



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

October 18, 2019

Meeting of the
Kentucky Agricultural Development Board



Commonwealth of Kentucky
Governor's Office of Agricultural Policy

For Immediate Release

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**Technical Assistance Services and EKY-DIGS Program
Among Twenty-Seven Agricultural Investments Approved**
More than \$3.4 million invested in Kentucky Agricultural Development Funds

FRANKFORT, Ky. (Oct. 18, 2019) –The Kentucky Agricultural Development Board approved \$3,407,624 in 27 agricultural diversification and rural development projects across the Commonwealth at its monthly board meeting.

State Investments:

Technical Assistance Services

The Kentucky Center for Agriculture and Rural Development, Inc. was approved for up to \$900,000 in State funds over a two year period to deliver technical assistance and provide educational opportunities to agricultural and rural businesses. For more information on this project, contact Aleta Botts at (859) 951-8328 or abotts@kcard.info.

EKY-DIGS Program

Berea College, Grow Appalachia was approved for up to \$274,695 in State and multiple County funds to expand the Eastern Kentucky Direct Integrated Grower Support (EKY-DIGS) Program in eastern Kentucky. For more information on this project, contact Candace Mullins at (859) 985-3687 or mullinsc@berea.edu.

Farmers Market

The City of Hazard was approved for up to \$99,500 in State and \$500 in Perry County funds for the construction of a farmers market pavilion. For more information on this project, contact Derrick Hall at (606) 436-3171 or derrick.hall@hazardky.gov.

On-Farm Water Management Practical Implementation Program

Brangers Angus Farm was approved for up to \$10,000 in State funds to build a compost bedded pack barn. This will be a Practical Implementation Project in Hardin County. For more information on this project, contact Mickey Brangers at (270) 766-4322 or mbjbk@windstream.net.

SOAR Revolving Loan Program

The Kentucky Highland Investment Corporation was approved for an additional \$250,000 in State funds to continue a permanent revolving loan program that will provide financing to small farmers working in the Shaping Our Appalachian Region (SOAR) counties of eastern Kentucky. For more information about this project, contact Jerry Rickett at (606) 864-5175 or jrickett@khic.org.

County Investments:

Grain Storage Expansion

Bagdad Roller Mills, Inc. was approved for up to \$200,000 in multiple County funds to expand its grain storage and handling equipment. For more information on this project, contact Charles Jefferies at (502) 747-8968 or brminc@bellsouth.net.

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. Six CAIPs were approved by the board totaling \$1,553,000 for Casey (\$290,000), Clinton (\$135,000), Hart (\$350,000), Metcalfe (\$235,000), Robertson (\$293,000) and Scott (\$250,000) counties.

On-Farm Energy Efficiency Program

The On-Farm Energy Efficiency Program provides incentives for Kentucky farm families to increase energy efficiency of existing equipment or facilities. Fifteen On-Farm Energy Efficiency Programs were approved totaling \$119,929 for recipients in Adair (\$3,283), Barren (\$14,288), Daviess (\$10,150), Graves (\$6,547), Hopkins (\$9,138), Letcher (\$10,150), Madison (\$10,150), Marshall (\$10,150), McLean (\$10,150), Ohio (\$20,300), Simpson (\$5,723), Washington (\$6,900) and Wayne (\$3,000) counties.

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 \$605 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 October 2019 KADB Meeting

CAIP

<u>County</u>	<u>Program Administrator</u>	<u>Date Submitted</u>	<u>Funds Approved</u>
Hart	Hart County Cattlemen's Association, Inc.	09/11/2019	\$ 350,000.00
Casey	Casey County Conservation District	09/20/2019	\$ 290,000.00
Metcalfe	Metcalfe County Conservation District	09/20/2019	\$ 235,000.00
Clinton	Clinton County Farm Bureau, Inc. of Albany, Kentucky	09/20/2019	\$ 135,000.00
Scott	Scott County Conservation District	09/24/2019	\$ 250,000.00
Robertson	Robertson County Soil Conservation District	09/27/2019	\$ 293,000.00
6			\$ 1,553,000.00
Total County KADF Approved for Programs:			\$1,553,000.00

