



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

April 17, 2020

Meeting of the
Kentucky Agricultural Development Board



Governor Andy Beshear's Office of Agricultural Policy

For Immediate Release

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Gov. Beshear and Kentucky Agricultural Development Board Approve Nearly \$900,000 for 15 Projects Across Commonwealth *Investments Boost Key Industry During The Fight Against COVID-19*

FRANKFORT, Ky. (April 17, 2020) – The Kentucky Agricultural Development Board approved \$894,522 for 15 agricultural diversification and rural development projects across the commonwealth at its monthly board meeting.

“As we work through this difficult time, Kentucky agriculture has never been more important than it is right now and for our future,” said Gov. Andy Beshear. “Team Kentucky is working hard during this pandemic, and the KADB’s approvals today include a processing facility, agricultural education and market development. These projects will help our rural communities, and I am proud of the KADB for this funding.”

State Investments:

Facility Expansion and Upgrades

Marksbury Farm Foods LLC was approved for up to \$392,700 in the form of a participation loan to purchase equipment and upgrade its processing facility for capacity, yield optimization and quality demanded by larger customers. Located in Garrard County, Marksbury Farm Foods LLC is a Global Food Safety Initiative (GFSI) certified processing facility. For more information on this project, contact Preston Correll at 859-548-2333 or pcorrell@marksburyfarm.com.

County Investments:

Energy Upgrades

Kentucky FFA Leadership Training Center was approved for up to \$30,000 in multiple county funds to purchase a 20kW solar panel unit. The solar panel will be incorporated into the curriculum of the Emerging Ag Technology class at FFA camp during the summer. It also will offset energy costs at the training center. For more information on this project, contact Josh Mitcham at 270-756-2301 or josh.mitcham@education.ky.gov.

Feasibility Study

Southeast Kentucky Sheep Producers Association Inc. was approved for up to \$6,295 in Laurel County and \$6,295 in Pulaski County funds to conduct a study to determine the feasibility of aggregating and selling lambs into regional market channels. The goal of this project is to benefit Kentucky sheep producers and provide another market to sell their product. For more information on this project, contact Patrick Angel at 606-312-5264 or pangel9491@gmail.com.

Greenhouse Improvements

Rockcastle County Board of Education was approved for up to \$2,000 in Rockcastle County funds to renovate the greenhouse at Rockcastle County High School. Funds will be used to purchase storm doors, a heater, lumber, table inserts and a cash register. For more information on this project, contact Matthew Whitaker at 606-256-4816 or matthew.whitaker@rockcastle.kyschools.us.

Greenhouse and Aquaponics System Upgrades

Grayson County Board of Education was approved for up to \$1,500 in Grayson County funds for upgrades to the greenhouse and aquaponics system at the Grayson County High School. As part of the Agricultural Education program, the Grayson County High School aquaponics system produces aquatic species as well as hydroponic foods. Students have hands-on learning and will also work in partnership with the local Distributive Education Clubs of America (DECA) to raise mums as a fundraiser. Funds will be used to purchase heaters, temperature controls, pump, PVC pipe and fittings, landscape fabric, irrigation tubing, fertilizer injector, water timer, production pots and growing media. For more information on this project, contact Emily Taylor at 270-259-4078 or emily.taylor@grayson.kyschools.us.

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 operations. This cost-share program incentivizes farmers to build infrastructure, improve genetics, forages, farm management, technology and more. CAIP benefits and enhances agriculture across the state by stimulating markets for Kentucky agricultural products. Three CAIPs were approved by the board totaling \$294,396 in Owsley (\$140,000), Perry (\$30,739) and Wolfe (\$123,630) counties.

In addition to these new approvals, an additional \$65,282 was approved to enhance existing CAIPs in Bracken (\$58,282) and Boone (\$7,000) counties. An additional \$4,000 was approved to enhance an existing NextGen in Bracken 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. Three Shared-Use Equipment Programs were approved totaling \$63,180 in Breckinridge (\$16,000), Monroe (\$37,500) and Pulaski (\$9,680) counties.

Youth Agricultural Incentives Program

The Youth Agricultural Incentives Program was developed to encourage youth to engage in and explore agricultural opportunities. One Youth Program was approved by the board totaling \$28,931 in Mason County.

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KADF Programs

Approved at the April 2020 KADB Meeting

CAIP

<u>County</u>	<u>Program Administrator</u>	<u>Date Submitted</u>	<u>Funds Approved</u>
Owsley	Owsley County Conservation District	03/19/2020	\$ 140,000.00
Perry	Perry County Conservation District	03/20/2020	\$ 26,739.00
Perry	Perry County Conservation District	03/20/2020	\$ 4,000.00
Wolfe	Wolfe County Conservation District	03/27/2020	\$ 123,630.00
3			\$ 294,369.00

Shared-Use Equipment Program

<u>County</u>	<u>Program Administrator</u>	<u>Date Submitted</u>	<u>Funds Approved</u>
Pulaski	Pulaski County Conservation District	03/04/2020	\$ 9,680.00
Breckinridge	Breckinridge County Extension District Board	03/05/2020	\$ 16,000.00
Monroe	Monroe County Conservation District	03/19/2020	\$ 37,500.00
3			\$ 63,180.00

