

The actions delineated below were taken in open session of the Kentucky Agricultural Development Board at the March 18, 2022 business meeting. This is provided in summary form; an official record of the meeting is available in the permanent records of the Kentucky Office of Agricultural Policy, 404 Ann Street, Frankfort, Kentucky 40601.



**Kentucky Agricultural Development Board
Summary Minutes of the Regular Business Meeting
March 18, 2022
Shelby County Extension Office
Shelbyville, KY 40065**

Call to Order

Commissioner of Agriculture Ryan Quarles presiding, called the Kentucky Agricultural Development Board (KADB) regular business meeting to order at 9:35 a.m. (EDT).

Roll Call

The following members were present: Commissioner of Agriculture Ryan Quarles, Dean Nancy Cox, Bobby Foree, Michael Peterson, Dr. Kirk Pomper (designee for KSU President Clara Stamps), Sarah Butler (designee for interim Secretary Larry Hayes), Anne Marie Franklin (designee for Governor Andy Beshear), Fritz Giesecke, Matt Hinton, Wayne Hunt, Al Pedigo, Mark Barker, and Tom McKee.

Absent Members: Suzanne Cecil White, Dr. Gordon Jones, and Brenda Paul.

Notification of Media

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

Welcome

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

Commissioner Quarles introduced guest Shelby County Judge Executive, Dan Ison, and Deputy Executive Judge, Jon Park.

Kentucky Department of Agriculture Report

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

Executive Director's Report

Commissioner Quarles called on Brian Lacefield, KOAP Executive Director, to present the KOAP Executive Director's report to the board. Mr. Lacefield referenced upcoming 2022 CAIP Administrator Trainings that will be taking place March 23 in Warren County and March 24 in McCracken County. Mr. Lacefield discussed moving September's Joint Meeting to November due to Veterans Day.

Approval of Minutes

Commissioner Quarles entertained a motion to approve the minutes of the February 18, 2022 board meeting.

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

VOTE: Motion Passed; Unanimous.

Deputy Executive Director's Report

Commissioner Quarles called on Bill McCloskey, KOAP Deputy Executive Director, to present the compliance and financial report to the board.

Mr. McCloskey referenced the Kentucky Agricultural Development Fund State Pool Tobacco Funds (*on file*) as of February 24, 2022.

Mr. McCloskey reviewed Kentucky Agricultural Development Fund County Balances (*on file*) as of February 24, 2022.

Mr. McCloskey reviewed the K AFC Statement of Financial Position (*on file*) as of February 23, 2022.

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

VOTE: Motion Passed; Unanimous.

KADB Compliance Committee

Commissioner Quarles called on Mark Barker to give the KADB Compliance Committee report.

Mr. Barker moved to adjourn into closed session pursuant to KRS 61.810(1) (c) to discuss proposed litigation against American Black Herford Association, Mr. Foree seconded the motion. *The Board entered into closed session at 10:52 a.m.*

Mr. Pedigo moved to adjourn into open session pursuant to KRS 61.810(1) (c); Mr. McKee seconded the motion.

The Board reconvened in open session at 11:03 a.m.

Mr. Barker moved that the Board direct Assistant Attorney General Ms. Olivia Amlung to communicate their decision to accept the ABHA's offer to repay \$8,000 with the condition that they are ineligible to receive future funding from the Kentucky Agricultural Development Board. Mr. Hinton seconded the motion.

Vote: Motion Passes; Unanimous

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

VOTE: Motion Passed; Unanimous.

KADB Program Evaluation Committee

Commissioner Quarles called on Matt Hinton to give the KADB Program Evaluation Committee report.

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

VOTE: Motion Passed; Unanimous.

Memo Action Items

Commissioner Quarles called on Sarah Bryant and Mr. McCloskey to present the following memo action items.

2022 CAIP Guidelines: Large Animal Investment Area Prerequisites Update

Ms. Bryant referenced a memorandum (*on file*) for the above referenced request for revisions to the "2022 Large Animal Investment Area Guidelines."

The KADB Program Evaluation Committee recommends the following changes:

All bulls purchased through this program must pass a Breeding Soundness Evaluation (BSE) – within the last ninety (90) days – prior to receiving cost-share funds. The cost of a BSE should be negotiated between the buyer and seller and can be included in the total cost of the bull purchase.

