

Kentucky Agricultural Development Board

Minutes of the August 19, 2005 Board Meeting

The regular meeting of the Kentucky Agricultural Development Board was held on **Friday, August 19, 2005** at **10:00 A.M.**, in the South Wing Board Room at the Fair and Exposition Center in Louisville, KY. Commissioner Farmer, presiding, called the meeting to order, and the Secretary called the roll.

Members Present

Donna Amburgey; H. H. Barlow; Vickie Yates Brown; John Cleaver; Rodney Dick; Commissioner Richie Farmer (Mike Judge, Designee); Dennis Griffin; Wayne Hunt; Sam Lawson; Jim Mahan; Sam Moore; Dean M. Scott Smith (Jimmy Henning, designee); Secretary Gene Strong (Don Goodin, designee)

Members Absent

Governor Ernie Fletcher; Danny Case

Others Present

Staff - Angela Blank; David Bratcher; Brian Furnish; Sandy Gardner; Tim Hughes; Kara Keeton; Maggie May; Bill McCloskey; Keith Rogers; Nick Whobrey; Jessica Woolums; Stephen Yates
Guests – Annette Walters, Kentucky Entrepreneurial Coach's Institute (KECI); Ron Hustedde, University of Kentucky (UK); Larry Jones, UK; Robert Amburgey; Dave Maples, Kentucky Cattlemen's Association (KCA); Becky Bennett, KCA; Anna Kindrick, Kentucky Department of Agriculture (KDA); Berea Ernst, Community Farm Alliance (CFA); David Nevittes; John Brent; Felix Taylor, Knotwood Craftsman Corporation; Mark Taylor, Knotwood Craftsman Corporation; Jack Fifield; Tim Lunsford; Terry Conners, UK; Jeff Henderson, Jackson County Extension Agent; Rodney Chrisman.

Notification of Media

Commissioner Farmer received verification from Keith L. Rogers, Chief Executive Officer, that the media had received notice regarding the Agricultural Development Board meeting.

Welcome

Commissioner Farmer welcomed the Board and guests to the 101st Kentucky State Fair. Commissioner Farmer explained that he would be attending a Fair Board meeting this morning and turned the meeting over to Mike Judge.

Approval of Minutes

Sam Lawson moved to approve the minutes of July 27, 2005. Rodney Dick seconded the motion. The motion passed without dissent.

Executive Director's Report

Mike Judge yielded the floor to Mr. Rogers for the Executive Director's Report.

Presentation from the KY Entrepreneurial Coach's Institute (KECI)

Mr. Rogers welcomed Ron Hustedde, Director and Larry Jones, Co- Director of KECI, Tony Watkins, participant from Owen County, and Annette Walters also a participant from Mason County.

Dr. Hustedde presented a power point presentation. (On file with Board Secretary)

Dr. Hustedde introduced Annette Walters from Mason County who was a tobacco farmer, is on the Kentucky Agriculture Finance Board of Directors and is working on two Agricultural Development fund projects as an Entrepreneurial Coach.

Dr. Hustedde introduced Tony Watkins from Owen County. Mr. Watkins explained that the best thing is the Youth Entrepreneur Program (YEP), which is being formed by the schools.

Ms. Amburgey asked about the next class and if KECI will go into different regions or the same. Ms. Walters responded that it would be held in the same region. Dr. Hustedde explained that KECI was only funded as a pilot for Northeast Kentucky.

Mr. Dick asked how many new businesses have been started. Dr. Hustedde explained that it is hard to put a number on that, however, KECI has had some successes. There are participants that decide their idea was not good and do not start their business. There are no numbers put on this until after November when the participants complete their projects.

Mr. Dick asked if any businesses have been opened this year. Dr. Hustedde replied yes. Mr. Furnish explained that KECI has worked with at least ten, but KECI does not know if they have been successful yet.

Mr. Griffin asked how much of ADF money has been spent. Dr. Hustedde replied close to \$500,000.

Ms. Amburgey asked how much each participant invested while participating in this program. Dr. Hustedde responded the transportation to the seminars, passport, snacks and they are out a lot of time.

Ms. Amburgey asked why the ADB picked this region and not scatter this program around the state. Dr. Hustedde explained there were very few proposals from Northeast Kentucky and they were not polished, so KECI was targeted toward this highly tobacco impacted area.

Mr. Hunt stated that this project applied for more than what they actually received. The counties that were chosen are highly tobacco impacted counties and this was pilot project. Mr. Furnish explained they were trying to see if it would work first.

Mr. Lawson explained that he questioned this project at length because he did not think Dr. Hustedde could do what he said he was going to do, but it did work because the program was training the trainer.

Mr. Cleaver asked if Ms. Walters and Mr. Watkins sought the applicants out. Ms. Walters explained that KECI set up a support team through the extension office that forwarded them contacts.

Dr. Hustedde explained that the participants have to give fifty hours back to the community after they graduate.

Mr. Dick asked if this is duplicating what Rick Raque is doing. Mr. Furnish responded no that Mr. Raque's program has to do with food and marketing. Ms. Walters explained that KECI coaches would send applicants to him.

Mr. Lawson stated that they are changing the whole attitude in that region. Mr. Furnish stated that he and Mr. Yates had scored sixty two applicants and there are only thirty spots for the next class.

Executive Directors Report

Mr. Rogers introduced Jessica Woolums as an administrative assistant who will be an assistant to the Project Analysts.

Mr. Rogers stated that Catherine Ball, General Counsel, is still on maternity leave.

Mr. Rogers explained the Board Packet is a new format and staff will take any comments or input about the changes.

