State Fair and welcomed input from board members regarding future state fairs.

Commissioner Quarles mentioned the 140 freezers donated by Farm Credit Mid-America and CoBank to food pantries across the state.

Commissioner Quarles commented on the role of Kentucky in international trade.

Commissioner Quarles updated the board on the matters related to dicamba usage in Kentucky and nearby states.

Executive Director's Report

Mr. Beeler recognized Sadie Middleton, GOAP intern, and thanked her for her work during the summer.

Mr. Beeler called on Brent Lacky, Business Development Specialist, KCARD, to update the board on the activities of the organization.

Mr. Beeler called on Dean Cox to update the board on the activities of the UK Grain and Forage Center of Excellence.

Mr. Beeler called on Amanda Robertson, Beginning Farmer Regional Coordinator, Kentucky Farm Service Agency (FSA), to update the board on the activities of the organization.

In response to a question from Mr. Mattingly, Ms. Robertson stated that appraisal funds may run tight but will get them through September 30, 2017.

In response to a question from Mr. Pedigo, John McCauley, Director of Agricultural Policy, KDA, commented that discussions regarding the future of the Conservation Reserve Enhancement Program (CREP) are occurring.

Mr. McCauley updated the board on the activities of the Kentucky Ag Council, during its quarterly meeting at the State Fair.

Mr. Beeler directed the board's attention to the KADF County Funds Extra Payments letter and spreadsheet (*on file*).

Mr. Beeler updated the board on the activities of the GOAP since the July 21, 2017 board meeting.

Mr. Beeler called on Stewart Hughes to deliver the Kentucky Beef Network Recipient Review Committee report.

Mr. Hughes stated that the Kentucky Beef Network (KBN) Recipient Review Committee met on Thursday, August 17 at 2:00 p.m. (EDT) at the GOAP office, 404 Ann Street, Frankfort, KY 40601.

Mr. Hughes stated that the committee reviewed benchmark goals and objectives, as well as, a budget expenditure update. The next KBN Recipient Review Committee meeting will be in December 2017.

Approval of Minutes

Commissioner Quarles entertained a motion to approve the minutes of the July 21, 2017 board meeting.

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

VOTE: Motion Passed; Unanimous.

Deputy Executive Director's Report

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

Mr. McCloskey directed the board's attention to the KBA PEP report from Ms. Gardner that shows the value of radio & TV commercials this year (*on file*).

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

Mr. McCloskey directed the board's attention to the county account balances report as of July 24, 2017 (*on file*).

Mr. McCloskey reviewed the Kentucky Agricultural Finance Corporation (KAFC) Statement of Financial Position (*on file*) as of July 31, 2017.

Dr. Jones was complementary of the KAFC loan program and expressed his support in continuing to fund KAFC.

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

VOTE: Motion Passed; Unanimous.

Presentations

Keith Rogers assumed the chair, as the Commissioner's proxy, at 10:52 a.m.

Mr. Rogers yielded the floor to Sandra Gardner, GOAP Director of Compliance & Outreach, to introduce the following presentation:

Ms. Gardner introduced Patsy Wilson, Viticulture Extension Specialist. Ms. Wilson gave a presentation on the University of Kentucky Research Foundation viticulture project (A2016-0130) (*PowerPoint on file*).

In response to a question from Mr. Mattingly, Ms. Wilson commented on future wine sales and stated that they should be a revenue generator.

Mr. Hughes commented on the project's interest in Community Supported Agriculture (CSA) and expressed his support for the work on this project.

Mr. Henderson moved to approve the report and make second year funding available, as presented; Mr. Mattingly seconded the motion.

VOTE: Motion Passed; Unanimous

Old Business

Memo Action Items

Mr. Rogers called on Sandy Gardner, Biff Baker, Bill McCloskey, and Steve Doan to present the following memo action items:

A2005-0452 Maple Hill Manor

Ms. Gardner presented a memorandum (*on file*) from the KADB Compliance Committee regarding the above-referenced project. The recipient requested a forgiveness modification and extension of time.

Mr. Mattingly commented that the applicant is required to pay back the balance in order for the forgiveness modification request to continue.

Dean Cox moved to approve the request, as presented; Mr. Pedigo seconded the motion.

VOTE: Motion Passed; Unanimous

A2013-0275 The Weekly Juicery, LLC

Mr. Baker presented a memorandum (*on file*) regarding the above-referenced project. The recipient requested a no-cost time extension until December 31, 2017.

Kimmye Bohannon, owner, The Weekly Juicery, LLC presented before the board.

Mr. Mattingly commented that applicants need to reapply once they have a fully developed agreement to purchase a building.

Mr. Mattingly moved to deny the request; Mr. Henderson seconded the motion.

VOTE: Motion Passed; Unanimous

A2017-0070 Hardin County Livestock Events Center

Mr. McCloskey presented a memorandum (*on file*) regarding the above-referenced project. The recipient requested an amendment to the legal agreement budget and budget adjustment of total funds available due to additional costs associated with the project.

GOAP officials answered a question from Dr. Jones regarding the project's tax revenue stream.

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

VOTE: Motion Passed; Unanimous.

