



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

February 21, 2020

Meeting of the
Kentucky Agricultural Development Board



Governor Andy Beshear's Office of Agricultural Policy

For Immediate Release

Contact: **Marielle McElmurray**
(502) 782-1731
(502) 229-6348
marielle.mcelmurray@ky.gov

Gov. Andy Beshear and the Kentucky Agricultural Development Board Approve More Than \$1.4 Million in Agricultural Investments *Youth Agricultural Incentive Programs and On-Farm Energy Among Thirty-Two Projects Approved*

FRANKFORT, Ky. (Feb. 21, 2020) –The Kentucky Agricultural Development Board approved \$1,467,261 in 32 agricultural diversification and rural development projects across the Commonwealth at its monthly board meeting.

“The greatest investment of all is in our youth,” Gov. Andy Beshear said. “The next generation in agriculture is supported and encouraged through funding projects such as the equine education clinic in Daviess County, the 4-H ham project in Metcalfe County, as well as, the Youth Agricultural Incentive Programs approved by the KADB this month.”

State Investments:

Kentucky Commercial Rye Cover Crop Initiative

American Farmland Trust (AFT) was approved for up to \$275,000 in State funds for the Kentucky Commercial Rye Cover Crop Initiative. The expansion of the bourbon industry has triggered an interest in rye as a potential crop of substance for Kentucky farmers. AFT, in partnership with the University of Kentucky, Kentucky Small Grain Growers Association and local farmers, will evaluate the agronomic traits of rye in hopes to improve soil health, environmental quality and farmers' profitability. Partnerships have also been formed with Woodford Reserve, DendriFund and Brown-Forman to evaluate distilling potential of varieties and other factors involved in the end products of rye. For more information on this project, contact Lori Sallet at (202) 378-1259 or lsallet@farmland.org.

Bee Health Research

University of Kentucky Research Foundation was approved for up to \$94,928 in State funds over a two year period to develop infrastructure to assess patterns of viral infections among Kentucky honey bee hives. This project will test how nutritional stress impacts viral presence and abundance in bees, particularly for viruses with unusually high infection rates in Kentucky. By establishing the research infrastructure, this project plans to provide viral

screening services to improve hive maintenance and hive health for Kentucky beekeepers. For more information on this project, contact Clare Rittschof at (859) 218-3343 or clare.rittshof@uky.edu.

Dairy Processing Equipment

On Tapp Dairy, LLC was approved for up to \$27,500 in State funds and \$27,500 in multiple County funds for the purchase of equipment to process and bottle milk. Small dairy farms have struggled significantly over the past several years. With the purchase of equipment to pasteurize and bottle milk, On Tapp Dairy, located in Washington County, will now have the ability to sell its farm fresh, certified organic milk at farmers markets, retail stores, restaurants and private schools. For more information on this project, contact Dudley Tapp at (859) 805-1258 or ontappdairy@gmail.com.

On-Farm Energy Efficiency Incentives

The On-Farm Energy Efficiency Program provides incentives for Kentucky farm families to increase energy efficiency of existing equipment or facilities. Ten On-Farm Energy Efficiency grants were approved totaling \$92,714 for recipients in Barren (\$7,350), Daviess (\$10,150), Grayson (\$10,150), Metcalfe (2, \$14,512), Muhlenberg (\$10,150), Russell (\$10,118), Taylor (\$10,050), Warren (\$10,084) and Webster (\$10,150) counties.

County Investments:

Equine Education Program

Daviess County 4-H Council, Inc. was approved for up to \$2,488 in Daviess County funds to offer an equestrian safety clinic. Landsafe Equestrian Safety Clinic will teach riders the best fall prevention methods and response to help avoid injury from a fall. Instructors will use gymnastic training and falling simulators to help participants build confidence and muscle memory. For more information on this project, contact Stacey Potts at (270) 685-8480 or stacey.potts@uky.edu.

4-H Country Ham Project

Metcalfe County 4-H Council, Inc. was approved for up to \$1,446 in Metcalfe County funds to purchase 18 hams for Metcalfe County 4-H. Metcalfe County 4-H members that participate in the country ham project learn about the history behind curing hams, curing process, food safety, meat production and food preservation. For more information on this project, contact Amy Branstetter at (270) 432-3561 or ambr223@uky.edu.