KADF On-Farm Energy Incentives

Approved at the October 2019 KADB Meeting

On-Farm Energy Program

<u>County</u>	<u>Program Administrator</u>	<u>Date Submitted</u>	<u>Funds Approved</u>
Marshall	West KY Aquaponics, LLC <i>Horticulture - Greenhouse</i>	04/25/2019	\$10,150
Graves	Sheldon Brown <i>Poultry</i>	07/09/2019	\$6,547
Barren	Charlotte Shaw (Poor Due Dairy) <i>Dairy</i>	07/11/2019	\$5,570
Ohio	Larry J Blair <i>Poultry</i>	07/30/2019	\$10,150
Washington	Edith Lewis <i>Dairy</i>	08/22/2019	\$6,900
Daviess	Wayne Glenn (Glenn Farms) <i>Poultry</i>	08/28/2019	\$10,150
McLean	Leet Poultry Farm, LLC <i>Poultry</i>	08/28/2019	\$10,150
Ohio	Justin M Oliver (Oliver Farms) <i>Poultry</i>	08/29/2019	\$10,150
Adair	Jonathan A Gaskins (Gaskins Dairy) <i>Dairy</i>	08/29/2019	\$3,283
Wayne	Christopher A. Bell (Bells Broilers) <i>Poultry</i>	08/29/2019	\$3,000
Hopkins	William E Slaton (Rocky Bluff Farm) <i>Poultry</i>	08/29/2019	\$9,138
Barren	Coral Hill Dairy Farm, LLC <i>Dairy</i>	08/30/2019	\$8,718
Madison	Lazy Eight Stock Farm, LLC <i>Horticulture</i>	08/30/2019	\$10,150
Letcher	South Down Farm, LLC <i>Horticulture</i>	08/30/2019	\$10,150
Simpson	James B Stewart, Jr (Gold City Farm) <i>Poultry</i>	09/05/2019	\$5,723

15

\$119,929

Approved Project

Brangers Angus Farm**A2019-0194***Application County: Hardin**Date Submitted: 07/17/2019**Total Funds Awarded: \$10,000***FUNDING REQUEST**

Brangers Angus Farm is requesting \$44,000 in State funds to build a compost bedded pack barn. This will be a Practical Implementation Project in Hardin County.

APPLICATION SUMMARY

The applicant plans to construct a compost bedded pack barn with a water catchment system. The barn will serve as a bedding area with a feeding alley and manure storage area. Rainwater will be collected from the roof of the pack barn as well as a hoop barn and stored in a 15'x18'x8' in-ground water storage tank. The roof area has the potential to collect over 200,000 gallons of water per year. Excess water will be diverted to a local waterway by pipe to prevent erosion. The barn and water management practices will remove animals from pastures during extreme weather events, better manage manure storage, reduce runoff into streams, improve water quality and pasture quality, and increase net farm income.

The applicant intends to work with local extension, Hardin County Cattlemen's Association and schools to schedule workshops/classes to educate other farmers and share information and data gathered from the practices.

The total cost of the project is estimated at \$88,000 with the following funding sources:

\$44,000 KADF State funds

\$44,000 loan (pending)

PROJECTED PRODUCER IMPACT

The applicant states that two farm families will directly benefit, however education will be throughout Hardin County and neighboring counties.

Board Decision:

Brangers Angus Farm was approved for up to \$10,000 in State funds to install a water harvesting system as part of a compost bedded pack barn. This will be a Practical Implementation Project in Hardin County.

Approved Project

Bagdad Roller Mills, Inc.**A2019-0208***Application County: Shelby**Date Submitted: 08/27/2019**Total Funds Awarded: \$200,000***FUNDING REQUEST**

Bagdad Roller Mills, Inc. is requesting \$100,000 in State funds and \$100,000 in Shelby County funds to expand its grain storage and handling equipment.

APPLICATION SUMMARY

The applicant plans to build a new grain receiving pit, purchase new grain elevator legs, pit and grain drags. The new grain storage and handling equipment will allow the applicant to receive corn from local farmers at a faster rate. The new system would work in conjunction with the new grain bin that has recently been constructed.

The total cost for the project is estimated at \$400,000 with funding from the following sources:

\$100,000 KADF State funds (Unsecured)

\$ 50,000 Shelby County funds (Secured)

\$200,000 loan (Secured)

PRODUCER IMPACT

Bagdad Roller Mills, Inc. currently services 90 grain farm families in the following counties: Shelby, Henry, Spencer, Trimble, Anderson, Jefferson, Oldham, Owen, Scott, Fayette and Woodford.

Board Decision:

Bagdad Roller Mills, Inc. was approved for up to \$200,000 in multiple County funds to expand its grain storage and handling equipment. If the applicant is unable to secure the full \$200,000 in County funds, the Kentucky Agricultural Development Board (KADB) shall make the difference between \$200,000 and the secured County funds available to the applicant in the form of a participation loan sold by the lender to the Kentucky Agricultural Finance Corporation (KAFC).

Approved Project

Berea College, Grow Appalachia**A2019-0210***Application County: Madison**Date Submitted: 08/29/2019**Total Funds Awarded: \$274,695***FUNDING REQUEST**

Berea College, Grow Appalachia is requesting \$274,695 in State funds to expand Eastern Kentucky Direct Integrated Grower Support (EKY-DIGS) program in eastern Kentucky.

APPLICATION SUMMARY

The applicant is requesting funds to expand the "Eastern Kentucky Direct Integrated Grower Support" (EKY-DIGS) program to offer on-farm consultations and production planning for 64 farmers in 16 new counties, organize 24 hands-on field days, conduct an 8-month training for beginning farmers and develop interactive resources to help farmers make informed decisions critical to their farming operation.

