

TOBACCO SETTLEMENT AGREEMENT FUND OVERSIGHT COMMITTEE

Minutes of the 2nd Meeting of the 2018 Interim

June 6, 2018

Call to Order and Roll Call

The 2nd meeting of the Tobacco Settlement Agreement Fund Oversight Committee was held on Wednesday, June 6, 2018, at 10:00 AM, in Room 129 of the Capitol Annex. Representative Myron Dossett, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Myron Dossett, Co-Chair; Senators Stephen Meredith, and Dennis Parrett; Representatives Kim King, Phillip Pratt, Rick Rand, Brandon Reed, and Dean Schamore.

Guests: Warren Beeler, Executive Director, Governor's Office of Agricultural Policy (GOAP), Bill McCloskey, Deputy Executive Director, GOAP, Tamara Sandberg, Executive Director, Kentucky Association of Food Banks (KAFB), Kate McDonald, Manager, Kentucky Kids Eat Campaign and Coalition, Sarah Vaughn, Programs Coordinator, KAFB, Martin Richards, Executive Director, Community Farm Alliance, James Cochran, Program Manager, Farmers Market Support, Becca Warta, Coordinator, Kentucky Double Dollars Program, and Ashton Wright, Coordinator, Bluegrass Farm to Table.

LRC Staff: Kelly Ludwig, Tanya Monsanto, Shelby Bevins-Sullivan, and Rachel Hartley.

Governor's Office of Agricultural Policy Report

Warren Beeler discussed his schedule for May through July.

In response to Representative King, Mr. Beeler stated he will be attending the Linking Agriculture for Networking and Development meeting in Boone County on June 11, 2018, as a spectator seeking new projects.

In response to a question from Representative Reed, Mr. Beeler stated he will be speaking at the Future Farmers of America convention. He will discuss how the most important crop on the farm is people.

In response to Representative Schamore, Mr. Beeler stated the United States Department of Agriculture Undersecretary for Trade was in Kentucky and would be speaking that night. He said the world is a global marketplace and more than half of all agriculture production in Kentucky is exported.

Bill McCloskey described the Agricultural Development Board's projects for May. Mr. McCloskey highlighted programs including the County Agricultural Investment Program (CAIP), Deceased Farm Animal Removal Program, Next Generation Beginning Farmer, On-Farm Energy Program, Shared-use Equipment, and Youth Agriculture Incentives Program.

Requested program amendments discussed included:

- Ballard County Agricultural Development Fund, LLC, requested an additional \$32,600 in Ballard County funds for CAIP. The board recommended approval, which would bring the program total to \$342,600.
- Scott County Agricultural District requested an additional \$70,000 in Scott County funds for CAIP. The board recommended approval, which would bring the program total to \$205,000.
- Kentucky Ketch, Inc., requested an additional \$86,000 in Clay County funds for CAIP. The board recommended approval, which would bring the program total to \$321,000.
- Leslie County Conservation District requested an additional \$10,000 in Leslie County funds for CAIP. The board recommended approval, which would bring the program total to \$70,106.
- Ohio County Cattlemen's Association, Inc., requested an additional \$63,936 in Ohio County funds for CAIP. The board recommended approval, which would bring the program total to \$83,436.

Projects discussed included:

- Blue Grass Community Action Partnership, Inc., approved for \$1,250 in Woodford County funds for a community garden.
- White House Lodge, LLC, approved for up to \$25,000 in Daviess County funds and up to \$98,000 in state funds for construction of a multi-use facility to hold educational and agritourism events on the farm.
- Mary Carrico Memorial School approved for \$7,500 in Daviess County funds for a school greenhouse.
- Grain Day, Inc., approved for \$5,000 in Daviess County funds to support their annual Ag Expo.
- Meade County Fair, Inc., approved for \$5,000 in Meade County funds for climate control in their new livestock barn.

Farms to Food Banks, Kentucky-grown Vegetable Incentive Program (K-VIP)

Tamara Sandberg stated the goal of the Kentucky Association of Food Banks (KAFB) is to dispel the myth about who is utilizing the food banks and why. Seventy-seven percent of the households served by food banks identify as white, seventeen percent identify as African American, and two percent identify as Hispanic or Latino. Hunger exists in every county in Kentucky. Magoffin, Wolfe, Knott, Clay, and Elliot have the highest rates of child food insecurity. One in five children in Kentucky are food insecure. Twenty-six percent of children do not qualify for federal nutrition programs, so they must rely on charitable food assistance.