Mr. Rogers stated that the Board will break at noon and will need to return at 1:00 PM.

Mr. Rogers reported on the Tobacco Oversight Committee. The funded projects had nothing to report. The only no funded project was Christian County and no appeal as of right now were made.

Mr. Cleaver asked if there was any reaction on the over turn of the Central Kentucky Angus Association. Mr. Rogers responded that they were very pleased.

Mr. Rogers yielded the floor to Tim Hughes to give a report on the Kentucky Agricultural Finance Corporation.

Mr. Hughes explained that the KAFC Board meeting was canceled in August and the next meeting would be September 9, 2005. Mr. Rogers explained that there is a lot of activity and staff is working with the banks to try to accomplish the goal of KAFC.

Mr. Rogers reviewed the contents of the update folder. (On File with Board Secretary)

Mr. Rogers stated that the Regional Round Tables are completed except for one make up meeting in Danville.

Mr. Rogers explained the Attorney General sided with GOAP on every issue on the open meetings request. GOAP prevailed on the seven page ruling.

Mr. Rogers explained that the horticulture information that was requested will be mailed by the end of August. There will be no presentations in September because of the extra

amount of projects due to agri-tourism. The Board needs to be aware that we are having problems with agreeing on a contract with Dan Reeder and Board members may be contacted. Mr. Rogers explained that a letter was sent, which was the last offer.

Mr. Rogers reminded the Board that Friday, September 16 is the next Board meeting, October 21 the Board meeting will be in Frankfort, and the November 17 and 18 Planning Meeting will be at Blue Licks State Park.

Mr. Cleaver asked if staff would be scoring the agri-tourism projects like last time. Mr. Rogers responded yes.

Mr. Judge stated that some of the members from the Horticulture Council may contact each individual board member.

Referral of September Projects¹

Mr. Rogers presented projects A2005-0341 through A2005-0404 for referral to the Board. Rodney Dick moved that projects A2005-0341 through A2005-0404 be referred to the Board; Sam Moore seconded the motion. The motion passed without dissent.

Approval of Model Programs²

Mr. Judge submitted projects A2005-0411, A2005-0350, A2005-0407, and A2005-0432 as projects meeting the model **Agricultural Diversification Program** guidelines.

Mr. Judge submitted projects A2005-0410, A2005-0418, and A2005-0430 as projects meeting the model **Cattle Handling Facilities Program** guidelines.

Mr. Judge submitted projects A2005-0416 and A2005-0431 as projects meeting the model **Farm Livestock Fencing Improvement Program** guidelines.

Mr. Judge submitted projects A2005-0408, A2005-0419, and A2005-0424 as projects meeting the model **Forage Improvement & Utilization Program** guidelines.

Mr. Judge submitted projects A2005-0421, A2005-0417, A2005-0400, and A2005-0414 as projects meeting the model **Goat Diversification Program** guidelines.

Mr. Judge submitted projects A2005-0435, A2005-0413, A2005-0428, and A2005-0433 as projects meeting the model **Hay, Straw & Commodity Storage Program** guidelines.

Mr. Judge submitted projects A2005-0406 and A2005-0429 as projects meeting the model **On-farm Water Enhancement Program** guidelines.

Mr. Dick moved the said applications be approved for the named model programs; Don Goodin seconded the motion. The motion passed without dissent.

¹ A detailed list of the referred projects is attached as Appendix A.

² A detailed list of projects funded under each model program category is attached as Appendix B.

Review of Amendments

Mr. Judge presented the following amendment for approval.

A2005-0092, Casey County Conservation District, was approved for \$45,225 on April 15, 2005. The applicant requests an additional \$125,000 for the Forage Improvement and Utilization Program in Casey County. The request received a High priority from the Casey County Council. 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 \$170,225.00.

A2005-0393, Grayson County Conservation District, was approved for \$7,681 on July 27, 2005. The applicant requests an additional \$1,550.00 for the Shared-Use Equipment Program in Grayson County. The request received a High priority from the Grayson County Council. The terms of the original agreement shall remain the same. Approval of this request would bring the program total to \$9,231.00.

A2005-0162, Lewis County Conservation District, was approved for \$50,000 on May 20, 2005. The applicant requests an additional \$120,000.00 for the Farm Livestock Fencing Improvement Program in Lewis County. The request received a High priority from the Lewis County Council. The term of the program shall remain 18 months from the execution date of the original agreement. Approval of this request would bring the program total to \$170,000.00.

A2004-0470, Pulaski County Soil and Water Conservation District/ SKAD, was approved for \$74,609 on November 19, 2004. The applicant requests an additional \$10,000.00 for the Forage Improvement and Utilization Program in Pulaski County. The request received a High priority from the Pulaski County Council. 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 \$84,609.00.

A2004-0530, Robertson County Soil Conservation, was approved for \$100,000 on January 21, 2005. The applicant requests an additional \$50,000.00 for the Hay, Straw, and Commodity Storage Program in Robertson County. The request received a High priority from the Robertson County Council. The term of the program shall remain 18 months from the execution date of the original agreement. Approval of this request would bring the program total to \$150,000.00.

A2005-0276, A2005-0277, A2005-0275, A2005-0278, A2005-0274, A2005-0273, McCreary County Development Association, Inc./SKAD. The applicant requests that South Eastern Kentucky Agriculture Development Association be approved as the fiscal agent for these programs to administer the programs jointly with the McCreary County Development Association.

Mr. Moore moved that said amendments be approved; H.H. Barlow seconded the motion. The motion passed without dissent.