Youth Ag Incentives Program (Youth)

<u>County</u>	<u>Program Administrator</u>	<u>Date Submitted</u>	<u>Funds Approved</u>
Mason	Buffalo Trace Area Development District, Inc.	03/20/2020	\$ 28,931.00
1			\$ 28,931.00

Total County KADF Approved for Programs:	\$386,480.00
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App # **A2020-0001**
Applicant Name **Buffalo Trace Area Development District (Bracken)**
Original Amount Approved \$30,000
Execution Date 01/21/2020
Requested Change The applicant requests an additional \$4,000 in Bracken County funds for the *Next Gen Program*. The request received a high priority from the County Council.
The applicant also requests to increase the maximum producer limit amount from \$3,000 to \$3,500.
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.
Approval of this request would bring the program total to \$34,000.
Recommend Approval

App# **A2020-0002**
Applicant Name **Buffalo Trace Area Development District (Bracken)**
Original Amount Approved \$250,000
Execution Date 01/21/2020
Requested Change The applicant requests an additional \$58,282 in Bracken County funds for the *CAIP Program*. The request received a high priority from the County Council.
The applicant also requests to increase the maximum producer limit amount from \$3,000 to \$3,500.
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.
Approval of this request would bring the program total to \$308,282.
Recommend Approval

App# **A2019-0256**
Applicant Name **Northern Kentucky Cattle Association (Boone)**
Amount Approved \$123,464
Execution Date 1/7/2020
Requested Change The applicant requests an additional \$7,000 in Boone County funds for the *CAIP Program*. The request received a high priority from the County Council.
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 agreement.
Approval of this request would bring the program total to \$130,464
Recommend Approval

Approved Project

Kentucky FFA Leadership Training Center**A2020-0009***Application County: Breckinridge**Date Submitted: 01/22/2020**Total Funds Awarded: \$10,000***FUNDING REQUEST**

Kentucky FFA Leadership Training Center is requesting \$10,000 in Breckenridge County funds and \$20,000 in State funds to purchase a 20KW solar panel unit. That will allow Kentucky FFA Leadership Training Center to keep FFA Camp cost down.

APPLICATION SUMMARY

The applicant plans to use the solar panel to help offset energy costs at the Leadership Training Center. They also plan to incorporate this practical use of renewable energy into the curriculum of the Emerging Ag Technology class at FFA Camp during the summer. The solar panel will also serve as a demonstration for local farmers and business people interested in similar projects.

The total cost of the project is estimated at \$60,000 with funding from the following sources:

- \$10,000 State funds (unsecured)
- \$10,000 Breckenridge County funds (secured)
- \$15,000 Cecilian Bank (unsecured)
- \$10,000 Farm Credit Mid America (unsecured)
- \$15,000 Kentucky Department of Education

PROJECTED PRODUCER IMPACT

The applicant states that students from 120 counties participate in FFA Camp each year.

Board Decision:

Kentucky FFA Leadership Training Center was approved for up to \$30,000 in multiple county funds to purchase a 20kW solar panel unit that will allow Kentucky FFA Leadership Training Center to offset energy costs and incorporate into Emerging Technology curriculum. County funds committed to date: \$10,000 in Breckenridge

Approved Project

Rockcastle County Board of Education**A2020-0034***Application County: Rockcastle**Date Submitted: 02/21/2020**Total Funds Awarded: \$2,000***FUNDING REQUEST**

Rockcastle County Board of Education is requesting \$2,000 in Rockcastle County funds to renovate the school greenhouse.

APPLICATION SUMMARY

The applicant indicates that the school greenhouse is over 30 years old and is in need of renovations. The applicant plans to replace the heater, several plant tables and the cash register. These improvements will keep the greenhouse functioning as an education tool for agriculture education. When the budget allows.

The total cost of the project is \$4,000 with funding from the following sources:

\$2,000 Rockcastle County funds (secured)

\$2,000 Kentucky FFA Foundation Agriculture Achievers Grant (secured)

PRODUCER IMPACT

The applicant indicates at least 75 families will benefit directly from this project.

Board Decision:

Rockcastle County Board of Education was approved for up to \$2,000 in Rockcastle County funds to renovate the school greenhouse at Rockcastle County High School.

Approved Project

Marksbury Farm Foods, LLC**A2020-0042***Application County: Garrard**Date Submitted: 02/28/2020**Total Funds Awarded: \$392,700***FUNDING REQUEST**

Marksbury Farm Foods, LLC is requesting \$392,700 in State funds to purchase equipment and upgrade its processing facility to upgrade capacity, yield optimization and quality demanded by larger customers.

APPLICATION SUMMARY

Marksbury is a GFSI Certified processing facility located in Garrard County Kentucky. Marksbury provides custom processing to farmers who wants to put one animal in the freezer or a highly organized local meat company with your own brand and distribution network. The applicant would like to process for larger customers. In order to do theses they need to be able to achieve a higher yield optimization from carcass processing. By the applicant purchasing a grinder, linking and packing equipment will allow them to potential reach that level. Marksbury is currently processing Beef Solutions Cattle. Marksbury has received KADF in 2009, 2017 and 2019.