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. Five CAIPs were approved by the board totaling \$731,944 in Bath (\$242,820), Breckinridge (\$250,000), Knott (\$20,000), Logan (\$65,124) and Washington (\$154,000) counties.

In addition to these new approvals, an additional \$9,083 was approved to enhance an existing CAIP in Logan County.

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. Three Deceased Farm Animal Removal Programs totaling \$20,004 were approved for LaRue (\$2,500), Montgomery (\$6,900) and Washington (\$10,604) 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 ages 18 to 40 that have been engaged in an agricultural operation for a minimum of three years. One Next Generation Farmer Program was approved by the board totaling \$38,500 for recipients in Washington 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 \$38,304. Logan County purchased a no-till drill (\$23,606) and Pulaski County purchased a no-till drill (\$10,000) and a pasture weed sprayer (\$4,698).

Youth Agricultural Incentives Program

The Youth Agricultural Incentives Program (Youth) was developed to encourage youth to engage in and explore agricultural opportunities. Four Youth Programs were approved by the board totaling \$107,850 for Bath (\$30,000), Fayette (\$7,500), Logan (\$60,000) and Washington (\$10,350) counties.

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Gov. Andy Beshear and the General Assembly continue to make great strides toward lessening Kentucky's dependence on tobacco production while revitalizing the farm economy by investing a portion of Kentucky's Master Tobacco Settlement Agreement Funds into the Kentucky Agricultural Development Fund (KADF).

To date, the KADF investments total 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 KADF, 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 February 2020 KADB Meeting

CAIP

<u>County</u>	<u>Program Administrator</u>	<u>Date Submitted</u>	<u>Funds Approved</u>
Bath	Bath County Conservation District	01/14/2020	\$ 242,820.00
Logan	Logan County Cattlemens Association Incorporated	01/22/2020	\$ 65,124.00
Knott	Knott County Conservation District	01/22/2020	\$ 20,000.00
Washington	Washington County Cattlemen Association, Inc.	01/28/2020	\$ 154,000.00
Breckinridge	Breckinridge County Conservation District	01/31/2020	\$ 250,000.00
5			\$ 731,944.00

Deceased Farm Animal Removal (DAR)

<u>County</u>	<u>Program Administrator</u>	<u>Date Submitted</u>	<u>Funds Approved</u>
LaRue	LaRue County Conservation District	01/13/2020	\$ 2,500.00
Montgomery	Montgomery County Fiscal Court	01/15/2020	\$ 6,900.00
Washington	Washington County Fiscal Court	01/28/2020	\$ 10,604.00
3			\$ 20,004.00

Next Generation Farmer (NextGen)

<u>County</u>	<u>Program Administrator</u>	<u>Date Submitted</u>	<u>Funds Approved</u>
Washington	Washington County Cattlemen Association, Inc.	01/28/2020	\$ 38,500.00
1			\$ 38,500.00

Shared-Use Equipment Program

<u>County</u>	<u>Program Administrator</u>	<u>Date Submitted</u>	<u>Funds Approved</u>
Pulaski	Pulaski County Conservation District	01/09/2020	\$ 10,000.00
Pulaski	Pulaski County Conservation District	01/09/2020	\$ 4,698.00
Logan	Logan County Conservation District	01/22/2020	\$ 23,606.00
3			\$ 38,304.00

Youth Ag Incentives Program (Youth)

<u>County</u>	<u>Program Administrator</u>	<u>Date Submitted</u>	<u>Funds Approved</u>
Bath	Bath County Cattleman Association, Inc.	01/17/2020	\$ 30,000.00
Logan	Logan County Cattlemens Association Incorporated	01/22/2020	\$ 60,000.00

KADF Programs

Fayette	Fayette County 4-H Council, Inc.	01/23/2020	\$ 7,500.00
Washington	Washington County Cattlemen Association, Inc.	01/28/2020	\$ 10,350.00
4			<hr/> \$ 107,850.00
<hr/> Total County KADF Approved for Programs:			\$936,602.00

Requested Program Amendments

App # A2019-0031
Applicant Name Logan County Cattlemen Association
 Original Amount Approved \$60,134
 Execution Date 03/4/2019
 Requested Change The applicant requests an additional \$9,083 in Logan 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 original agreement.
 Approval of this request would bring the program total to \$69,217.
Recommend Approval