A2003-0557, Buffalo Trace Area Development District Micro Loan Program. The Buffalo Trace Area Development District was awarded \$68,750 in 2003 for a micro-loan program. All disbursements were contingent on SBA grants. Because SBA grants are getting scarce in Washington County, Buffalo Trace Area Development District has not drawn all of the monies requested. To date the ADB has disbursed \$30,000 of the loan money and \$5,310 of the technical assistance money. Buffalo Trace is relinquishing the remaining \$7,500 of the loan money because they do not anticipate receiving any more matching SBA loan funds. At this time Buffalo Trace is requesting a time extension of two years on the \$25,940 remaining of the technical assistance money. Mahan/Moore

Mr. Mahan moved to approve the amendment to A2003-0557, Buffalo Trace Area Development District Micro Loan Program; Mr. Moore seconded the motion. The motion passed without dissent.

Recommendations for Funding.

Stephen Yates presented **A2005-0035, Jessamine County FFA Alumni Association.**

The applicant received a high priority from Jessamine County. The Applicant requests \$10,000 in Jessamine County funds for a cost share program that will improve the knowledge and skill level of local tobacco producers. Applicant is requesting funds to administer an education assistance program for tobacco farmers and their spouses. This program would give producers and their spouses an opportunity to further their education through cost sharing on the cost of vocational, technical or college courses. Funds would be used for tuition assistance and would be in the form of a 50-50 cost share.

Mr. Cleaver asked if we are educating farmers to get off the farm. Mr. Yates explained that getting off the farm is not reality for everyone so Jessamine County FFA Alumni Association wants to help them sustain their rural lifestyle.

Mr. Lawson moved that **A2005-0035 be approved for \$10,000 in Jessamine County funds**; Mr. Mahan seconded the motion. The motion passed without dissent.

Maggie May presented **A2005-0132, Knotwood Craftsmen Investments Corporation, Inc.** The application received a high priority from Jackson County. Knotwood Craftsmen Investments Corporation is requesting \$597,000 in state funds and \$35,000 in county funds (\$25,000-Jackson, \$10,000-Clay). Total funding request is \$632,000.

The applicant is requesting Agricultural Development funds for 50% of the cost of constructing a highly efficient woodworking facility including air-drying sheds and lumber dry kilns, to purchase high-tech woodworking equipment to start a program for purchasing timber from area farmers, and to open a woodworking school in Jackson County. The applicant will travel to area farms and saw the logs with a portable band saw mill and transport the logs back to the facility where they will be kiln dried and processed into high-value products such as moldings, furniture, office accessories and plaques. This process will save farmers the transportation costs of

hauling the logs off their farm, estimated at \$.09 per board foot. Sawing and drying services will also be offered to farmers for their own building needs.

The school of woodworking will be housed in the woodworking facility where the applicant will offer classes on producing finely crafted wood products from local wood. The applicant is currently teaching vocational classes in woodworking at the high school. The classes offered at the new facility will teach wood crafting beyond the high school level and provide training for students to start their own wood based business on their farm.

Mr. Cleaver asked how many farmers will participate. Felix Taylor responded 92 will participate.

Mr. Dick asked if there is a limit on how much wood will be sawn for one farmer. Mr. Taylor responded the more the better, but the farmer would have to get the logs to us.

Mr. Cleaver asked what the size of the largest log was that could be sawed. Mr. Taylor responded twenty foot.

Mr. Lawson asked if there are other log mills and loggers in that area. Mr. Taylor answered yes but not with what we are going to do.

Mr. Lawson asked why there project is so different. Mr. Taylor explained that we are going to buy the timber and produce the product with the local people.

Mr. Furnish stated that right now Mr. Taylor will come to your farm and make furniture and crown molding.

Mr. Dick asked if Mr. Taylor would still come to the farm and cut down the logs etc. Mr. Taylor responded yes we will still do that.

Ms. Yates asked if there was a replenishing program. Mr. Furnish explained that it is the forestry department.

Mr. Hunt stated that the logger will be taken out of the middle, but will the logs be bought from the farmer. Mr. Taylor explained that if the farmer wants to sell the wood it would be bought, but if the farmer wants to keep the wood the farmer will be charged for the wood to be cut.

Mr. Lawson asked where Forest Products is located. Dr. Henning responded that it is in Bell County. Mr. Taylor stated that he believes it is in Corbin, KY and there are kilns around that area.

Ms. Amburgey asked if we are helping Mr. Taylor as an individual or are we helping other farmers also. Mr. Furnish responded that this project is a forgivable loan.

Mr. Lawson asked if the loan is a 0% interest loan. Mr. Furnish responded yes.

Mr. Lawson asked if the goal that is that ADB is going to enhance the educational component part. Mr. Rogers responded that the Board should keep in mind that there have been four different wood projects brought to the board.

Mr. Furnish explained that Mr. Taylor would not be the sole owner but one of the owners of the cooperation.

Mr. Furnish asked if there are eight board members. Mr. Taylor responded yes.

Mr. Moore stated that this is a good way to show people the resources that they have.

Mr. Cleaver moved that **A2005-0132 be approved for \$597,000 in state funds and \$35,000 in Jackson County funds.** Dr. Henning seconded the motion.

Questions were called for.

Mr. Lawson explained that he would vote for this project because of the educational component, and it is a market for an agriculture commodity.

Terry Cotter, Forestry Production Specialist at the University of Kentucky, stated that he was volunteering to help them through the university.

Ms. Yates explained that she would like one of the terms to be education and forestry.

