



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

**January 17, 2020**

Meeting of the  
Kentucky Agricultural Development Board



Commonwealth of Kentucky  
Governor's Office of Agricultural Policy

For Immediate Release

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**Farmers Market and Kentucky Young Farmers Convention  
Among Eleven Agricultural Investments Approved**  
*More than \$7 million invested in Kentucky Agricultural Development Funds*

**OWENSBORO, Ky. (Jan. 17, 2020)** –The Kentucky Agricultural Development Board approved \$7,018,530 in 11 agricultural diversification and rural development projects across the Commonwealth at its monthly board meeting.

**State Investments:**

**Exposition Center Main Entrance Renovation**

Kentucky State Fair Board was approved for up to \$6,000,000 in KADF funds for the demolition and renovation of Gate One at the Kentucky Fair & Exposition Center. For more information on this project, contact Ian Cox at (502) 367-5186 or [ian.cox@kyvenues.com](mailto:ian.cox@kyvenues.com).

**Farmers Market & Multi-Use Pavilion**

City of Berea was approved for up to \$240,000 in State funds and \$10,000 in Madison County funds for the construction of a multi-use farmers market pavilion. For more information on this project, contact Bruce Fraley at (859) 986-8528 or [bfracley@bereaky.gov](mailto:bfracley@bereaky.gov).

**County Investments:**

**2020 Kentucky Young Farmers Convention**

Jessamine County Young Farmers Association, Inc. was approved for up to \$5,000 in Jessamine County funds to support the 2020 Kentucky Young Farmers Convention. For more information on this project, contact Carl Waits at (859) 948-5527 or [carl.waits@twc.com](mailto:carl.waits@twc.com).

**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. Three CAIPs were approved by the board totaling \$524,519 in Bracken (\$250,000), Lewis (\$208,766) and Rowan (\$65,753) counties.

In addition to these new approvals, an additional \$178,028 was approved to enhance existing CAIPs in Daviess (\$142,528) and McLean (\$35,500) 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 \$30,000 for recipients 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. One Shared-Use Equipment Program was approved totaling \$5,983 for Daviess County.

**Youth Agricultural Incentives Program**

The Youth Agricultural Incentives Program (Youth) serves as a measure to facilitate the growing need for a specialized program that benefits youth actively engaged in agriculture. One Youth Program was approved by the board totaling \$25,000 in Clark 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 Tobacco Settlement Agreement Funds known as the Kentucky Agricultural Development Fund.*

*To date, the Kentucky Agricultural Development Fund 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 January 2020 KADB Meeting*

### CAIP

<u>County</u>	<u>Program Administrator</u>	<u>Date Submitted</u>	<u>Funds Approved</u>
Lewis	Lewis County Conservation District	12/11/2019	\$ 208,766.00
Rowan	Rowan County Conservation District	12/20/2019	\$ 65,753.00
Bracken	Buffalo Trace Area Development District, Inc.	01/03/2020	\$ 250,000.00
3			\$ 524,519.00

### Next Generation Farmer (NextGen)

<u>County</u>	<u>Program Administrator</u>	<u>Date Submitted</u>	<u>Funds Approved</u>
Bracken	Buffalo Trace Area Development District, Inc.	01/03/2020	\$ 30,000.00
1			\$ 30,000.00

### Shared-Use Equipment Program

<u>County</u>	<u>Program Administrator</u>	<u>Date Submitted</u>	<u>Funds Approved</u>
Daviess	Daviess County Cattleman's Association	12/20/2019	\$ 5,983.00
1			\$ 5,983.00

### Youth Ag Incentives Program (Youth)

<u>County</u>	<u>Program Administrator</u>	<u>Date Submitted</u>	<u>Funds Approved</u>
Clark	Clark County Conservation District	12/17/2019	\$ 25,000.00
1			\$ 25,000.00

<b>Total County KADF Approved for Programs:</b>	<b>\$585,502.00</b>
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## Requested Program Amendments

**App #** A2019-0073  
**Applicant Name** Green River Area Beef Improvement Group, Inc (Daviness)  
 Original Amount Approved \$50,000  
 Execution Date 06/4/2019  
 Requested Change The applicant requests an additional \$142,528 in Daviess 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 \$192,528.  
**Recommend Approval**