Ownership of all breeding stock must be maintained for a minimum of two (2) successive breeding seasons, and a minimum of twelve (12) months.

Beginning 2021, all bulls purchased through this program must be genomically tested (genomic-enhanced EPDs) or have an accuracy value for Calving Ease EPD of .25 or above.

Mr. Foree moved to accept the committee recommendation for changes to ownership and calving ease value requirements, leaving the BSE requirements unchanged from current guidelines; Mr. Pedigo seconded the motion.

VOTE: Motion Passed; Unanimous.

Project Time Extensions

Mr. McCloskey referenced three (3) projects requesting time extensions (*on file*).

A2020-0142 Central Kentucky Custom Meats

A2019-0162 Owsley Brown Frazier Historical Arms Museum

A2020-0338 Pulaski County Extension District Foundation

Staff recommended approval of these time extension requests.

Dr. Pomper moved to accept the staff recommendation, as presented; Mr. Barker seconded the motion.

VOTE: Motion Passed; Unanimous.

New Business

New Applications for Referral

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

Mr. McCloskey referenced one (1) new application for referral.

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

VOTE: Motion Passed; Unanimous.

Programs Recommended for Approval

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

Ms. Bryant referenced seven (7) County Agricultural Investment Program (CAIP) applications totaling \$974,458; three (3) Deceased Farm Animal Removal (DAR) application totaling \$15,000; two (2) Shared-Use Equipment applications totaling \$25,625; three (3) Youth Ag Incentives applications totaling \$115,000. The total program funding is \$1,130,083.

Staff recommended approval of these applications.

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

VOTE: Motion Passed; Unanimous.

Requested Program Amendments

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

Ms. Bryant referenced two (2) counties' request for additional funds for existing CAIPs totaling \$58,256 (Jessamine and Carter County).

Staff recommended approval of these amendments.

Mr. Pedigo moved to approve staff recommendation, as presented; Mr. McKee seconded the motion.

VOTE: Motion Passed; Unanimous.

Pending Applications

Mr. McCloskey stated four (4) applications are pending.

A2021-0250 Gav's Meat Processing, LLC

A2021-0261 Edge Brothers Poultry, LLC

A2022-0007 RDP Consulting, LLC

A2022-0016 Alliance Packing KY, LLC

No action necessary on pending projects or programs.

Closing Remarks

Commissioner Quarles stated the KADB White Application Review Committee will meet immediately following adjournment of the KADB business meeting.

The Red Application Review Committee will meet thirty minutes upon adjournment of White Application Review Committee.

The next KADB meeting will be April 15, 2022 at 10:00 a.m. (EDT).

Adjournment

There being no further business, Mr. Rogers entertained a motion to adjourn the meeting at 11:29 a.m. (EDT).

Mr. Hinton moved to adjourn the March KADB meeting; Mr. Giesecke seconded the motion

VOTE: Motion Passed; Unanimous.

APPROVED DATE:

4-15-22

PRESIDING OFFICER:

Ryan Quarles
Commissioner Ryan Quarles

BOARD SECRETARY:

Hannah Johnson
Hannah Johnson, Board Secretary

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1. A detailed list of the New Applications for Referral is attached as Appendix A.
 2. A detailed list of the applications funded under the listed programs is attached as Appendix B.
 3. A detailed list of requested Program Amendments is attached as Appendix C.
 4. A detailed list of time extensions is attached as Appendix D.
 5. A detailed list of the White Application Review Committee Minutes E.
 6. A detailed list of the KADB Compliance Committee Minutes F.
 7. A detailed list of the Red Application Review Committee Minutes G.

APPENDIX: A

Kentucky Agricultural Development Fund

New Applications for Referral

APP #	APPLICANT	COUNTY	Cmte.
A2022-0035	Loretto Butcher Shop, LLC <i>Project</i>	Marion	Processing

Board Meeting

APPENDIX B:

Kentucky Agricultural Development Fund

Programs Recommended for Approval**CAIP**

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2022-0019	Rowan County Conservation District	Rowan	\$103,712.00
A2022-0021	Madison County Conservation District	Madison	\$235,000.00
A2022-0023	Bath County Conservation District	Bath	\$263,799.00
A2022-0025	Logan County Cattlemens Association Incorporated	Logan	\$76,447.00
A2022-0028	Taylor County Cattlemen's Association, Inc.	Taylor	\$110,000.00
A2022-0030	Owen County Farm Bureau, Inc.	Owen	\$50,000.00
A2022-0031	Spencer County Conservation District	Spencer	\$135,500.00
			\$974,458.00