Dr. Henning stated that he believed they had to be a master logger. Mr. Moore believed there should be a term that stated that the farmer must be put into contact with the Division of Forestry or equivalent and must follow best management practices for their farms.

Mr. Rogers wanted the Board to understand that the Board has never put this term on a project.

Mr. Griffin asked what is going to be best management practices and believes that peoples property rights are being trampled on.

Mr. Moore moved to add a condition as follows: Farmer must be made aware of best management practices for forest land. Mr. Dick seconded the motion. Amendment carries with no dissent.

Mr. Judge called the main motion as amended. The motion carries with no dissent.

Stephen Yates presented **A2005-0192, Kentucky Sweet Sorghum and Processors Association, Inc.** The application received a high priority from Fayette County. Applicant requests \$750. in state funds and \$1250 in county funds. \$250 each from the following counties: Woodford, Morgan, Clark, Menifee, and Montgomery. Total request is \$2000. Applicant is requesting funds to cost share in the cost of

constructing a portable sweet sorghum syrup cook-off trailer to use for demonstrational and educational purposes.

The two farmers that are the primary participants on this project are both large tobacco producers. Their income has been declining from their tobacco and are depending on sorghum syrup to replace a portion of that income. In addition to the applicants there are currently over 200 sweet sorghum producers in Kentucky and most have tobacco as part of their farm income. Many new producers (most are young farmers) are looking at sweet sorghum as a potential partial replacement for their lost tobacco income.

Mr. Cleaver asked if all of the counties committed their money. Mr. Yates responded yes.

Ms. Amburgey stated that this is not a lot of money, but wanted the Board to realize there are only two farmers participating in this. Ms. Yates stated that this was an educational tool.

Ms. Amburgey stated that sorghum sales are down.

Mr. Griffin moved that **A2005-0192 be approved for \$750 in state funds and \$1,250 in Woodford, Morgan, Clark, Menifee, and Montgomery County funds. (\$250 from each county).** Mr. Mahan seconded the motion. The motion passed without dissent.

Nick Whobrey presented **A2005-0269, Todd County Board of Education.** The application received a high priority from Todd County. The Todd County Board of Education is requesting \$4000 in Todd County funds in the form of a 0% interest loan to be paid back within 2 years.

The Todd County Council would like to help the Todd County School System's Food Services Program purchase 2 dairy product vending machines for Todd County High School and Todd County Middle School. The objectives of this application include: 1) giving teenage students access to healthy dairy-derived snacks, 2) encourage teenage students to develop healthy eating habits which will improve their general health, 3) to provide an expanded market for milk and other dairy-derived products by making them available to the older students in Todd County, and 4) to stimulate a lasting demand for milk and dairy-derived products.

Mr. Barlow moved that **A2005-0269 be approved for \$4,000 in Todd County funds;** Dr. Henning seconded the motion.

Questions were called for.

Mr. Griffin believes the Board is getting a lot of projects like this and we may need to make a model program out of it with conditions. For example, only Kentucky milk needs to be sold and not with coke machines near by with the dairy association planning on how this should be done.

Mr. Furnish explained that this could be talked about at the November planning session.

The motion passed without dissent.

Stephen Yates presented **A2005-0286, Nicholas County Farmer's Market**. The application received a high priority from Nicholas County. Nicholas County Fiscal Court is requesting \$3000 in state funds and \$3000 in Nicholas county funds for an enhancement to the Nicholas County Farmer's Market. Total request is \$6000.

The applicant is requesting funds to provide facility enhancement for the market in the form of a temporary shelter for the producers. Producers currently have no means of dealing with weather issues and this shelter will help deal with that issue. In addition, a small portion of these funds will go for certified scales, tables, and marketing.

There are currently 24 producers selling at the market who will benefit directly in the 1st year of this project, with 20 of these producers being tobacco dependent.

Mr. Griffin asked where this would be built. Mr. Yates explained that a tarp or tent would be built outside the fiscal court.

Mr. Dick moved that **A2005-0286 be approved for \$3,000 in Nicholas County funds and \$3,000 in state funds**; Mr. Goodin seconded the motion. Mr. Cleaver abstained from the vote. The motion passed without dissent.

Stephen Yates presented **A2005-0340, Creech Services, Inc.** The application received a high priority from Fayette County. Applicant requests \$598,309 in state funds, \$10,000 in Fayette County funds and \$10,000 in Bourbon County funds for infrastructure improvements to expand compost production. Total request is \$618,309.

The applicant has been producing compost for 5 years in central Kentucky. Funds would be used for the expansion of Creech's composting facility, increasing the area of the composting pad by 10 acres expanding the no-discharge water collection basin, and constructing a finished goods storage shed. This will allow the applicant enough production capacity to produce 3 times the amount of compost that they currently produce; with increased production capacity the applicant will be able to provide an ample amount of compost to tobacco dependent producers wishing to participate and experience the benefits of using compost.

The product, Thoroughbred Compost, emulates the complete organic cycle of nature: the growth of wheat straw, the use in horse bedding, the process and conversion to compost, and finally the return to the soil. The raw materials that are used in the composting process are collected from horse farms located in the Bluegrass. This is turned into a value added product that has ability to restore soil to a healthy state.

Creech Services target markets include Kentucky Farmers that can document tobacco dependency with proof of receipt of a phase two check or a buy out check. Additionally, to those who can prove tobacco dependency, Creech also intends to target landscapers, organic growers, greenhouses/nurseries, conventional farmers and tobacco farmers. The applicant is willing to give a tangible benefit to tobacco

dependent farmers who are transitioning from tobacco to alternative forms of plant production and those who continue growing tobacco. Already, they have shipped 17 tractor trailer loads to tobacco growers in Bourbon County, and plan to give compost to farmers up to the amount of state dollars awarded.