App# A2019-0149
Applicant Name Simpson County Conservation District
 Original Amount Approved \$89,300
 Execution Date 01/16/2019
 Requested Change The applicant requests to increase the maximum producer limit amount from \$1,200 to \$5,000
 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.
Recommend Approval

KADF On-Farm Energy Incentives

Approved at the February 2020 KADB Meeting

On-Farm Energy Program

<u>County</u>	<u>Program Administrator</u>	<u>Date Submitted</u>	<u>Funds Approved</u>
Barren	Charles B Peden <i>Dairy</i>	12/20/2019	\$7,350
Taylor	James Cowherd <i>Dairy</i>	12/20/2019	\$10,050
Daviess	Shady-Green, Inc. <i>Horticulture</i>	12/23/2019	\$10,150
Russell	Timothy A McGowan <i>Dairy</i>	12/26/2019	\$10,118
Metcalfe	Michael Harmon <i>Poultry</i>	12/23/2019	\$4,362
Muhlenberg	Foxy Farm, LLC <i>Poultry</i>	12/26/2019	\$10,150
Warren	Sumner Dairy, LLC <i>Dairy</i>	12/26/2019	\$10,084
Metcalfe	Daniel Bilbrey <i>Poultry</i>	12/23/2019	\$10,150
Grayson	Michael W Geary <i>Poultry</i>	12/26/2019	\$10,150
Webster	Sebree Poultry, LLC <i>Poultry</i>	12/27/2019	\$10,150
10			\$92,714

Approved Project

American Farmland Trust Inc**A2019-0259***Application County: _ALL**Date Submitted: 11/27/2019**Total Funds Awarded: \$275,000***FUNDING REQUEST**

American Farmland Trust is requesting \$565,520 in State funds for the Kentucky Commercial Rye Cover Crop Initiative.

APPLICATION SUMMARY

The Kentucky Commercial Rye Cover Crop Initiative's goal is to improve farmers' profitability, soil health and environmental quality while supporting local economies and businesses such as brewers, bakers and distillers who seek the unique flavor rye imparts in their products. Rye for grain in Kentucky will reduce the imports of rye from Europe and Canada and diversify farmers' crop mix to benefit both profits and overall soil health. American Farmland Trust (AFT) will be working in partnership with the University of Kentucky, Kentucky Small Grain Growers Association and local farmers to evaluate the agronomic traits of rye. Partnerships have also been formed with Woodford Reserve, DendriFund and Brown-Foreman to evaluate distilling potential of varieties and other factors involved in the end products of rye. Funding will be used for project implementation, programming, management and research over a two year period.

The total cost of the project is estimated at \$1,131,040 with funding from the following sources:

- \$ 565,520 KADF State funds
- \$ 279,294 American Farmland Trust (secured)
- \$ 65,000 Kentucky Small Grain Growers Association (secured)
- \$ 105,000 DendriFund funds (secured)
- \$ 14,352 Woodford Reserve funds (secured)
- \$ 10,380 Brown-Foreman (secured)
- \$ 2,500 Hartwick College Center for Craft Food and Beverage (secured)
- \$ 13,750 Dace and King Stubbs/Farmer Jerry Whitaker (secured)
- \$ 11,000 Robert James (secured)
- \$ 13,750 Dace Brown Polk (secured)
- \$ 50,494 funds to be secured (pending)

PROJECTED PRODUCER IMPACT

The applicant states that 20 farm families will be directly impacted by this project with more invited as funding is secured. Results and outcomes have the potential to impact all small grain growers across the state.

Board Decision:

American Farmland Trust was approved for up to \$275,000 in State funds for the Kentucky Commercial Rye Cover Crop Initiative to improve farmers' profitability, soil health and environmental quality, while supporting local economies and businesses.

Approved Project

Metcalfe County 4-H Council, Incorporated**A2019-0264***Application County: Metcalfe**Date Submitted: 12/17/2019**Total Funds Awarded: \$1,446***FUNDING REQUEST**

The Metcalfe County 4-H Council, Inc. is requesting \$1,446 in Metcalfe County funds to purchase 18 hams for Metcalfe County 4-H.

APPLICATION SUMMARY

Metcalfe County 4-H members that participate in the country ham project learn about: the history behind curing hams, science behind the curing process, food safety, meat production and food preservation. In order for the 4-H members to successfully complete the project, they must come to at least two of the three meetings to choose and prepare their hams. In order for the 4-H members to receive their hams at the State Fair, they must attend Country Ham Day to give their speech, otherwise they forfeit their second ham.