Deceased Farm Animal Removal (DAR)

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2022-0020	Mason County Conservation District	Mason	\$7,500.00
A2022-0024	Bath County Conservation District	Bath	\$5,000.00
A2022-0033	LaRue County Conservation District	LaRue	\$2,500.00
			\$15,000.00

Shared-Use Equipment Program

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2022-0018	Pulaski County Conservation District	Pulaski	\$8,375.00
A2022-0034	LaRue County Conservation District	LaRue	\$17,250.00
			\$25,625.00

Youth Ag Incentives Program (Youth)

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2022-0022	Bath County Cattleman Association, Inc.	Bath	\$30,000.00
A2022-0026	Logan County Cattlemens Association Incorporated	Logan	\$70,000.00
A2022-0029	Owen County 4-H Club Council, Incorporated	Owen	\$15,000.00
			\$115,000.00

Total County Funds Recommended for Approval in Programs: **\$1,130,083.00**

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Requested Program Amendments

App # A2021-0025
Applicant Name Jessamine County FFA Alumni Association, Inc.
Original Amount Approved \$100,000 + \$80,000 amend
Execution Date 06/03/2021
Requested Change The applicant requests an additional \$24,500 in Jessamine County funds for the *CAIP Program*. The request received a high priority from the 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 \$204,500.
Recommend Approval

App# A2021-0183
Applicant Name Carter County Conservation District
Original Amount Approved \$130,292
Execution Date 10/20/2021
Requested Change The applicant requests an additional \$33,756 in Carter County funds for the *CAIP Program*. The request received a high priority from the County Council.
 This is the first request for an amendment to this application number.
 The term of the program shall remain 12-months from the execution date of the original agreement.
 Approval of this request would bring the program total to \$164,048.
Recommend Approval

APPENDIX D: Requested Time Extensions

App# A2020-0142
Applicant Name Central Kentucky Custom Meats
Amount Approved \$250,000 in State funds
Execution Date 9/29/2020
Requested Change The applicant is requesting a 6-months' time extension to complete the project. This is due to the applicant having problems with a contractor.
\$144,297 State funds have been disbursed this far.
The new deadline will be September 29, 2022.

Staff Recommends Approval

App# A2019-0162
Applicant Name Owsley Brown Frazier Historical Arms Museum
Amount Approved \$50,000 State funds
Execution Date 11/22/2019
Requested Change This is the applicant's 3rd time extension. The applicant is requesting another time extension for 6-months to complete the project, COVID-19 has delayed the applicant ability to get allow school kids in to the museum. \$22,117 in state funds have been disbursed.
The new deadline will be November 22, 2022.

Staff Recommends Approval

App# A2020-0338
Applicant Name Pulaski County Extension District Foundation
Amount Approved \$1,988 Pulaski County funds
Execution Date 4/23/2021
Requested Change The applicant is requesting another time extension for 6-months to complete the project.
The new deadline will be October 23, 2022.

Staff Recommends Approval

**APPENDIX E: White Application Review
Committee Minutes**

Meeting Date:	3/18/2022
Meeting Location:	Shelby County Extension Office
Meeting Chair:	Bill McCloskey
Attendees:	Committee Members: Keith Rogers, Dr. Gordon Jones, Fritz Giesecke, Thomas McKee KOAP Staff: Bill McCloskey, Brian Lacefield, Danielle Milbern, Brian Murphy, Kara Keeton, Sarah Bryant, Nick Van Over, Lane Ryan, Diana Carrier, Hannah Johnson
Minutes Issued By:	Danielle Milbern
Meeting Call to Order:	11:51 p.m. EDT
Meeting Adjourned:	12:00 p.m. EDT

Agenda Items:	
1. A2019-0103	Metcalf County Extension District Board a) Committee recommends approving the applicant's request for a budget reallocation.