Stephen introduced the two people from Creech, Tom Creech, owner, and Gatewood Guy, Manager of Quality Hay and Bedding Division of Creech Services.

Mr. Cleaver questioned the number ten term.

Mr. Mahan moved that A2005-0340 **be approved for \$589,309 in State funds, \$10,000 in Fayette County Funds and \$10,000 in Bourbon County funds.** Mr. Cleaver seconded the motion.

Questions were called for.

Mr. Lawson asked if there were other people doing the same thing in the area of Creech Services. Mr. Creech responded the largest one would be in Scott County.

Mr. Lawson stated that this project is not developing a market and does not think it is benefiting the horse industry. Mr. Lawson believes that this is good for Kentucky Agricultural Finance Cooperation (KAFC), but not ADB.

Dr. Henning asked if Bourbon County bought the three tractor trailer loads and is it their trucks. Mr. Creech responded yes.

Roll Call Vote: Donna Amburgey-abstain, H.H. Barlow-abstain, Vickie Yate Brown-no, John Cleaver- yes, Rodney Dick-no, Dennis Griffin-no, Wayne Hunt-yes, Sam Lawson-no, Jim Mahan-yes, Sam Moore-yes, Jimmy Henning-yes, Don Goodin-yes.

The motion passed with dissent.

Nick Whobrey presented A2005-0377, **City of Erlanger**. The application received a high priority from Kenton County. The City of Erlanger is requesting \$1,912 in state funds and \$1,912 in Kenton County funds for their farmers' market. The total request is for \$3,824. The City of Erlanger is requesting these funds to conduct a feasibility study on the creation of a farmers' market pavilion. The feasibility study will examine the following:

1. What would be the optimum size of the pavilion, considering space, market potential and number of available producers?
2. How would the Farmers' Market pavilion fit into the site plan.
3. Architectural drawings of the Farmers' Market pavilion.
4. Cost estimates for the construction of the Farmers' Market pavilion.

In 2004 the farmers' market had 19 members and in 2005 membership increased so much that the Farmers' Market Board had to stop accepting new membership for this growing season. With this trend there is a potential for an increased membership in 2006.

Mr. Goodin moved that **A2005-0377 be approved for \$1,912 in State funds and \$1,192 in Kenton County funds**; Mr. Griffin seconded the motion. The motion passed without dissent.

Maggie May presented A2005-0378, **Johnson County Extension District**. The applicant requests \$11,150 in Johnson County funds and \$11,150 in state funds to construct a farmer's market shed. Total request is \$22,300.

Funds will be used to construct a 28' X 100' covered shed with a concrete floor for use by the Johnson County Farmer's Market. This structure will provide shelter from the weather for farmer's market growers and customers and provide electricity for lighting, scales and possibly credit card equipment in the future.

The Johnson County Farmer's Market currently has 10-12 regular growers and forecasts adding 2 or 3 families each year. Providing a structure for the Farmer's Market will allow all growers to increase their sales substantially by providing a more attractive and convenient environment for customers.

Mr. Dick moved that A2005-0378 **be approved for \$11,150 in Johnson County funds and \$11,150 in state funds**. Mr. Cleaver seconded the motion. The motion passed without dissent.

Bill McCloskey presented A2005-0397, **Logan County Extension District Board**. The Logan County Extension Board is requesting \$70,000 in Logan County Agricultural Development Funds and \$50,000 in State Agricultural Development Funds as part of a \$120,000 project to construct a permanent marketing facility to be used primarily by the Logan County Farmer's Market organization.

The Logan County Farmer's Market has been in existence for over twenty years. Currently the Logan County Farmer's Market operates out of the parking lot of the Logan County Extension office. According to the applicant the Logan County Farmer's Market was the longest running market in Kentucky during 2004 selling products from May 1 to December 15 without the benefit of permanent facilities. A Permanent facility to host educational events and expand the product mix to include more horticulture and forage producers. Matching funds is four acres of undeveloped land being provided by the Extension District Board which included four acres purchased for \$120,000 in September 2004. An additional four acres adjoining facility will allow for uninterrupted sales during inclement weather, four acres was donated and will be the future home of the Logan County Extension Office.

Of the twenty-five families participating in the Logan County Farmer's Market, over 90% have been dependent on tobacco production or have contracts to grow tobacco. According to the applicant in order for the Agriculture community to be able to offset displaced tobacco income a permanent facility is necessary to assist in the development and expansion of alternative enterprises.

Mr. Griffin moved that A2005-0397 **be approved for \$70,000 in Logan County funds and \$50,000 in state funds**; Mr. Moore seconded the motion. The motion passed without dissent.

Bill McCloskey presented A2005-0401, **Hancock County Conservation District**. The Hancock County Conservation District is requesting \$100,000 in Hancock County Agricultural Development Funds to administer the Hancock County Farm Drainage Enhancement Program as a cost share program to install subsurface drainage systems.

The objective of this proposal is to improve crop yields to poorly drained soils by installing subsurface drainage systems. The Agricultural Development Board approved \$100,000 for cost share on installing tiling in Hancock County during the December 2004 Board meeting.

The Hancock County Farm Drainage Enhancement Program is a cost share program that requires a dollar for dollar match with a \$5,000 maximum per producer. A minimum of nineteen producers are expected to benefit from this cost share program.