The total cost of the project is estimated at \$3,081 with the following funding sources:

\$1,446 KADB Metcalfe County Funds (secured)

\$1,635 Metcalfe County 4-H Council (secured)

PROJECTED PRODUCER IMPACT

The applicant states that approximately 18 farm families will benefit from this project.

Board Decision:

The Metcalfe County 4-H Council Inc. was approved for up to \$1,446 in Metcalfe County funds to purchase 18 hams for the 4-H country ham project.

Approved Project

University of Kentucky Research Foundation**A2019-0266***Application County: _ALL**Date Submitted: 12/20/2019**Total Funds Awarded: \$94,928***FUNDING REQUEST**

University of Kentucky Research Foundation is requesting \$94,928 in State funds to develop the infrastructure to assess patterns of viral infections among Kentucky honey bee hives.

APPLICATION SUMMARY

The applicant indicates that this will be a two year grant. This program will test how nutritional stress impacts viral presence and abundance, particularly for viruses with unusually high infection rates in Kentucky. The applicant will hire two undergraduate students. Beekeepers will receive rapid feedback on Varroa mite counts and viral presence. This will improve hive maintenance and eventually hive health. The main goal for this project is to establish the research infrastructure to provide viral screening services to beekeepers in Kentucky.

The total cost of the project is \$189,856 with funding from the following sources:

\$ 94,928 State funds
\$ 94,928 UK Research Foundation (Secured)
\$ 2,098 Supplies (Secured)
\$ 924 Transportation (Secured)

PRODUCER IMPACT

The applicant indicates this project will directly impact 25 beekeepers by giving them direct feedback about the health of their individual hives. However, the results from this project will also be disseminated to hundreds of beekeepers throughout the state.

Board Decision:

The UK Research Foundation was approved for up to \$94,928 in State Funds over two years to develop the infrastructure to assess patterns of viral infections among Kentucky honey bee hives.

Approved Project

Daviess County 4-H Council, Incorporated**A2019-0267***Application County: Daviess**Date Submitted: 12/20/2019**Total Funds Awarded: \$2,488***FUNDING REQUEST**

Daviess County 4-H Council is requesting \$2,488 in Daviess County funds to offer an equestrian safety clinic.

APPLICATION SUMMARY

The applicant plans to offer an equine safety clinic. The clinic will be taught by Landsafe Equestrian Safety Clinic and will teach riders the best fall prevention methods and response to help avoid injury. The instructors use gymnastic training and falling simulators to help participants build confidence and muscle memory.

The total cost of the project is estimated at \$8,976 with funding from the following sources:

\$2,488 KADF Daviess County funds (Secure)

\$6,488 Registration (Unsecure)

PROJECTED PRODUCER IMPACT

The applicant indicated the clinic can host up to 15 participants.

Board Decision:

Daviess County 4-H Council was approved for up to \$2,488 in Daviess County funds to offer an equestrian safety clinic taught by Landsafe Equestrian Safety Clinic to teach riders fall prevention methods and response to help avoid injury.

Approved Project

On Tapp Dairy, LLC**A2019-0273***Application County: Washington**Date Submitted: 12/23/2019**Total Funds Awarded: \$55,000***FUNDING REQUEST**

On Tapp Dairy, LLC is requesting \$27,500 in State funds and \$27,500 in Washington County funds for the purchase of equipment to process and bottle milk.

APPLICATION SUMMARY

The applicant plans to use 100 percent of the milk from On Tapp Dairy to bottle fluid milk. On Tapp Dairy LLC is an organic, grass fed dairy located in Washington County. The applicant plans to market its milk to retail consumers at the farmers market, retail stores, restaurants and private schools.

The total cost of the project is estimated at \$110,000 with funding from the following sources:

\$27,500 State funds (unsecured)

\$27,500 Washington County funds (Secured)

\$55,000 Loan from Citizens Union Bank (unsecured)

PROJECTED PRODUCER IMPACT

The initial plan is to use 240,000 pounds of organic milk.

Board Decision:

On Tapp Dairy LLC was approved for up to \$27,500 in Washington County funds and \$27,500 in State funds, totaling \$55,000, for the purchase of equipment to process and bottle milk to market to retail customers at the farmers market, retail stores, restaurants and private schools.