

TOBACCO SETTLEMENT AGREEMENT FUND OVERSIGHT COMMITTEE

Minutes

July 3, 2019

Call to Order and Roll Call

The 4th meeting of the Tobacco Settlement Agreement Fund Oversight Committee was held on Wednesday, July 3, 2019, at 10:00 AM, in Room 129 of the Capitol Annex. Senator C.B. Embry Jr., Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator C.B. Embry Jr., Co-Chair; Representative Myron Dossett, Co-Chair; Senator Dennis Parrett; Representatives Kim King, Brandon Reed, and Dean Schamore.

Guests: Warren Beeler, Executive Director, Governor's Office of Agricultural Policy (GOAP); Bill McCloskey, Deputy Executive Director, GOAP; Dave Maples, Executive Vice President, Kentucky Cattlemen's Association; Becky Thompson, Director, Kentucky Beef Network (KBN); and Cary King, Chairman, KBN.

LRC Staff: Nathan Smith, Tanya Monsanto, Kelly Ludwig, and Rachel Hartley.

Governor's Office of Agricultural Policy Report

Warren Beeler testified about the allocation of funds by county since the inception of the Kentucky Agricultural Development Fund.

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

The requested program amendments discussed included:

- Owen County Farm Bureau requested an additional \$325,000 in Owen County funds for CAIP. The board recommended approval, which would bring the program total to \$330,500.

- Graves County Agricultural Development Fund requested an additional \$63,520 in Graves County funds for CAIP. The board recommended approval, which would bring the program total to \$113,883.
- Simpson County Conservation District requested an amendment to CAIP. The board recommended approval, which did not affect the program total.
- Spencer County Conservation District requested an amendment to CAIP. The board recommended approval, which did not affect the program total.
- Trigg County Soil Conservation District requested an additional \$73,713 in Trigg County funds for CAIP. The board recommended approval, which would bring the program total to \$134,063.

The projects discussed included:

- Christian Fellowship was approved for up to \$17,045 in Marshall County funds for the construction of a school greenhouse.
- Metcalfe County Extension District Board was approved for up to \$190,000 in state funds and \$10,000 in Metcalfe County funds to construct a farmers market and to enclose the pavilion.
- The Metcalfe County 4-H Council was approved for \$1,350 in Metcalfe County funds to purchase 18 hams for meat production education.
- Pendleton County Extension District Foundation was approved for \$90,000 in state funds and \$10,000 in Pendleton County funds for the construction of a permanent open-air farmers market pavilion structure.
- Christian County Agricultural Extension Foundation was approved for up to \$250,000 in Christian County funds for the construction of an exposition facility.
- Wise Meat Packing was approved for up to \$50,248 in multiple county funds to purchase equipment.
- Western Kentucky State Fair was approved for up to \$60,975 in multiple county funds to upgrade the fairground facilities.
- Kentucky State Fair Board was approved for up to \$1,500,000 in state funds to reconstruct the Freedom Hall make-up ring and to conduct a traffic engineering study.
- McLean County 4-H Council was approved for up to \$7,680 in McLean County funds to purchase small animal holding pens.
- Bluegrass Organic Hemp was denied due to the board's policy on hemp.

Kentucky Cattlemen's Association

Dave Maples testified about the Kentucky Cattlemen's Association's (KCA) long range plan that will be implemented from 2020 to 2025.

Kentucky has the second most cattle per square mile behind Missouri. The KCA has a strong emphasis on education, because beef farmers own the cattle.

All of the cattle in Kentucky are eventually transported out of state, but there are strict regulations on transportation. Most of the beef packing plants are in the western United States so cattle must be transported, but the KCA would like all cattle to stay in Kentucky.

The KCA believes the solution is to feed cattle locally, utilize byproducts of the distillery industry as high quality feed, build a beef processing plant within the region, and develop a beef and forage innovation center.

Kentucky Beef Network

Becky Thompson stated the goal of the Kentucky Beef Network (KBN) is to move the marketed product away from a commodity and closer to a recognized value-added product in demand by retailers. KBN uses proven, modern production practices for master cattlemen and master grazer classes, which have increased the total pounds of beef produced.

The Kentucky Beef Quality and Care Assurance Program aims to raise awareness of practices that ensure proper cattle handling and welfare to keep producers safe while continuing to provide healthy beef to consumers. The Beef Efficiency Conference invites nationally recognized speakers to challenge attendees on where efficiencies can be found on the farm.

The Integrated Reproductive Management Program was implemented in 2015 and has spread throughout Kentucky. The focus of the program is to narrow the calving window so there are more pounds weaned. The result is a 24 percent revenue increase when marketing the calves.

The Certified Pre-Conditioned for Health program provides marketing opportunities for calf farmers and adds value to the calves through pre-conditioning and weaning for 45 days.

The KBN operates the Eden Shale Farm in partnership with the University of Kentucky, and it has been used as a learning center and demonstration farm since 2012.

Beef Solutions is a program to process local beef for distribution through Kroger. Over 900 cattle have been processed, and 426,220 pounds have been packaged since 2018.

In response to a question from Representative Schamore, Ms. Thompson stated there is an enrollment process for farmers to purchase cattle. There is currently a six month waiting period.

In response to a question from Representative Dossett, Ms. Thompson stated the challenges to build larger facilities for cattle are land availability and the topography in Kentucky. Mr. Maples stated a network of small barns would have the same effect.

There being no further business, the meeting was adjourned.