

Kentucky Agriculture Resource Development Authority

Meeting Minutes

October 5, 1999

Bruce Harper, Chair, called the meeting to order at 11:00 a.m., at The Center for Rural Development in Somerset.

Members Present:

Bruce Harper, Chair; Terry Ashby; John Fritz, Jr.; Sharon Furches; John-Mark Hack representing Governor Paul E. Patton; Larry Jeffries; David Sparrow representing Dean C. Oran Little; George Martin; Mike Ovesen representing Glen Massengale; Billy Joe Miles; Rebeckah Freeman representing Sam Moore; Bill Payne; Commissioner Billy Ray Smith; Will Southerland; and Bettie Wallace.

Members Absent:

Dr. Harold Benson; Senator David Boswell; Morris R. Cave; Keith Harris; Scott Kuegel; Hoppy Lovell; Peter McNeill; E Martin Nichols, Jr.; Terry Rhodes; David Switzer; Representative Roger Thomas; and Martha Thompson;

Others Present:

Dean Wallace, Council for Burley Tobacco; Biff Baker, Legislative Research Commission; Steven Doss, Rebeckah Freeman, and J.K. Henshaw, Kentucky Farm Bureau; John Stevenson, Kentucky Cattlemen's Association; Sharon Burton, The Farmer's Pride; and Lisa Thomas, Governor's Office of Agricultural Policy.

Chairman Harper welcomed everyone and asked the members and guests to introduce themselves. The chairman advised that because of time constraints and the need to discuss issues for the 2000 session of the General Assembly, there would be no subcommittee meetings; however, subcommittee assignments were made and the list was distributed.

2000 Session:

Mike Ovesen discussed SB 241, Water Quality Plan. He advised that the message wasn't getting out, that few farms had been educated on how to submit a water quality plan. 70% of the poultry producers have been educated, but he wasn't sure of the number of plans that had been submitted. Only 5,500 of

88,000 water quality plans have been completed. The EPA's CAFO/AFO legislation is designed to make the company responsible for cleanup in the event of an environmental accident, even if the company has contracted to another farm. There is no time limit, can go back up to 20 years. This is not acceptable.

Except for certification, Kentucky's emergency regulations, currently enforce, already exceed the requirements of EPA's, proposed CAFO/AFO legislation. Mr. Ovesen requested that KARDA formally request that the Governor endorse CAFO/AFO as written today.

Chairman Harper advised the members and guests that immediately following lunch, there would be a tour of the *The Center*. The Board recessed for lunch.

THE CENTER FOR RURAL DEVELOPMENT

The 100,426 square foot facility serves forty counties of southern and eastern Kentucky. Housed within the walls of *The Center* are The Southern Kentucky Economic Development Corporation, Southern Kentucky Tourism Development Association, Southern Kentucky Agriculture Development Association, Small Business Administration, Export Assistance Center, Lake Cumberland Performing Arts, Kentucky Procurement Assistance Program, Kentucky Technology Service Incorporated, Small Business Development Center, The PRIDE program and the University of Kentucky College of Agriculture. In addition to housing these organizations, *The Center* also provides space for meetings, civic events, conventions, community service programs, teleconferencing and training seminars for business and industry groups.

The Center has full video and teleconferencing capabilities, a TV production studio, a distance-learning center, and a 760 seat theatre-full stage with fly loft, orchestra pit, dressing rooms etc.

The major objectives of *The Center* are to redirect development of efforts toward support of entrepreneurs, small and new businesses, and the expansion of the region's existing industries; to generate regional development plans and programs that focus the strengths and resources within the region; to increase research and development efforts by seeking major grants and supporting technologies; to develop an agricultural marketing program that focuses on product utilization and development of local processing facilities; to develop a comprehensive worker retraining program that includes basic academic skills, career exploration, adult literacy, and basic programs; and to expand the promotion of tourism development in the region.

The board meeting reconvened at 1:50. Chairman Harper thanked Hilda Legg, Director of *The Center* for hosting the KARDA meeting and for the tour. He commended her on the fabulous facility and the tremendous job that she has done with it. He then thanked the Kentucky Pork Producers for lunch.

2000 Session Continued:

Commissioner Billy Ray Smith advised that the Department of Agriculture is revising legislation that will give agriculture more consideration on grants and tax incentives in an effort to draw agricultural industry into Kentucky.

Rebeckah Freeman, Kentucky Farm Bureau explained why Kentucky should pass legislation on CAFO/AFO. 1) Because it's the right thing to do; 2) Because it offers farms protection from claims if they are implementing best management practices and have a water quality plan; 3) Because legislators must be shown that agriculture is doing something; and 4) Because it will give agriculture credibility with the Natural Resources and Environmental Protection Cabinet.

There was additional discussion on what KARDA's policy on CAFO/AFO would be. Chairman Harper appointed a committee to formulate KARDA's official recommendation. The committee appointments are as follows: Rebeckah Freeman, John-Mark Hack, Ira Linville, Glen Massengale, and Terry Ashby.

Commissioner Smith advised that the Department of Agriculture's budget issues include the investment of Phase I monies and drought relief. The department will be requesting the same budget plus the cost of inflation. Additions to the budget will include funding for 2 new positions in animal health and veterinary medicine at the Animal Diagnostic Lab, additional funding for the new value-added programs of bull sales and marketing coops, and an increase in PACE money.

Commissioner Smith stressed the importance of assuring that the members of the General Assembly understand that all budgets should come from the General Fund not the Phase 1 funds.

David Sparrow advised that budget requests for the University of Kentucky would address the next phase of development of the Animal Science Research Farm and the Plant Science Farm, which will incorporate biotechnology research. UK will have a package ready soon. He stated that the university was very committed to discussing with the legislators that their budget should come from the General Fund and not the Phase I tobacco settlement agreement funds.

John-Mark Hack updated the group on the Phase II Tobacco Settlement.

Billy Joe Miles discussed how farmers could make money in today's economy. He said that credit lenders continue to be the biggest problem of the farmer. Lenders must be educated on the needs of farmers. In order for farms to survive, the farmers must find a way to get the farm products into the food chain. Infrastructure is imperative, i.e., flour mills, slaughter houses, etc.

Commissioner Smith advised that a business plan is being designed for a beef processing plant.

Will Southerland advised that horticulture is making money. Coops are growing and prospering; however, there is a need for additional research.

Several members advised of upcoming meetings.

The next meeting of the KARDA board will be January 4, 2000.

With no further discussion, the board adjourned at 3:50 p.m.