The total cost of the project is estimated at \$672,060 with the following funding sources:

\$274,695 KADF State funds (unsecure)

\$297,365 USDA Beginning Farmer and Rancher Development grant (secured)

\$100,000 USDA NRSCS High Tunnel Regional Conservation Project (secured)

PROJECTED PRODUCER IMPACT

The applicant indicates more than 207 farm families have been impacted by EKY-DIGS.

Board Decision:

Berea College, Grow Appalachia was approved for up to \$274,695 in State and multiple County funds to expand the Eastern Kentucky Direct Integrated Grower Support (EKY-DIGS) Program to offer on-farm consultations and production planning. To receive State funds, recipient shall present to at least 15 County Agricultural Development Councils and secure at least \$15,000 in County funds.

Approved Project

Kentucky Center for Agriculture and Rural Development, Inc.**A2019-0223***Application County: Hardin**Date Submitted: 08/30/2019**Total Funds Awarded: \$900,000***FUNDING REQUEST**

The Kentucky Center for Agriculture and Rural Development (KCARD), Inc. is requesting \$900,000 in State funds over two years to deliver technical assistance and provide educational opportunities to agricultural and rural businesses.

APPLICATION SUMMARY

KCARD is the primary assistance provider for producer-owned agribusiness development in Kentucky. KCARD assists both start-up businesses engaged in development stages of planning and existing businesses, looking to address new challenges or expand their market. Small and mid-sized businesses make up a sizable majority of Kentucky agribusinesses. KCARD is the most effective when establishing a relationship during the development phase of an operation and continuing to nurture the relationship over the long term, with a primary focus on financial sustainability.

Since 2001, KCARD has provided assistance and received inquiries from over 1,500 different entities and individuals. In 2018, over 400 different businesses or projects received KCARD help, ranging from farmers markets to meat processors and value-added producers to commercial kitchens. Of those, at least 280 had never received assistance from KCARD. As of August 2019, KCARD has 223 active clients, with monthly inquiries for assistance increasing by 8% in the past 12 months.

The total cost of this two-year project is estimated at \$1,837,580 with the following funding sources:
\$400,000 USDA Rural Cooperative Development Grant (\$200,000 secured and \$200,000 pending)
\$537,580 KCARD fee-based work (\$192,269 secured and remainder pending)
\$900,000 KADF State funds

PROJECTED PRODUCER IMPACT

Through direct interaction and benefits received through groups of producers, the applicant indicates that at least 1,500 producers and agribusinesses have been affected by this project since January 1, 2018.

Board Decision:

The Kentucky Center for Agriculture and Rural Development, Inc. was approved for up to \$900,000 in State funds over a two year period to deliver technical assistance and provide educational opportunities to agricultural and rural businesses.

Approved Project

City of Hazard**A2019-0224***Application County: Perry**Date Submitted: 08/30/2019**Total Funds Awarded: \$100,000***FUNDING REQUEST**

The City of Hazard is requesting \$99,500 in State funds and \$500 in Perry County funds for the construction of a farmers market pavilion.

APPLICATION SUMMARY

The applicant states funds will be used for the construction of a permanent open-air farmers market pavilion in downtown Hazard. The structure will have a storage area and running water. The farmers market is currently located at picnic shelters in a Perry County park and must relocate when large events are at the park. The picnic shelters are in a low traffic area, whereas the new location will be in downtown Hazard. The applicant has partnered with Northfork Local Food and USDA to help construct the farmers market pavilion.

The cost of the total project is anticipated to be \$200,000 with funding from the following sources:

\$ 99,500 KADF State funds (unsecured)

\$ 500 Perry County funds (secure)

\$100,000 USDA Rural Development (secured)

PROJECTED PRODUCER IMPACT

The applicant states that 23 farm families will be impacted by this project.

Board Decision:

The City of Hazard was approved for up to \$99,500 in State and \$500 in Perry County funds for the construction of a farmers market pavilion.

Warren Beeler 11/5/2019 - 12/4/2019

11/5-11/21/19 NAILE	
11/6/2019 Oversight	10:00 AM
Speak: KY Agribusiness Summit	3:45 PM
11/8/2019 KAFC	10:00 AM
11/12/2019 On-Farm Water Management Committee Meeting	4:00 PM
11/15/2019 KADB	9:30 AM
11/17/2019 Bob Hall Saddle & Sirloin Induction	
11/18/2019 IJC Ag	10:00 AM
11/19-11/21/19 Small Limited Resource Minority Farmers Conference	
11/21/2019 Grayson Co. Foundation Meeting	5:00 PM
11/25/2019 Speak: East Jessamine	9:00 AM
11/26/2019 Speak: West Jessamine	9:00 AM
12/2/2019 Tobacco Research Board Meeting	12:00 PM
Breathitt Vet Center Advisory Board Meeting	6:00 PM
12/3/2019 Speak: Hardin Co. Cattlemen's Annual Meeting	
12/4/2019 Oversight	10:00 AM
KDA Hemp Conference	