**App#** A2019-0123  
**Applicant Name** Green River Area Beef Improvement Group, Inc (McLean)  
 Original Amount Approved \$50,000  
 Execution Date 06/03/2019  
 Requested Change The applicant requests an additional \$35,500 in McLean 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 \$85,500.  
**Recommend Approval**

**App#** A2019-0050  
**Applicant Name** Jessamine County FFA Alumni Association  
 Amount Approved \$172,000  
 Execution Date 5/29/19  
 Requested Change The applicant requests to increase the maximum producer limit amount from \$3,000 to \$4,000.  
 This is the second request for an amendment to this application number. The term of the program shall remain 12-months from the execution date of the agreement.  
**Recommend Approval**

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**Approved Project**

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**City of Berea****A2019-0243***Application County: Madison**Date Submitted: 10/17/2019**Total Funds Awarded: \$250,000***FUNDING REQUEST**

The City of Berea is requesting \$240,000 in State funds and \$10,000 in Madison County funds for the construction of a multi-use farmers market pavilion.

**APPLICATION SUMMARY**

The applicant states funds will be used for the construction of a permanent open-air, multi-use farmers market pavilion and to improve the surrounding parking area and expand the green space to serve the need of the city, the market and the community. The applicant will partner with Berea Tourist and Convention Commission to help construct this project .

The cost of the total project is anticipated to be \$587,980 with funding from the following sources:

\$ 240,000 KADF State funds (unsecured)

\$ 10,000 Madison County funds (secured)

\$ 100,000 USDA Rural Development Grant (pending)

\$ 237,980 Berea Tourist and Convention Commission (secured)

**PROJECTED PRODUCER IMPACT**

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

***Board Decision:***

The City of Berea was approved for up to \$240,000 in State and \$10,000 in Madison County funds for the construction of a multi-use farmers market pavilion.

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**Approved Project**

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**Kentucky State Fair Board****A2019-0254***Application County: Jefferson**Date Submitted: 11/19/2019**Total Funds Awarded: \$6,000,000***FUNDING REQUEST**

The Kentucky State Fair Board is requesting \$6,000,000 in State funds for the demolition and renovation of Gate One at the Kentucky Fair & Exposition Center.

**APPLICATION SUMMARY**

One of the provisions in 2018 Regular Session House Bill 200 authorized the allocation of \$7,000,000 in fiscal year 2018-19 for capital improvements to the agricultural events space and other facilities located at the Kentucky Fair & Exposition Center. The authorization specifically stated that funds could be used for projects related to deferred maintenance, renovation, and remodeling of event space primarily used for animal and other agricultural-related events or the demolition of unusable facilities.

This project will involve the demolition of Gate One and renovation of its front entrance. The renovation will increase capacity and enhance through-put at the main entry gate where, based on a recent traffic study, over 50% of attendees for all events process through. The new gates would also be safer and easier to operate for employees as well as enhance overall customer experience at the Kentucky Fair & Exposition Center. This will ensure the Kentucky State Fair Board can continue to produce its three agricultural-related expositions (Kentucky State Fair, North American International Livestock Exposition, National Farm Machinery Show and Championship Tractor Pull) in a first class manner.

The total cost of the project is estimated at \$6,000,000 with the following funding sources:

\$6,000,000 KADF State funds

**PROJECTED PRODUCER IMPACT**

The applicant states that the public in general, including farm families, will benefit directly from this project.

***Board Decision:***

The Kentucky State Fair Board was approved for up to \$6,000,000 in State funds for the demolition and renovation of the main entrance (gate one) at the Kentucky Exposition Center.

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**Approved Project**

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**Jessamine County Young Farmers Association, Inc.****A2019-0257***Application County: Jessamine**Date Submitted: 11/27/2019**Total Funds Awarded: \$5,000***FUNDING REQUEST**

Jessamine County Young Farmers Association, Inc. is requesting \$5,000 in Jessamine County funds for the 2020 Kentucky Young Farmers Convention.

**APPLICATION SUMMARY**

The Kentucky Young Farmers Convention is an annual gathering of young farmers from across the state to participate in a two-day recognition of agriculture accomplishments throughout the previous year. Along with awards convention gives opportunities for networking, education, and farm/agribusiness tours. The 2020 convention will be held on March 6-7 in Lexington, Kentucky. Funding will be used to assist with expenses incurred from transportation for tours, advertising, meals, snacks, and programming (women, children, etc).