Mr. Cleaver moved that A2005-0401 **be approved for \$100,000 in Hancock County funds**; Ms. Amburgey seconded the motion. The motion passed without dissent.

Stephen Yates presented A2005-0402, **Henry County Fiscal Court**. The Henry County Fiscal Court is requesting \$100,000 in Henry County funds for 50% of the construction cost of a clear span marketing facility to be located at the Henry County Fairgrounds.

The facility being proposed would accommodate various livestock shows & sales. The Henry County Farmers Market would also be located at the Marketing Facility. The facility would also allow for a number of other agriculture marketing uses including events at the Henry County Fair and the annual Harvest Showcase. Plans call for the construction of a 100'x 180' clear span steel, open sided, lighted building.

According to the tobacco dependence formula provided for in HB 611, Henry County is the 6th most tobacco dependent county in the Commonwealth. Nearly 2800 Henry County growers have contracts to receive Tobacco Transition Payment Program funds. Nearly as many pounds of tobacco will be produced in 2005 as were produced in 2004 when the Tobacco Quota Program was in place. With 883 farms, this indicates the vast majority of farmers and farm families utilizing this facility are or have been tobacco dependent. It is estimated that this marketing facility will impact a minimum of 200 farm families in the 1st year, when you account for the various sales, shows and agriculture events this facility would host.

Mr. Cleaver asked if this would fall under the competitive farmer's market program. Mr. Yates responded no because this application has only one part that would be covered under the competitive farmer's market program.

Mr. Moore moved that A2005-0402 **be approved for \$100,000 in Henry County funds**; Mr. Mahan seconded the motion. The motion passed without dissent.

Stephen Yates presented A2005-0403, **Farm and Garden Market Cooperative Association, Inc.**. The Farm & Garden Marketing Cooperative Association, Inc. is

requesting \$12,500 in state funds & \$12,500 in Fayette County funds to conduct a feasibility study for a permanent location for the Lexington Farmers Market in downtown Lexington. The Fayette County Council approved \$6250 with a high priority. Total amount requested is \$12,500.

Applicant has been using several different locations for use of the market. Vine Street is the main location but a satellite location on Southland drive has been used this season as a test. The farmers market owns neither of these locations and is subject to the whims of the owners of these properties. On several occasions the farmers market has been cancelled by the owners of these properties. The study being requested would determine the best location for a permanent farmers market in downtown Lexington. The study would also assess other topics relative to this project including the following: competition, sales potential, production plan needed for year round operation, cost estimates, financial feasibility, resource requirements of the market, investment requirements, estimated potential income and estimated costs for service and maintenance of the facility.

The Lexington Farmers market currently has 63 current members from 21 counties. In addition there are at least 200 farms that sell their goods through existing members. As part of a cooperative, the markets members have the ability to match buyers with the many sellers throughout Kentucky, and therefore assist many more Kentucky farmers in their transition from tobacco. These producers, as well as those producers wanting to join the market are looking to find the best location for a permanent facility.

Mr. Moore asked if this project needs a study if they are only going to look at one location. Mr. Mahan answered that they are worried about a permanent location.

Mr. Griffin stated that the ADB has discouraged regional markets. Mr. Rogers explained this application is the closest we have had to a regional farmer's market. The applicant could come back next year and try to tap into the money that ADB has which is \$965,000.

Mr. Griffin moved that A2005-0403 **be pended for \$12,500 in Fayette County funds and \$12,500 in state funds**; Mr. Hunt seconded the motion. The motion passed without dissent.

Stephen Yates presented A2005-0404, **City of Springfield**. The City of Springfield is requesting \$25,000 in Washington County Agricultural Development Funds and \$25,000 in State Agricultural Development Funds as part of a \$115,950 project to build a 30 foot by 70 foot farmers market pavilion in downtown Springfield.

Matching funds are the 1.93 acre lot the City of Springfield is committing to the project that was purchased in September 2004 for \$41,250. The balance of matching funds are being contributed by Springfield-Washington County Chamber of Commerce (\$1,000) and the City of Springfield (\$23,700).

The City of Springfield initiated the farmers market two years ago. Based on the interest from the farming community and buying public the city decided to commit

resources to a more permanent structure for a downtown farmers market. Currently 12 farm families sell product that include fresh vegetables, fruits, flowers and beef and pork products. The applicant is optimistic that as many as 60 farm families will market locally grown products at the Springfield Farmer's Market Pavilion.

Mr. Goodin moved that A2005-0404 **be approved for \$25,000 in Washington County funds and \$25,000 in state funds**; Mr. Dick seconded the motion. The motion passed without dissent.

Stephen Yates presented A2005-0405, **Lawrence County Farmer's Market Association, Inc.** Applicant requests \$1,900 in Lawrence County funds to purchase a plastic wrapper, plastic remover and trailer to offer as shared-use equipment for Lawrence County Producers.

The Applicant currently offers a bed shaper, mulch layer and water wheel setter for shared-use and this equipment is very popular with Lawrence County producers. The Applicant believes that even more producers will use this equipment if there is a plastic remover and wrapper to easily remove the plastic after the crops are harvested.

The equipment will be made available to any producer in Lawrence County. Producers in other counties are eligible to use the equipment if they market products at the Lawrence County Farmers Market. The Applicant estimates this project will impact at least 14 producers in the first year.

Mr. Moore moved that A2005-0405 **be approved for \$1,900 in Lawrence County funds**; Dr. Henning seconded the motion. Questions were called for.

Mr. Cleaver asked if the small community markets are successful. Mr. Rogers responded that the small community markets are successful the regional markets have not evolved.

