

The actions delineated below were taken in open session of the Kentucky Agricultural Development Board at the December 15, 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
Franklin County Extension Office
December 15, 2017**

Call to Order

Commissioner Quarles, presiding, called the Kentucky Agricultural Development Board (KADB) regular business meeting to order at 10:07 a.m. (EST).

Roll Call

The following members were present: Commissioner Quarles, Dr. Kirk Pomper (designee for KSU President Christopher Brown), Sarah Butler (designee for Secretary Terry Gill), Dean Nancy M. Cox, Bobby Foree, Pat Henderson, Stewart Hughes, Wayne Hunt, Dr. Gordon Jones, Jim Mahan, Wayne Mattingly, Katie Moyer, Al Pedigo and Richard Warner.

Members absent: Governor Matt Bevin, Fritz Giesecke.

Notification of Media

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

Welcome

Commissioner Quarles welcomed everyone to the meeting.

Commissioner Quarles announced the Hunger Caucus scheduled for January 25, 2017. The Governor and First Lady will be the guests of honor.

Commissioner Quarles stated that Walmart distributed a half million dollars in grants and is sending dozens of semi-trucks with food purchased at a 95 percent discount from Federal Emergency Management Agency to Kentucky.

Commissioner Quarles talked about live horse exports to China in the recent trade initiative.

Commissioner Quarles mentioned the Kentucky Department of Agriculture preparations for session.

Commissioner Quarles recapped the Kentucky Farm Bureau Convention.

Commissioner Quarles mentioned the 2017 Census of Agriculture.

Commissioner Quarles mentioned the first Hemp Advisory Board meeting occurred earlier this week. Katie Moyer and Warren Beeler attended.

Commissioner Quarles mentioned the March 15, 2018 ribbon cutting ceremony for the UK Grain and Forage Center of Excellence and KAFC/KADB joint Board meeting.

Approval of Minutes

Commissioner Quarles called on Ms. Manning to explain minor corrections from the November minutes to be approved.

Ms. Manning stated the corrections are on page 5, change "Mr. Jones" to "Dr. Jones", on page 6 under Programs Recommended for Approval, change "applicants" to "applications", and on page 9 under Pending Applications, omit language that reads "White Application Review Committee report-go to KCARD."

Commissioner Quarles entertained a motion to approve the minutes of the November 17, 2017 board meeting.

Mr. Foree moved to approve the minutes, with changes; Mr. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous.

Executive Director's Report

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

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

Mr. Beeler commented on the proposed one dollar cigarette tax.

Mr. Beeler mentioned the GOAP internship program; applications are due January 5, 2018.

Mr. Beeler updated the board on his activities since the November 17, 2017 board meeting.

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*).

Ms. Gardner played the December PEP TV commercials.

Mr. McCloskey directed the board's attention to the GOAP financial report as of November 27, 2017 (*on file*).

Mr. McCloskey directed the board's attention to the county account balances report as of November 20, 2017 (*on file*).

Mr. McCloskey reviewed the Kentucky Agricultural Finance Corporation (KAFC) Statement of Financial Position (*on file*) as of November 30, 2017.

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

VOTE: Motion Passed; Unanimous.

Committee Reports/Presentations

Commissioner Quarles called on Maury Cox, Executive Director KDDC, to deliver the Kentucky Dairy Development Council's (KDDC) presentation.

Mr. Cox presented to the board as a requirement of the legal agreement on the Kentucky Dairy Development Council, A2016-0184 (*on file*).

Mr. Henderson commended the KDDC for the work it does.

Mr. Henderson mentioned changing the wording of the benchmarks and goals to include the following language: KDDC shall determine whether each dairy producer has an agricultural water quality plan and assist farmers with maintaining updated plans.

The KDDC Recipient Review Committee recommended approval of KDDC's request of \$953,491 in State funds for the 2018 budget year funding, as presented with the five percent reduction (*on file*).

Mr. Henderson moved for approval of the amendment request with the change in the agricultural water quality benchmark goal; Mr. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous.

Commissioner Quarles called on Becky Thompson, Director KBN, to deliver the Kentucky Beef Network (KBN) presentation.

Ms. Thompson presented to the board as a requirement of the legal agreement on Kentucky Beef Network, A2016-0192 (*on file*).

The KBN Recipient Review Committee recommended approval of KBN's request in the reduced amount of \$864,023 for 2018 budget year funding, as presented with the five percent reduction (*on file*).