A2009-0023 Marksbury Farm Foods LLC received \$75,000 in state funds and \$100,000 in county funds (Fayette \$12,500, Garrard \$25,000, Jessamine \$5,000, Lincoln \$17,500, Washington \$25,000 and Woodford \$15,000) for the development of a USDA inspected processing facility and retail distribution center , specializing in natural foods, including organic, grass-fed, pastured and antibiotic, steroid, hormone (ASH) -free product.

A2017-0151 Poultry Processing Expansion: Marksbury Farm Foods LLC received \$55,000 in state and multiple county funds as a cost-reimbursement grant for the expansion of its poultry processing operation in Garrard County.

A2019-0028 received \$62,350 in the form of a cost-reimbursement grant to obtain a GFSI certification and purchase a metal detector and \$42,163 in the form of a cost-reimbursement forgivable loan to purchase processing equipment. Total KADF that Marksbury has received is \$333,304.

The total cost of the project is estimated at \$785,700 with funding from the following sources:

\$392,700 KADF State funds

\$150,000 FSNB (secured)

\$100,000 Cash on Hand (secure)

\$145,000 Additional funds from MFF members (secure)

PRODUCER IMPACT

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

Board Decision:

Marksbury Farm Foods, LLC was approved for up to \$392,700 in State funds, as a participation loan, to purchase equipment and upgrade its processing facility to upgrade capacity, yield optimization and quality demanded by larger customers.

Approved Project

Southeast Kentucky Sheep Producers Association, Inc.**A2020-0043***Application County: Laurel**Date Submitted: 02/28/2020**Total Funds Awarded: \$12,590***FUNDING REQUEST**

Southeast Sheep Producers Association, Inc. is requesting \$6,295 in Laurel and Pulaski County funds to conduct a feasibility study to determine the feasibility of aggregating and selling lambs into regional market channels.

APPLICATION SUMMARY

The applicant states funds will be used to conduct a feasibility study to determine if Kentucky has enough sheep producers to aggregate and sell lambs into regional market channels. The goal is to benefit Kentucky sheep producers and give them another market to sell their product.

The cost of the total project is anticipated to be \$25,180 with funding from the following sources:

\$ 6,295 Laurel County funds (secured)

\$ 6,295 Pulaski County funds (secured)

\$ 12,590 USDA Value Added Producer Grant (unsecured)

PROJECTED PRODUCER IMPACT

The applicant states that up to 80 farm families may be impacted by this project.

Board Decision:

Southeast Sheep Producers Association, Inc. was approved for up to \$12, 590 County funds (\$6,295 each from Laurel and Pulaski counties) to conduct a feasibility study to determine the feasibility of aggregating and selling lambs into regional market channels.

Approved Project

Grayson County Board of Education**A2020-0045***Application County: Grayson**Date Submitted: 02/28/2020**Total Funds Awarded: \$1,500***FUNDING REQUEST**

The Grayson County Board of Education is requesting \$1,500 in Grayson County funds for upgrades to the greenhouse and aquaponics system at Grayson County High School.

APPLICATION SUMMARY

The Grayson County High School, as part of the Agricultural Education program, has an aquaponics system that is capable of producing aquatic species as well as hydroponic foods. In order to provide students with additional hands on learning, two heaters are needed to expand the system to include tilapia production. The department will also begin working in partnership with the local Distributive Education Clubs of America (DECA) program to raise mums as a fundraiser. This will be a completely new endeavor for the department so large purchases are needed up front. Funds will be used to purchase heaters, temperature controls, pump, PVC pipe and fittings, landscape fabric, irrigation tubing, fertilizer injector, water timer, production pots and growing media.

The total cost of the project is estimated at \$2,649 with funding from the following sources:

\$1,500 Grayson County funds (secured)

\$1,149 Grayson County FFA Account (secured)

PROJECTED PRODUCER IMPACT

The applicant states that 164 students are currently enrolled in agricultural education courses and would be able to assist with both portions of the project, as well as over 400 families in the community who could be impacted by the future mum sales.

Board Decision:

The Grayson County Board of Education was approved for up to \$1,500 in Grayson County funds for upgrades to the greenhouse and aquaponics system at Grayson County High School.

Denied Project

Muhlenberg County Conservation District**A2020-0049***Application County: Muhlenberg**Date Submitted: 03/09/2020**Total Funds Awarded: \$0***CAIP SUMMARY****FUNDING –\$0 (NOT FUNDED, Requested FY2020 allocation)**

Match – 50/50

PRO-RATE – Yes, all

Minimum Score - 44

Every Other Year – No

PRODUCER INVESTMENT

\$2,500 Maximum Producer Limit

\$2,500 Primary Focus Area

No Secondary Focus Area

Board Decision:

The board denied this request, based on the low priority from the Muhlenberg County Agricultural development Council.