The motion passed without dissent.

Recommendations for No Funding

Bill McCloskey presented **A2005-0358, Barren County Conservation District.** The Barren County Conservation District requested \$200,000 in Barren County Agricultural Development Funds to administer the Forage Resource Improvement and Utilization Program. Request is funding to administer state model program for Forage Resource Improvement and Utilization Program. Mr. Lawson moved that no funds be awarded A2005-0358 based on the Barren County Agricultural Development Council did not commit any funds; Mr. Dick seconded the motion. The motion passed without dissent.

Stephen Yates presented **A2005-0367, Henry County Chamber of Commerce.** Henry County Chamber of Commerce is requesting \$9725.00 of Henry County funds to continue cost-sharing on a Marketing Specialist for Henry County. This request would be a continuation of a 2003-04 project where an Agricultural Marketing Specialist was funded in part by Henry County Fiscal Court and the Henry County

Chamber of Commerce. This persons job was to assist Henry County Farmers in finding alternative means of producing income on the farm as they transitioned out of tobacco production. Agricultural development funds were used in the past to pay 1/2 of this persons salary. This project was a pilot project that has run its course, this is indicated by the LOW priority assigned to the project by the Henry County Council. Mr. Dick moved that no funds be awarded to A2005-0367 based on the low priority assigned by the Henry County Council; Mr. Moore seconded the motion. The motion passed without dissent.

Stephen Yates presented **A2005-0368, Bruce D. Dunaway**. Mr. Bruce Dunaway is requesting \$20,000 of Henry County funds for greenhouse construction. The Henry County Council referred this application to the Henry County Agricultural Diversification Model Program, as it is an eligible investment item for that model program. This is not applicable as a project so it is being recommended for no funding. Mr. Barlow moved that no funds be awarded to A2005-0368 based on it receiving a low priority from the Henry County Council; Ms. Amburgey seconded the motion. The motion passed without dissent.

Bill McCloskey presented **A2005-0390, Logan County Cattlemen's Inc..** The Logan County Cattlemen's Association Incorporated requested \$50,000 to administer the Genetic Improvement Program. This request is funding to administer state model program for the Genetics Improvement Program. All cattle producers in the county would be eligible. Mr. Barlow moved that no funds be awarded to A2005-0390 based on the Logan County Agricultural Development Council did not commit any county funds to the request; Mr. Mahan seconded the motion. The motion passed without dissent.

Bill McCloskey presented **A2005-0391, Logan County Farm Bureau of Logan County, Kentucky**. The Logan County Farm Bureau of Logan County, Kentucky requested \$30,000 to administer the Agricultural Diversification Program. The request is funding to administer state model program for the Agricultural Diversification Program. All producers in the county would be eligible. Dr. Henning moved that no funds be awarded to A2005-0391 based on the Logan County Agricultural Development Council did not commit any county funds to the request; Ms. Amburgey seconded the motion. The motion passed without dissent.

Closing Remarks

The next meeting of the Kentucky Agricultural Development Board will convene at 10:00 AM EDT on Friday, September 16, 2005 at the Franklin County Cooperative Extension Office. Time and location of meeting subject to change; ample notification will be given if such a change occurs.

Mr. Mahan moved to adjourn at 2:45 PM EDT; Ms. Amburgey seconded the motion. The motion passed without dissent.

APPROVED: _____

PRESIDING OFFICER: _____

SECRETARY: _____

Model Programs Recommended for Approval

Agricultural Diversification

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2005-0411	Casey County Cattlemen's Association, Inc.	Casey	\$17,000.00
A2005-0350	SKAD/Clinton County Poultry Association	Clinton	\$35,000.00
A2005-0407	Green River Area Development District, Inc.	Daviess	\$30,000.00
A2005-0432	Spencer County Farm Bureau	Spencer	\$52,500.00
			\$134,500.00

Cattle Handling Facilities

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2005-0410	Casey County Cattlemen's Association, Inc.	Casey	\$125,000.00
A2005-0418	Greenup County Farm Bureau of Greenup County, Kentucky	Greenup	\$52,500.00
A2005-0430	Spencer County Farm Bureau	Spencer	\$42,000.00
			\$219,500.00

Farm Livestock Fencing Improvement

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2005-0416	Greenup County Farm Bureau of Greenup County, Kentucky	Greenup	\$105,000.00
A2005-0431	Spencer County Farm Bureau	Spencer	\$42,000.00
			\$147,000.00

Forage Improvement & Utilization

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2005-0408	Fayette County Conservation District	Fayette	\$100,000.00
A2005-0419	Ohio County Cattlemen's Association, Inc.	Ohio	\$30,000.00
A2005-0424	Rowan County Fiscal Court	Rowan	\$13,426.00
			\$143,426.00

Goat Diversification

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2005-0421	Barren River Area Development District	Allen	\$20,000.00
A2005-0417	Greenup County Farm Bureau of Greenup County, Kentucky	Greenup	\$10,500.00
A2005-0400	Central Kentucky Meat Goat Producers Association, Inc.	Nelson	\$10,000.00
A2005-0414	Green River Area Development District, Inc.	Ohio	\$15,000.00
			\$55,500.00

Hay, Straw, & Commodity Storage

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2005-0435	Boone County Farm Bureau Inc.	Boone	\$101,804.00
A2005-0413	Harrison County Beef Cattle Association, Inc.	Harrison	\$183,750.00
A2005-0428	Pulaski County Conservation District	Pulaski	\$75,000.00
A2005-0433	Spencer County Farm Bureau	Spencer	\$52,500.00
			\$413,054.00