Mr. Hunt commented on the success of the KBN.

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

Mr. Mattingly moved to amend the motion changing the benchmark wording from 1) "encourage" to "require" field associates to make 10-15 new contacts monthly and 2) consider UK and KBN to coordinate efforts with extension and field associates; Mr. Henderson seconded the motion.

VOTE: Motion Failed, Mr. Foree and Dean Cox abstained.

Commissioner Quarles called question on the main motion.

VOTE: Motion Passed; Mr. Foree and Dean Cox abstained.

Old Business

Memo Action Items

Commissioner Quarles called on Bill McCloskey and Steve Doan to present the following memo action items:

A2017-0043 Hancock County Fair Board, Inc.

Mr. McCloskey presented a memorandum (*on file*) from Ms. Osterman, regarding the above-referenced project. This is a budget amendment request for the Hancock County Fair Board, Inc. to reallocate funds to reduce the amount of funding for ventilation and increase the amount of funds budgeted for gates and concrete.

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

VOTE: Motion Passed; Unanimous.

A2017-0200 St. Mary School

Mr. Doan presented a memorandum (*on file*) regarding the above-referenced project. This is legal agreement amendment request. The Recipient has requested to substitute the Catholic Diocese of Lexington as a party to the Legal agreement.

Mr. Mahan moved to approve the request, as presented; Mr. Foree seconded the motion.

VOTE: Motion Passed; Unanimous.

A2017-0065 Haydens Farms, LLC

Mr. McCloskey presented a memorandum (*on file*) from Ms. Osterman, regarding the above-referenced project. This is a budget amendment request.

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

In response to a question from Mr. Foree, staff provided more detail on improvements with reference to a revised budget.

VOTE: Motion Passed; Unanimous.

A2016-0065 Allen County Fiscal Court

Mr. McCloskey presented a memorandum (*on file*) from Ms. Osterman, regarding the above-referenced project. This is a second 6-month time extension request.

Mr. Foree moved to approve the request, as presented; Dr. Jones seconded the motion.

VOTE: Motion Passed; Unanimous.

A2016-0224 Eastern Kentucky University

Mr. McCloskey presented a memorandum (*on file*) from Ms. Osterman, regarding the above-referenced project. This is a 6-month time extension request.

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

VOTE: Motion Passed; Unanimous.

New Business

New Applications for Referral¹

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

Mr. McCloskey referenced four (4) new applications 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 Approval²

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

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

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

Mr. McCloskey referenced five (5) County Agricultural Investment Program (CAIP) applications requesting county funds totaling \$418,760; one (1) Deceased Farm Animal Removal Program (DAR) application totaling \$7,500; one (1) Next Generation Beginning Farmer Pilot Program application totaling \$30,000; and two (2) Youth Cost-Share Program applications totaling \$35,000.

Mr. Mahan moved to approve the program recommendations, as presented; Mr. Foree seconded the motion.

VOTE: Motion Passed; Unanimous.

Requested Program Amendments³

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

Mr. McCloskey referenced three (3) requested program amendments seeking additional county funds totaling \$44,613.23.

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

VOTE: Motion Passed; Unanimous.

Project Recommendations for Funding

Commissioner Quarles called on Ms. Osterman, Mr. McCloskey, and Mr. Baker to present the following recommendations for funding:

A2017-0205 Brush Creek Volunteer Fire Department, Inc.

Ms. Osterman referenced the above application from Brush Creek Volunteer Fire Department, Inc. requesting \$6,000 in Casey County funds to purchase grain bin rescue equipment.

The Blue Application Review Committee recommended funding the request for up to \$6,000 in Casey County funds, subject to terms and conditions.

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

VOTE: Motion Passed; Unanimous.

A2017-0208 Pennyryle Resource Conservation and Development Area, Inc.

Mr. McCloskey referenced the above application from Pennyryle Resource Conservation and Development Area, Inc. requesting \$40,000 in Christian County funds for an environmental education project to include a botanical garden, enviroscape, educational signage and a building for student and adult activities.

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

The Blue Application Review Committee recommended funding the request for up to \$40,000 in Christian County funds, subject to terms and conditions.

Mr. Pedigo moved to approve the committee recommendation; Mr. Warner seconded the motion.

VOTE: Motion Passed; Mr. Hunt abstained.

