



Report for the  
**Tobacco Settlement Agreement Fund  
Oversight Committee**

**March 15, 2019**

Meeting of the  
Kentucky Agricultural Development Board



Commonwealth of Kentucky  
Governor's Office of Agricultural Policy

**For Immediate Release**

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**Global Food Safety Initiative Audit, Grain Bin Rescue Equipment  
Among Twelve Agricultural Investments Approved**  
*More than \$750 thousand invested in Kentucky Agricultural Development Funds*

**FRANKFORT, Ky. (Mar. 15, 2019)** –The Kentucky Agricultural Development Board approved \$752,890 in 12 agricultural diversification and rural development projects across the Commonwealth at its monthly board meeting.

**State Investments:**

**Marksbury Farm Foods, LLC**

Marksbury Farm Foods, LLC was approved for up to \$62,350 in State funds as a grant and \$42,163 in State funds as a forgivable loan to obtain a Global Food Safety Initiative (GFSI) audit and to purchase required equipment and upgrade the facility. For more information on this project, contact Preston Correll at (859) 548-2333 or [pcorrell@marksburyfarm.com](mailto:pcorrell@marksburyfarm.com).

**Ohio Valley Farm Analysis Group, Inc.**

Ohio Valley Farm Analysis Group, Inc. was approved for up to \$105,000 in State funds over six years in order to hire a third Kentucky Farm Business Management specialist. For more information on this project, contact Jonathan Ayer at (270) 827-1395 or [jonayer@bellsouth.net](mailto:jonayer@bellsouth.net).

**County Investments:**

**Summersville Volunteer Fire Department, Inc.**

Summersville Volunteer Fire Department, Inc. was approved for up to \$445 in Green County funds to purchase one Turtle Tube grain bin rescue equipment. For more information, contact Representative Brandon Reed at (270) 932-3411.

**On-Farm Investments**

The County Agricultural Investment Program (CAIP) offers 11 investment areas that give Kentucky agricultural producers the ability to increase net farm income, add value to their products and diversify their operation. CAIP benefits and enhances agriculture across the state

by stimulating markets for Kentucky agricultural products. Five CAIPs were approved by the board totaling \$501,570 for Breathitt (\$75,000), Bullitt (\$85,000), Madison (\$227,000), Ohio (\$16,900) and Spencer (\$97,670) counties.

### **Environmental Stewardship**

The Deceased Farm Animal Removal Program serves as a measure to facilitate the coordination of environmentally sound and cost effective disposal of deceased livestock for Kentucky producers. Two Deceased Farm Animal Removal Programs totaling \$15,000 were approved for Scott (\$7,500) and Shelby (\$7,500) counties.

### **Next Generation Farmer Program**

The Next Generation Farmer Program was developed to facilitate the growing need for a specialized program that would benefit producers engaged in an agricultural operation from three to seven years. One Next Generation Beginning Farmer Program was approved by the board totaling \$24,000 for recipients in Scott County.

### **Shared-use Equipment Program**

The Shared-use Equipment Program assists broad-based community organizations with the purchase of farm equipment. The equipment purchased is made available for producer use in a specific county on a leased basis. One Shared-use Equipment Programs was approved totaling \$2,362 for Estill County.

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*Great strides continue being made toward lessening Kentucky's dependence on tobacco production while revitalizing the farm economy by investing a portion of Kentucky's Master Settlement Agreement Funds into the Kentucky Agricultural Development Fund.*

*To date, Kentucky has invested more than \$595 million in an array of county, regional and state projects designed to increase net farm income and create sustainable new farm-based business enterprises. These funding approvals, made possible by the Kentucky Agricultural Development Fund, represent just a few of the more than 6,100 projects approved, since the inception of the program in January 2001.*

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## KADF Programs

### *Approved at the March 2019 KADB Meetings*

<b>CAIP</b>			
<u>County</u>	<u>Program Administrator</u>	<u>Date Submitted</u>	<u>Funds Approved</u>
Breathitt	Breathitt County Farm Bureau of Breathitt County, Kentucky	2/7/2019	\$75,000
Bullitt	Bullitt County Conservation District	2/20/2019	\$85,000
Madison	Madison County Conservation District	2/20/2019	\$227,000
Ohio	Ohio County Cattlemen's Association, Inc.	2/21/2019	\$16,900
Spencer	Spencer County Conservation District	2/6/2019	\$97,670
<b>5</b>			\$ 501,570

<b>Deceased Farm Animal Removal (DAR)</b>			
<u>County</u>	<u>Program Administrator</u>	<u>Date Submitted</u>	<u>Funds Approved</u>
Scott	Scott County Conservation District	2/20/2019	\$7,500
Shelby	Shelby County Fiscal Court	2/12/2019	\$7,500
<b>2</b>			\$ 15,000

<b>Next Generation Farmer (NextGen)</b>			
<u>County</u>	<u>Program Administrator</u>	<u>Date Submitted</u>	<u>Funds Approved</u>
Scott	Scott County Conservation District	2/19/2019	\$24,000
<b>1</b>			\$ 24,000