A2017-0091 TerrePURE Kentucky Distillers, Inc. dba O.Z. Tyler Distillery
Mr. Doan presented a memorandum (*on file*) regarding the above-referenced project. The recipient requested to substitute OZT Farms, LLC for TerrePURE Kentucky Distillers, Inc. with respect to the legal agreement.

Mr. Mattingly commented the terms of the legal agreement.

Mr. Mattingly moved to approve the request, as presented; Mr. Hughes seconded the motion.

VOTE: Motion Passed; Unanimous.

A2017-0115 Marion County Extension District Building Foundation, Inc.
Mr. McCloskey presented a memorandum (*on file*) regarding the above-referenced project. This is a request to transfer the approval of funds from the Marion County Extension District Building Foundation to the Marion County Conservation District to purchase a pasture aerator in the same amount of \$10,113.

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

VOTE: Motion Passed; Unanimous.

New Business

New Applications for Referral¹

Mr. Rogers called on Mr. McCloskey to present new applications for referral.

Mr. McCloskey referenced three (3) new applications for referral.

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

VOTE: Motion Passed; Unanimous.

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

Programs Recommended for Approval²

Mr. Rogers called on Mr. McCloskey to present programs recommended for approval.

Mr. McCloskey referenced seven (7) County Agricultural Investment Program (CAIP) applications requesting county funds totaling \$823,697; two (2) Deceased Farm Animal Removal Program applications requesting county funds totaling \$11,425; and one (1) Youth Agricultural Incentive Program application requesting county funds totaling \$5,000. Total program funding requested was \$840,122.

Dr. Jones moved to approve the program recommendations, as presented; Mr. Hughes seconded the motion.

VOTE: Motion Passed; Unanimous.

Requested Program Amendments³

Mr. Rogers called on Mr. McCloskey to present requested program amendments.

Mr. McCloskey referenced one (1) requested program amendment seeking additional county funds totaling \$18,000.

Mr. Pedigo moved to approve the program amendment as presented; Dr. Jones seconded the motion.

VOTE: Motion Passed; Unanimous

Pending Applications

Mr. McCloskey referenced one (1) following pending application:

A2017-0146 Pumpkin Vine Creek, LLC

No action necessary on pending applications.

Withdrawn Applications

Mr. McCloskey referenced two (2) following withdrawn applications:

A2017-0116 Kentucky Hemp Research Foundation, Inc.
A2017-0147 Veering, LLC

No action necessary on withdrawn applications.

Closing Remarks

Mr. Rogers stated that the White Application Review Committee will meet immediately after adjournment.

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

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

APPENDIX A: New Applications for Referral

APP #	APPLICANT	COUNTY
A2017-0151	Marksbury Farm Ventures, LLC <i>Restaurant Equipment and Poultry Processing Expansion</i>	Garrard
A2017-0152	Lyon County Board of Education <i>High School Greenhouse</i>	Lyon
A2017-0155	Westwind Power, Inc. <i>Hydroponic Greenhouse</i>	Letcher

APPENDIX B: Programs Recommended for Approval

CAIP

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2017-0134	Elliott County Conservation District	Elliott	\$104,623.00
A2017-0150	Menifee County Beef Producers, Inc.	Menifee	\$63,600.00
A2017-0153	Lyon County Conservation District	Lyon	\$29,474.00
A2017-0154	Green County Cattlemen's Association, Inc.	Green	\$185,000.00
A2017-0156	Jefferson County Farm Bureau, Inc.	Jefferson	\$46,000.00
A2017-0159	Shelby County Farm Bureau, Inc.	Shelby	\$195,000.00
A2017-0160	Buffalo Trace Area Development District, Inc.	Mason	\$200,000.00
			\$823,697.00

Deceased Farm Animal Removal Program

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2017-0099	Washington County Fiscal Court	Washington	\$3,925.00
A2017-0121	Taylor County Conservation District	Taylor	\$7,500.00
			\$11,425.00

Youth Ag Incentives Program

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2017-0148	Oldham County Farm Bureau of Oldham County, Kentucky	Oldham	\$5,000.00
			\$5,000.00

Total County Funds Recommended for Approval in Programs: **\$840,122.00**

APPENDIX C: Requested Program Amendments

App #	A2017-0057
Applicant Name	County Agriculture Investment Program Council, Inc.
Original Amount Approved	\$150,000
Execution Date	5/10/2017
Requested Change	<p>The applicant requests an <u>additional</u> \$18,000 in Russell County funds for the <i>CAIP Program</i>. The request received a <u>high</u> priority from the Russell County Council.</p> <p>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.</p> <p>Approval of this request would bring the program total to \$168,000.</p>

Recommend Approval

Mr. Rogers stated that the KADB Compliance Committee will meet immediately after adjournment.

Mr. Rogers stated that the next KADB meeting is on September 14-15, beginning at 10:00 a.m. at the Clark County Extension Office, 1400 Fortune Dr., Winchester, KY 40391.

Adjournment

Mr. Rogers entertained a motion to adjourn.

Mr. Pedigo moved to adjourn the August KADB meeting; Mr. Rogers seconded the motion.

VOTE: Motion Passed; Unanimous.

The KADB meeting adjourned at 12:04 p.m. (EDT).

APPROVED DATE: 9/15/17

PRESIDING OFFICER: [Signature]

BOARD SECRETARY: Marielle Manning
Marielle Manning