A2017-0211 Kentucky Association of Food Banks, Inc.

Mr. Baker referenced the above application from Kentucky Association of Food Banks, Inc. requesting \$185,000 in State funds to create a pilot program, the Kentucky-Grown Vegetable Incentive Program (K-VIP), that would provide Summer Food Service Program (SFSP) participating sponsors an incentive to help cover some of the costs of procuring fresh produce from Kentucky farmers.

The Blue Application Review Committee recommended funding the request for up to \$185,000 in State funds, subject to terms and conditions.

Mr. Mattingly asked how many food banks KADF supports.

In response to the question from Mr. Mattingly, GOAP staff clarified that the Kentucky Association of Food Banks receive Master Settlement Agreement dollars before it gets to KADF. GOAP staff also stated that KADF has not supported an individual food banks.

Ms. Moyer moved to approve the committee recommendation; Ms. Moyer seconded the motion.

VOTE: Motion Passed; Commissioner Quarles abstained.

A2017-0213 Laurel County Cattlemen's Association, Inc.

Ms. Osterman referenced the above application from the Laurel County Cattlemen's Association, Inc. requesting \$27,000 in Laurel County funds to expand its sale ring and spectator seating.

The Blue Application Review Committee recommended funding the request for up to \$27,000 in Laurel County funds, subject to terms and conditions.

Mr. Mattingly moved to approve the committee recommendation; Mr. Hughes seconded the motion.

VOTE: Motion Passed; Unanimous.

Pending Applications

Mr. McCloskey referenced the following three (3) pending applications:

A2017-0146	Pumpkin Vine Creek, LLC
A2017-0173	Two Rivers Fisheries, Inc.
A2017-0214	Kentucky Division of Water

No action necessary on pending applications.

Closing Remarks

Commissioner Quarles stated that the Blue Application Review Committee will meet a half hour after adjournment in Room E/F.

Commissioner Quarles stated that the next KADB meeting is on Friday, January 19, 2018 beginning at 10:00 a.m. at the Franklin County Extension Office, 101 Lakeview Court, Frankfort, KY 40601.

Adjournment

Commissioner Quarles entertained a motion to adjourn.

Mr. Mahan moved to adjourn the December KADB meeting; Dr. Jones seconded the motion.

VOTE: Motion Passed; Unanimous.

The KADB meeting adjourned at 12:11 p.m. (EST).

APPROVED DATE: 1-19-2018

PRESIDING OFFICER: 

BOARD SECRETARY: Tracey Park

APPENDIX A: New Applications for Referral

APP #	APPLICANT	COUNTY
A2017-0221	Butler County Conservation District <i>Grain Bin Rescue Equipment</i>	Butler
A2017-0224	Wolfe County Fiscal Court <i>Agriculture Pavilion</i>	Wolfe
A2017-0225	Kentucky Highlands Investment Corporation <i>SOAR Revolving Loan Program</i>	Laurel
A2017-0226	Berea College Grow Appalachia <i>Grower Technical Services</i>	Madison

APPENDIX B: Programs Recommended for Approval

CAIP

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2017-0217	Butler County Conservation District	Butler	\$83,707.00
A2017-0220	Knox County Conservation District	Knox	\$42,657.00
A2017-0227	Leslie County Conservation District	Leslie	\$60,106.00
A2017-0228	Bullitt County Cattlemen's Association, Inc.	Bullitt	\$100,000.00
A2017-0229	Northern Kentucky Cattle Association, Inc.	Boone	\$132,290.00
			\$418,760.00

Deceased Farm Animal Removal Program

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2017-0219	Scott County Conservation District	Scott	\$7,500.00
			\$7,500.00

Next Generation Beginning Farmer

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2017-0218	Scott County Conservation District	Scott	\$30,000.00
			\$30,000.00

Youth Ag Incentives Program

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2017-0222	Rowan County Extension District Board	Rowan	\$20,000.00
A2017-0223	Wolfe County Fiscal Court	Wolfe	\$15,000.00
			\$35,000.00

Total County Funds Recommended for Approval in Programs: **\$491,260.00**

APPENDIX C: *Requested Program Amendments*

App # A2016-0137
Applicant Name Franklin County Cattlemen's Association, Inc.
Original Amount Approved \$142,663
Execution Date 9/9/2016
Requested Change The applicant requests an additional \$449.23 in Franklin County funds for the *CAIP Program*. The request received a high priority from the Franklin County Council.
 This is the **second** 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 \$217,567.23
Recommend Approval