<b>Shared-Use Equipment</b>			
<u>County</u>	<u>Program Administrator</u>	<u>Date Submitted</u>	<u>Funds Approved</u>
Estill	Estill County Conservation District	2/22/2019	\$2,362
<b>1</b>			\$ 2,362

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## ***Requested Program Amendments***

<b>App #</b>	<b>A2018-0234</b>
<b>Applicant Name</b>	<b>Estill County Conservation District</b>
Original Amount Approved	\$85,000
Execution Date	1/09/2019
Requested Change	<p>The applicant requests to change priority for Large Animal to Primary (previously secondary) and Small Animal to Secondary (previously primary) for Estill County <i>CAIP Program</i>. The request received a <u>high</u> priority from the County Council.</p> <p>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.</p> <p>Approval of this request would keep the program total to \$85,000.</p> <p><b>Recommend Approval</b></p>

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## Approved Project

**Summersville Volunteer Fire Department, Inc.****A2019-0015****Application County: Green****County Priority: Not Applicable****Date Application Submitted: 12/31/2018****FUNDING REQUEST**

The Summersville Volunteer Fire Department, Inc. is requesting \$445 in Green County funds to purchase one Turtle Tube grain bin rescue device.

**APPLICATION SUMMARY**

The applicant intends to purchase one Turtle Tube grain bin rescue device to be placed at the Summersville Volunteer Fire Department in case of an emergency. Summersville Volunteer Fire Department is responsible for record keeping on usage of the tube.

The total cost of the project is estimated at \$890 dollars with funding from the following sources:

\$445 KADF Green County funds (high priority)

\$445 Representative Brandon Reed personal funds (secure)

**PROJECTED PRODUCER IMPACT**

This project is designed to provide safety in the case of emergency to farmers in Green County.

**Committee Recommendation:**

The Red Application Review Committee recommends funding \$445 Green County Funds to Summersville Firer Department, subject to the terms and conditions below:

1. Funds shall be available upon the execution of the Legal Agreement in the form of a cost-reimbursement grant.
2. The Recipient may request reimbursement for expenses incurred in completing the project for up to 12 months. The Board shall reimburse the Recipient \$0.50 per \$1.00 of approved documented payments, in accordance with the budget, which shall be attached as an exhibit to the Legal Agreement. The Recipient shall submit itemized receipts/invoices and either a cancelled check or copy of the relevant credit card statement as documentation of payment. The Board shall not reimburse the Recipient for purchases made with cash.
3. The Recipient shall submit annual reports detailing the number of classes and people trained on the rescue equipment, as well as the usage of equipment in rescues.

**Board Decision:**

Grain Bin Rescue Equipment: The Summersville Volunteer Fire Department, Inc. was approved \$445 in Green County funds to purchase one Turtle Tube grain bin rescue device.

## Approved Project

**Ohio Valley Farm Analysis Group, Inc.****A2019-0024***Application County: Henderson**County Priority: Not Applicable**Date Application Submitted: 1/24/2019*

## Project Summary:

## FUNDING REQUEST

Ohio Valley Farm Analysis Group, Inc. is requesting \$80,000 in State funds in order to hire a third Kentucky Farm Business Management specialist.

## APPLICATION SUMMARY

Ohio Valley Farm Analysis Group Inc. is requesting funding for a new Kentucky Farm Business Management Specialist position. The funding request is based on a three year budget where funds would help support the new specialist until the position can be fully funded through cooperator dues. The new specialist would work on recruiting new members and fulfilling extension duties for both members and non-members. The specialist will be an employee of the University of Kentucky which covers 60% of the salary and benefits for specialist positions.

The total cost of this project for three years is \$349,385 with funding from the following sources:

\$ 80,000 KADF State funds

\$ 59,754 OVFA

\$209,631 University of Kentucky

## PROJECT PRODUCER IMPACT

Ohio Valley Farm Analysis Group Inc. services Union, Webster, Hopkins, and Henderson, Daviess, McLean, Ohio and Hancock counties. Currently the two other specialties have 45 cooperators each and have had them for several years. There are currently 10 people on the waiting list. A new specialist will have at least 12 farming operations in their first year. Many times there are at least two families per farming operation. A minimum of 24 families will directly benefit from the farm management specialist support in the first year.

**Committee Recommendation:**

The Red Application Review Committee recommends funding the request for an increased amount of \$105,000 in State funds over six years as a grant subject to the terms and conditions below:

1. Funds for 2019 in the amount of \$32,000 shall be available upon the execution of the Legal Agreement in the form of a grant.
2. Funds for 2020 in the amount of \$27,500, funds for 2021 in the amount of \$22,500, funds for 2022 in the amount of \$15,000, funds for 2023 in the amount of \$7,500, funds for 2024 in the amount of \$500, shall be available contingent upon Board approval and the Recipient submitting the following measurable benchmarks:
  - a. (1) For fee-based accounts, documentation shall be summarized with information that shall include but not be limited to the number of agribusinesses assisted, number of jobs created/saved, business rate success and number of famer-members affected through the organization.
  - (2) For all accounts, the Recipient shall present a quantitative method of measuring the Recipients accomplishments;
  - b. Documentation of each performance measured for the KY Farm Analysis including but not limited to number of agribusinesses assisted by the KFA, number of KFA workshop attendees.
3. The Recipient shall provide annual reports outlining the results of 2a and b.