APPENDIX F: KADB Compliance Committee Meeting Minutes

Meeting Date:	March 18, 2022
Meeting Location:	Shelby County Extension Office in Shelbyville, Kentucky
Meeting Chair:	Kara Keeton, Director of Communications
Attendees:	Committee: Mark Barker, Sarah Butler, Bobby Foree Staff: S. Bryant, D. Carrier, , K. Keeton, B. Lacefield, B. McCloskey, D. Milbern, B. Murphy, K. Rogers, N. Van Over, M. Williams Guests: Aleta Botts, Olivia Amlung
Minutes Issued By:	Kara Keeton
Meeting Call to Order:	8:00 a.m. EST
Meeting Adjourned:	9:11 a.m. EST

Agenda Items:

- I. Call to Order**

- II. Minutes**
Bobby Foree moved to accept the minutes as presented and Mark Barker seconded. Motion passed.

- III. New Business**
 - a. Loretto Butcher Shop
Martin William presented a request from Tommy Yates to transfer the responsibility of the moratorium and remaining forgivable loan balance on Loretto Burcher Shop, project A2021-0141, to Josh and Felicia Geron. The Gerons are purchasing Loretto Butcher Shop and plan to continue processing animals. The memo will go to the full board in April.

 - b. KADF Evaluation Study
The committee discussed the need for an evaluation of KADF investments upon the Fund's 20th anniversary. The committee asked staff to develop a draft RFP with study parameters and objectives for board review.

- IV. Compliance Review**
 - a. KADF Master Loan List
The list of eleven (11) 0-2% interest loans were reviewed. All loans are in compliance.

 - b. Forgivable Loan Tracking Sheet
The list of twenty-nine (29) open forgivable loans were reviewed. The majority of the loans are from the Meat Processing Investment Program.

 - c. Age Progression Late Report
The list of projects/programs with reporting 31 or more days late was reviewed. Staff provided updates on follow-up activities

d. **Site Visit Update**

The list of fourteen (14) site visits in February was presented.

V. Old Business

a. **American Black Hereford Association (ABHA) A2017-0025**

Brian Murphy, General Counsel, reviewed the background related to the issue. Mr. Murphy introduced Olivia Amlung, Assistant Attorney General, who is representing the KADB in negotiations with ABHA.

Sarah Butler moved to adjourn into closed session pursuant to KRS 61.810 (1)(c) to allow Olivia Amlung to give an update on the proposed litigation. Bobby Foree seconded the motion. Motion passed and the committee entered closed session at 8:44 am.

The committee reconvened in open session at 9:06 am.

Sarah Butler moved to recommend to KADB to accept the ABHA's offer to repay \$8,000 with the condition that they are ineligible to receive future funding from the Kentucky Agricultural Development Board. Mark Barker seconded the motion. Motion passed.

VI. Next Meeting

The next meeting will take place in April, date and time to be announced.

VII. Adjournment

Sarah Butler moved to adjourn. Mark Barker seconded the motion Meeting adjourned at 9:11 am.

APPENDIX G: Red Application Review Committee Minutes

Meeting Date:	3/18/2022
Meeting Location:	Shelby County Extension Office
Meeting Chair:	Bill McCloskey
Attendees:	Committee Members: Kirk Pomper, Mark Barker, and Keith Rogers KOAP Staff: Bill McCloskey, Brian Lacefield, Martin Williams, Brian Murphy, Hannah Johnson, Sarah Bryant, and Diana Carrier
Minutes Issued By:	Martin Williams
Meeting Call to Order:	12:39 pm EDT
Meeting Adjourned:	1:55 pm EDT

Agenda Items:

1. A2022-0016 Alliance Packing KY, LLC
 - a) Keith Rogers moved, Mark Barker seconded. Committee unanimously recommended funding the applicant \$400,000 in state and county funds as a cost-reimbursement forgivable loan subject to the approved terms and conditions.
 - b) The committee discussed some additional terms:
 - Equipment must be at the facility prior to disbursement with UCC filings taken out on the equipment
 - Include a clause for natural disaster circumstances
 - Allow roll over from year to year
 - Make Year 1 Jan. 1st- Dec. 31st of 2024 on the amortization schedule
 - Specify product handled through the facility must be Kentucky grown in order to count toward forgiveness
 - Any county funds earned will reduce the total loan repayment amount, not to exceed \$400,000

2. A2022-0007 RDP Consulting, LLC.
 - a) Committee unanimously recommends pending the application to gather more industry insight.

4. Adjournment
 - a) Committee adjourns after reviewing all applications.