App # A2017-0060
Applicant Name Green River Area Beef Improvement Group, Inc. (McLean)
Original Amount Approved \$53,000
Execution Date 7/1/2017
Requested Change The applicant requests an additional \$18,643 in McLean County funds for the *CAIP Program*. The request received a high priority from the McLean 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 \$71,643.
Recommend Approval

App# A2017-0061
Applicant Name Green River Area Beef Improvement Group, Inc. (Daviess)
Original Amount Approved \$100,000
Execution Date 7/1/2017
Requested Change The applicant requests an additional \$25,521 in Daviess County funds for the *CAIP Program*. The request received a high priority from the Daviess 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 \$125,521.
Recommend Approval

APPENDIX D: KDDC Meeting Minutes

Meeting Date:	11/16/17
Meeting Location:	GOAP Office
Meeting Chair:	Pat Henderson
Attendees:	Committee: Pat Henderson, Bobby Forree, Dr. Gordon Jones, Tim Hughes GOAP Staff: Warren Beeler, Steve Doan, Sandra Gardner, Bill McCloskey KDDC Staff & Board: Maury Cox, Richard Sparrow
Minutes Issued By:	Stefanie Osterman
Meeting Call to Order:	9:00
Meeting Adjourned:	10:00

Agenda Items:

1. Benchmark-Discussion of benchmark for KY Ag Water Quality Plan
 - a. KY Ag Water Quality Plan- There was an in depth discussion about the language for KDDC involvement with KY Ag Water Quality Plans..
Action: KDDC committee recommends that the benchmark read as follows:
Determine whether each KY Dairy producer has an ag water quality plan and assist dairy farmers with maintaining updated plans.
2. Recommendation
Action: KDDC committee recommends approval of the additional funding for 2018.

APPENDIX E: Blue Application Committee Meeting Minutes

Meeting Date:	12/15/2017
Meeting Location:	Franklin County Extension Office
Meeting Chair:	Bill McCloskey
Attendees:	Bobby Foree, Al Pedigo, Keith Rogers, Katie Moyer, Sarah Butler, Bill McCloskey, Warren Beeler, Steve Doan, Stefanie Osterman Sandra Gardner, Hannah Forte, Tracey Parks
Minutes Issued By:	Stefanie Osterman
Meeting Call to Order:	1:00
Meeting Adjourned:	3:00

Agenda Items: Pending and New applications
<ol style="list-style-type: none">1. 2017-0221 Brush Creek Volunteer Fire Department<ol style="list-style-type: none">a. Recommend to approve as submitted.2. 2017-0224 Butler County Conservation District<ol style="list-style-type: none">a. Recommend to approve as submitted.3. 2017-0225 Kentucky Highlands Investment Corporation<ol style="list-style-type: none">a. Recommend to approve as submitted with monitoring for 5 years.4. 2017-0226 Berea College Grow Appalachia<ol style="list-style-type: none">a. Recommend to approve with budget category Project Oversight reduced from \$80,000 to \$40,000. Total KADF funds now equals \$269,664. Benchmarks are to be determined with GOAP staff working with Grow Appalachia staff using USDA NIFA and USDA NRCS grants reporting. Annual reporting required similar to other large projects. Presentation due towards the end of the project.

APPENDIX F:KDDC Recipient Review Committee Meeting Minutes



Meeting Date:	11/16/17
Meeting Location:	GOAP Office
Meeting Chair:	Pat Henderson
Attendees:	Committee: Pat Henderson, Bobby Foree, Dr. Gordon Jones, Tim Hughes GOAP Staff: Steve Doan, Sandra Gardner, Bill McCloskey KDDC Staff: Maury Cox, Bob Hastings
Minutes Issued By:	Stefanie Osterman
Meeting Call to Order:	9:00
Meeting Adjourned:	11:30

Agenda Items:

1. Fiscal Information-Update

a. Budget vs. Expenditures

There was a discussion about the budget categories.

Action: Sandra Gardner will work with Maury on lining up the KADF funds with the budget categories.

b. Financial Statements

Review of balance sheet with explanations given for Deferred Revenue and Retained Earnings. The explanation of other payroll expenses were also discussed. Future statements will have the other payroll expenses included in allocated wages/benefits.