**Board Decision:**

Kentucky Farm Business Management Specialist: The Ohio Valley Farm Analysis Group Inc. was approved for up to \$105,000 in State funds to hire a third Kentucky Farm Business Management Specialist.

## Approved Project

**Marksbury Farm Foods, LLC****A2019-0028****Application County: Garrard****County Priority: Not Applicable****Date Application Submitted: 1/24/2019****FUNDING REQUEST**

Marksbury Farm Foods, LLC is requesting \$104,513 in State funds to obtain a GFSI audit and to purchase required equipment and upgrade the facility.

**APPLICATION SUMMARY**

Marksbury Farm Foods, LLC is seeking to launch new programs utilizing meat from Kentucky farmers and to add more robust, durable processing capacity in Kentucky to support existing Kentucky livestock producers. To achieve this, it is necessary for the facilities to become compliant with the Global Food Safety Initiative.

The total cost of the project is estimated at \$139,350 with funding from the following sources:

\$104,513 KADF State funds

\$35,925\* FSNB Line of Credit (secured)

\*over budget \$1,088

**PRODUCER IMPACT**

The applicant estimates that more than 250 producers have the potential to benefit from this project.

**Committee Recommendation:**

The Red Application Review Committee recommends funding the project in the amount of \$62,350 in State funds as a grant and \$42,163 in State funds as a forgivable loan, for the total amount of \$104,513 subject to the following terms and conditions:

1. Funds of \$62,350 shall be available upon the execution of the Legal Agreement in the form of a cost-reimbursement grant to obtain a GFSI certification and purchase a metal detector.
2. Funds of \$42,163 shall be available upon the execution of the Legal Agreement in the form of a cost-reimbursement forgivable loan to purchase processing equipment.
3. The Recipient may request reimbursement for expenses incurred in completing the project for up to 12 months. The Board shall reimburse the Recipient \$.75 per \$1.00 of approved documented payments, in accordance with the budget, which shall be attached as an exhibit to the Legal Agreement. The Recipient shall submit itemized receipts/invoices and either a cancelled check or copy of the relevant credit card statement as documentation of payment. The Board shall not reimburse the Recipient for purchases made with cash.
4. The recipient shall earn forgiveness towards their loan balance of 20 percent of original forgivable loan balance for every year that the recipient remains in continual operation for 5 years.
5. The KADB compliance committee will monitor this project for compliance with terms and conditions in the Legal Agreement.
6. KADB will have a UCC filed on the processing equipment.
7. The Recipient shall submit an annual report documenting and distinguishing pounds of Kentucky cattle processed which are a part of the Beef Solutions program and those which are processed for all other Kentucky producers, for the life of the forgivable loan. Information shall include but not be limited to name and address of producer, and gross pounds supplied to Recipient for processing with proper source verification criteria.
8. Whereas, this grant is provided to ensure that an additional GFSI certified processing plant is available in Kentucky as a backup for the Beef Solutions, LLC project and to offer a potential delivery site for Kentucky producers that may enter the retail market.

**Board Decision:**

Global Food Safety Initiative (GFSI) Audit and Equipment: Marksbury Farm Foods LLC was approved for \$104,513 in State funds to obtain a GFSI audit and to purchase required equipment and upgrade the facility.



**Warren Beeler** 4/3/2019 - 5/1/2019

4/3/2019 Oversight	10:00 AM
4/4/2019 NAILE Dairy Meeting	1:00 PM
Grayson Co. Ag Banquet	6:30 PM
4/5/2019 Speak at Marion Co. Economic Development Luncheon	12:00 PM
4/6/2019 Speak at Sigma Alpha Professional Development	
4/9/2019 CAIP Administrator Training	10:00 AM
4/11/2019 NAILE Executive Meeting	1:00 PM
4/12/2019 KAFC	10:00 AM
4/13/2019 Judge Logan Co. 4-H	8:00 AM
4/16/2019 Speak at Boyle Co. Ag Leadership Day	12:45 PM
Speak at Breathitt Co. Community Expo	5:00 PM
4/17/2019 CAIP Administrator Training	10:00 AM
4/18/2019 USGS KY Cooperator Meeting	8:30 AM
Grayson Co. Foundation Meeting	5:00 PM
4/19/2019 KADB	9:30 AM
4/22/2019 Breathitt Veterinary Center Stakeholder Meeting	11:00 AM
4/26/2019 KCARD Board Meeting	10:00 AM
Speak at Barren Co. Home & Garden Expo	5:00 PM
4/27/2019 4-H Emerald Gala	
4/30/2019 Speak at Montgomery Co. Conservation District CAIP Dinner	6:00 PM
5/1/2019 Oversight	10:00 AM