Eighty-four percent of households reported using multiple strategies to obtain enough nutrition. Different strategies include purchasing inexpensive, unhealthy food, watering down food or drinks to make them last, and eating food past the expiration date. Many households are having to choose between food, medical care, utilities, and transportation.

The impacts of hunger on children are deficits in cognitive, social, and emotional development. Hungry children are more likely to receive special education services and mental health counseling.

KAFB feeds one in seven Kentuckians which is approximately 53,000 meals each week. In 2017, 63 million meals were served.

In 2011, KAFB received \$163,000 in seed money from the Kentucky Agricultural Development Fund (KADF). Ms. Sandberg states she likes the matching requirements because they use it to leverage money for more support.

The goals of the Farm to Food Banks program are to increase access to healthy food, fair prices, and to reduce the amount of wasted food. Three million dollars has been invested in farm families and has rescued 15 million pounds of food.

Kentucky Kids Eat was formed in 2016 in partnership with the KAFB. It is a statewide network creating innovative child hunger solutions. It provides funding, training, and support for schools and nonprofits.

The Kentucky-grown Fruit and Vegetable Incentive Program (K-VIP) creates a financial incentive for sponsors to include Kentucky-grown fruits and vegetables in the meals they serve. For every \$3 a sponsor spends at a Kentucky farm, K-VIP will reimburse them \$1.

Representative King made a motion to submit a letter to the Secretary of the United States Department of Agriculture, Sonny Perdue, regarding the cancelling of dairy contracts. Representative Reed seconded the motion and the motion passed by voice vote.

In response to a question from Representative Reed, Kate McDonald stated LaRue County schools have a summer food program that is in conjunction with KAFB.

In response to a question from Representative Rand, Ms. Sandberg stated food insecurity is when someone in the household does not have consistent access to food for a healthy life.

In response to a question from Representative Dossett, Sarah Vaughn stated there are farmers who are approximately two weeks behind planting due to the weather.

Kentucky Double Dollars

Martin Richards stated in 2013 there were approximately five counties in eastern Kentucky that did not have a farmers market. Those counties reached out to the Farmers Market Support Program (FMSP). This program is a pilot project for the Community Farm Alliance (CFA).

According to the CFA, the key components for a successful farmers market include the physical location, community support, incentive programs, federal nutrition programs, and organizational structure.

The FMSP provides technical assistance such as workshops, surveys, data collection, and regulation information. They also provide incentive programs such as Kentucky Double Dollars (KDD), Summer Meals, Farmacy, Health Bucks, and Kid Bucks.

The KDD provides incentives for individuals to use their federal nutrition program benefits which include Women, Infants, and Children, Supplemental Nutrition Assistance Program, and Seniors Farmers Market Nutrition Program. These individuals can go to a farmers market and double up on the benefit.

In 2017, the CFA was successful in receiving United States Department of Agriculture Food Insecurity Nutrition Incentive funds in the amount of \$1.4 million.

The KDD was officially launched July 1, 2017. The goals are to increase access to local food to low-income populations, increase sales and income to Kentucky farmers, and leverage federal food and nutrition program funds. The KDD has two incentive programs including Kentucky Fruit and Vegetable Double Dollars and Kentucky Meat, Eggs, and Dairy Double Dollars.

Creating new jobs and conserving local natural resources are benefits to consuming more local and regional foods. Improved food access and public health is economic development. Moody's Analytics found that food stamps were the most effective, increasing economic activity by \$1.73 for every dollar spent.

Farmers markets have evolved and are not just selling fruits and vegetables. There are prepared foods, meats, dairy, and cheese available. Farmers markets are a community development and business incubator where farmers are connecting and opening brick and mortar businesses.

Mr. Richards said Kentucky is unique because House Bill 611 was passed which set aside the funds from the Tobacco Settlement Agreement to create these programs while other states use general funds.

In response to a question from Representative Schamore, Mr. Richards stated the KDD is available statewide and requests for applications were sent out in January of this year. They are working with the Kentucky Department of Health to promote the programs.

In response to a question from Representative King, Mr. Richards stated counties are hesitant to participate due to the cost share. The KDD is educating and supporting those counties. Mr. Cochran stated they use distribution emails and an advertising campaign.

In response to a question from Representative Dossett, Mr. Richards stated a cost share program would be beneficial to the farmers market located in Christian County. If the farmers market can raise funds they can be matched one to one, up to \$2,500 with the Market Manager Program or matched three to one, up to \$2,000 with the Kentucky Double Dollars program.

The next meeting of the Tobacco Settlement Agreement Fund Oversight Committee will be July 11, 2018. Documents distributed during the meeting are available in the LRC Library and at www.lrc.ky.gov.

There being no further business, the meeting was adjourned.