2. Benchmark-Progress Update

- a. MILK Program-In the 2nd quarter of 2017, 131 producers qualified under the new milk quality program receiving \$154,000 in KADF funds. The committee would like to see the changes graphed in the future. Committee needs to see documentation that farmers are getting paid and KADF funds are being matched by the milk marketing companies.

Actions:1. KDDC should get the MILK program quarterly report signed by the milk companies and return back to KDDC. 2. KDDC should add 2 columns to the MILK program quarterly report that split out the KDDC and milk company portion of the premium payments. 3. KDDC should submit a log of producers called to verify that premium payments are received.

- b. Dairy Compliance Initiative-KDDC has started the process of getting information on water quality plans.

Action: KDDC should begin tracking when Kentucky dairy farmers Ag Water Quality Plans (AWQP) are current.

- c. Dairy Consultant Program

As of August 2017, 314 farms out of 593 have been visited this year.

- d. MILK Counts program-Discussion on KDDC staff that will be able to assist with this program including local veterinarians and certified nutritionists.

- e. MILK Matters Newsletter-Committee appreciates KDDC efforts in reducing costs and working towards being self-sustaining.

APPENDIX F:KDDC Recipient Review Committee Meeting Minutes



Agenda Items:

- Action: Add one more line in this benchmark to indicate the newsletter is self-sustaining. In the future, the annual report should be included as an operating expense and not included with the newsletter financial report.
- f. Kentucky Dairy Care Program
For this program, KDDC has expended approximately \$37,000.
Action: KDDC should keep up with who is taking 365 training. KDDC should also look for opportunities to have educational presentations at conferences and meetings conducted.
3. Review Amendment Request
- a. Need for additional funds: The 5% decrease was discussed.
Action: Sandra Gardner will work with KDDC on finalizing budget.
- b. Changes for 2018-Committee said they need to reiterate beginning the process of tracking of the Dairy Compliance and the Dairy Care programs.
4. Next meeting-Committee may need to meet via conference call before the next board meeting to determine if the budget and benchmarks are updated properly.

APPENDIX G: KBN Recipient Review Committee Meeting Minutes



Meeting Date:	Thursday, November 16, 2017
Meeting Location:	GOAP
Meeting Chair:	Stewart Hughes
Attendees:	Committee: Stewart Hughes, Sarah Butler, John McCauley, Pat Henderson KBN Staff: Becky Thompson, Dan Miller UK Staff: Dr. Steve Higgins, Dr. Jeff Lehmkuhler GOAP Staff: Tammy Miller, Marielle Manning, Bill McCloskey, Sandy Gardner
Minutes Issued By:	Marielle Manning
Meeting Call to Order:	2:15 PM
Meeting Adjourned:	4:00 PM

Agenda Items:

1. A2016-0210 Grant Benchmarks, Goals and Objectives – Progress Update
 - a. Integrated Reproductive Management Farm Program
 - b. KBN Field Associates Program
 - c. Linking Environment and Farming
 - i. 2018 Amendment to add large self-feeding hay rack (demo at Eden Shale)
 - d. BQCA Cattle Handling and Care Program
 - i. “New” for 2018, BQCA combined the CHC and BQA programs, launches Dec. 1, 2017
 - e. Master Cattlemen
 - f. Applied Master Cattlemen
 - g. Graze 300 – Master Grazer Educational Program
 - h. Beef Production Efficiencies Conference during KCA Convention on January 11, 2018
2. Review Amendment Request
 - a. KBN Program Funding Changes for 2018
 - i. IRM decreased by \$48,788
 - ii. “New” for 2018 Southeast Backgrounding Short Course \$16,500
 - iii. BQCA decreased by \$4,500
 - iv. Beef Efficiency Conference increased by \$75
 - b. KBN Administrative Funding Changes for 2018
 - i. Field Associates increase by \$4,340
 - c. UK Funding Changes for 2018
 - i. Increase personnel funding by \$10,476
 - ii. “New” for 2018 Bull Value Assessment Program \$13,000
 - iii. No 2018 Master Cattlemen Program, decreased \$3,750
 - iv. Master Grazer Program decreased by \$2,100
 - d. Changes for 2018
 - i. Bull Value Assessment “New”
 - ii. Southeast Backgrounding Short Course “New”
3. Next Presentation – Dec. 15, 2017
4. Committee recommended funding of amendment request, less the \$228 difference.