The total cost of the project is estimated at \$20,000 with funding from the following sources:

\$5,000 Jessamine County funds

\$5,000 Jessamine County Young Farmers Association (secured)

\$10,000 various sources (pending)

**PROJECTED PRODUCER IMPACT**

The applicant states that approximately 150-200 farm families are expected to participate.

***Board Decision:***

The Jessamine County Young Farmers Association, Inc. was approved for up to \$5,000 in Jessamine County funds for the 2020 Kentucky Young Farmers Convention.



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**Denied Project**


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**Pennington Stave and Cooperage, LLC****A2019-0233***Application County: Metcalfe**Date Submitted: 09/20/2019**Total Funds Awarded: \$0***FUNDING REQUEST**

Pennington Stave and Cooperage, LLC is requesting \$1,000,000 in State funds and \$225,000 in multiple County to produce stave and new barrels for the growing spirits and wine industry.

**APPLICATION SUMMARY**

Pennington Stave and Cooperage, LLC is newly established to produce staves and new barrels required by the spirits and wine industry. The applicant plans to have a state of the art barrel processing facility. Currently, barrel processing is very labor intensive and operations have an excessive work force to meet the demand. With a more automated facility, labor and overhead cost will be reduced and a more consistent barrel will be produced. With less funds going towards labor and benefits, the applicant plans to buy more logs from local growers.

The total cost for the project is estimated at \$27,450,010 with funding from the following sources:

\$ 1,000,000 KADF State funds (Unsecured)  
 \$ 225,000 KADF Multiple County (Unsecured)  
 \$ 1,000,000 Private Equity Financing (Secured)  
 \$ 1,000,000 CDBG Grant (Pending)  
 \$ 5,000,000 Small Business Analysis Grant (Pending)  
 \$19,225,010 USDA Loan (Unsecured)

**PRODUCER IMPACT**

The applicant indicates that the following counties will be impacted: Metcalfe, Adair, Cumberland, Monroe, Clinton, Barren, Green and Hart.

***Committee Recommendation:***

Blue Application Review Committee recommends denying the request due to limited producer impact.

***Board Decision:***

The Board denied the request based on the Committee's recommendation.

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**Denied Project**

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**Michael R. Sloan****A2019-0258***Application County: Franklin**Date Submitted: 11/27/2019**Total Funds Awarded: \$0***FUNDING REQUEST**

Michael R. Sloan is requesting \$250,000 on behalf of Southern Appalachian Cherokee Mountain Eagle Express in State funds to purchase equipment in order to develop a trucking business in Kentucky.

**APPLICATION SUMMARY**

The applicant plans to develop a transportation carrier business. The business will focus on flat beds and special freight. The applicant will subcontract with ACW transport Davenport, Iowa.

The total cost for the project is estimated at \$500,000 with funding from the following sources:

\$250,000 KADF State funds (Unsecured)

\$250,000 Bank (Unsecured)

**PRODUCER IMPACT**

The applicant indicates that hundreds of farmers will be impacted by this project.

***Committee Recommendation:***

Blue Application Review Committee recommends denying the request due to limited producer impact.

***Board Decision:***

The Board denied the request based on the Committee's recommendation.

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**Denied Project**


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**Grand Stable, LLC****A2019-0260***Application County: Daviess**Date Submitted: 11/27/2019**Total Funds Awarded: \$0***FUNDING REQUEST**

Grand Stable LLC, is requesting \$30,000 in Daviess County funds and \$270,000 in State funds for construction of a multi-use event facility.

**APPLICATION SUMMARY**

The applicant indicates that the space will be used as an event and agritourism venue in Philipot, Kentucky. The space will be a 15,000 square foot barn that will be updated to hold 500 guest under roof with heating and air, a warming kitchen and bathrooms. The applicant's goal is to hold large groups under one roof in all weather conditions and to showcase Owensboro.

The total cost of this project is estimated at \$600,000 with the following funding sources:

\$ 30,000	KADF Daviess County funds (unsecure)
\$ 270,000	KADF State funds (unsecure)
\$ 300,000	South Central Bank (secure)

**PRODUCER IMPACT**

Daviess County will directly benefit from this project as well as other counties residents that are willing travel will also benefit.

***Committee Recommendation:***

Blue Application Review Committee recommends denying the request due to limited producer impact.

***Board Decision:***

The Board denied the request based on the Committee's recommendation.