Model Programs Recommended for Approval

On-farm Water Enhancement			
<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2005-0406	Grant County Soil Conservation District	Grant	\$30,000.00
A2005-0429	Morgan County Fiscal Court	Morgan	\$64,877.00
			\$94,877.00

Total County Funds Recommended for Approval in Model Programs: **\$1,207,857.00**

New Applications for Referral

Appl #	Project Name	Project Type
A2005-0406	Grant County Soil Conservation District	On-farm Water Enhancement
A2005-0407	Green River Area Development District, Inc.	Agricultural Diversification
A2005-0408	Fayette County Conservation District	Forage Improvement & Utilization
A2005-0409	Fayette County Conservation District	On-farm Water Enhancement
A2005-0410	Casey County Cattlemen's Association, Inc.	Cattle Handling Facilities
A2005-0411	Casey County Cattlemen's Association, Inc.	Agricultural Diversification
A2005-0412	Lawrence County Extension District Board	Project
A2005-0413	Harrison County Beef Cattle Association, Inc.	Hay, Straw, & Commodity Storage
A2005-0414	Green River Area Development District, Inc.	Goat Diversification
A2005-0415	Carroll County Agriculture Development Fund, Inc.	Project
A2005-0416	Greenup County Farm Bureau of Greenup County, Kentucky	Farm Livestock Fencing Improvement
A2005-0417	Greenup County Farm Bureau of Greenup County, Kentucky	Goat Diversification
A2005-0418	Greenup County Farm Bureau of Greenup County, Kentucky	Cattle Handling Facilities
A2005-0419	Ohio County Cattlemen's Association, Inc.	Forage Improvement & Utilization
A2005-0420	Barren River Area Development District	Farm Livestock Fencing Improvement
A2005-0421	Barren River Area Development District	Goat Diversification
A2005-0422	Reed Farm Service, Inc.	Project
A2005-0423	The Bramble Ridge Orchard, LLC	Project
A2005-0424	Rowan County Fiscal Court	Forage Improvement & Utilization
A2005-0425	City of Cadiz - Renaissance on Main	Project
A2005-0426	The Elements Enterprises, LLC	Project
A2005-0427	Southeast Vinters, LLC	Project
A2005-0428	Pulaski County Conservation District	Hay, Straw, & Commodity Storage

New Applications for Referral

Appl #	Project Name	Project Type
A2005-0429	Morgan County Fiscal Court	On-farm Water Enhancement
A2005-0430	Spencer County Farm Bureau	Cattle Handling Facilities
A2005-0431	Spencer County Farm Bureau	Farm Livestock Fencing Improvement
A2005-0432	Spencer County Farm Bureau	Agricultural Diversification
A2005-0433	Spencer County Farm Bureau	Hay, Straw, & Commodity Storage
A2005-0434	Sweet Home Spun	Project
A2005-0435	Boone County Farm Bureau Inc.	Hay, Straw, & Commodity Storage
A2005-0436	River Valley Agritourism Alliance, Inc.	Project
A2005-0437	Three Mills Farm, LLC	Project
A2005-0438	Purple Toed Winery	Project
A2005-0439	Jackson's Orchard & Nursery, Inc.	Project
A2005-0440	John F. Dance Enterprises, Inc.	Project
A2005-0441	Equus Run Vineyards, LLC	Project
A2005-0442	Stonebrook Winery LLC	Project
A2005-0443	Kentucky Roots LLC	Project
A2005-0444	Castle Hill Farm, Inc.	Project
A2005-0445	Hurstland Farm, Inc.	Project
A2005-0446	Chrisman Mill Vineyards, Inc.	Project
A2005-0447	Christian Way Farm, LLC	Project
A2005-0448	Larry Alley	Project
A2005-0449	Jefferson County Farm Bureau	Project
A2005-0450	Bed & Breakfast Association of Kentucky	Project
A2005-0451	Central Kentucky Agritourism Association, Inc.	Project
A2005-0452	Maple Hill Manor, Enterprises, Inc.	Project
A2005-0453	Cave Run Resort and Stable	Project

New Applications for Referral

Appl #	Project Name	Project Type
A2005-0454	Breckinridge County Beef Improvement Council, Inc.	Cattle Handling Facilities
A2005-0455	Breckinridge County Ag. Diversification Council, Inc.	Goat Diversification
A2005-0456	Breckinridge County Ag Diversification Council, Inc.	Swine Diversification
A2005-0457	Breckinridge County Ag Diversification Council, Inc.	Agricultural Diversification
A2005-0458	Cumberland Farm Products, Inc.	Project
A2005-0459	Franklin County Conservation District	Forage Improvement & Utilization
A2005-0460	Kentucky Beef Network, LLC	Project
A2005-0461	SKAD/Pulaski County Cattlemen's Association	Cattle Genetics Improvement
A2005-0462	SKAD/Pulaski County Cattlemen's Association	Cattle Handling Facilities
A2005-0463	SKAD/Pulaski County Meat Goat Producers Assoc.	Goat Diversification
A2005-0464	Kentucky Horticulture Council, Inc.	Project
A2005-0465	Thoroughbred RC&D Council, Inc.	Project
A2005-0466	Franklin Simpson Chamber of Commerce	Project
A2005-0467	Simpson County Cattlemen's Association	Cattle Handling Facilities
A2005-0468	Southern KY Small Animal & Goat Auction a New Division & Marketing Location of RM Kepley Auctions	Project
A2005-0469	Muhlenberg County Farmers Market Assoc., Inc	Project