

TOBACCO SETTLEMENT AGREEMENT FUND OVERSIGHT COMMITTEE

Minutes of the 4th Meeting of the 2021 Interim

June 10, 2021

Call to Order and Roll Call

The 4th meeting of the Tobacco Settlement Agreement Fund Oversight Committee was held on Thursday, June 10, 2021, at 10:30 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; Senators Paul Hornback, Robin L. Webb, and Whitney Westerfield; Representatives George Brown Jr., Kim King, Phillip Pratt, Brandon Reed, and Rachel Roberts.

Guests: Brian Lacefield, Executive Director, Kentucky Office of Agricultural Policy (KOAP); and Bill McCloskey, Deputy Executive Director, KOAP.

LRC Staff: Stefan Kasacavage, Nathan Smith, and Rachel Hartley.

Kentucky Office of Agricultural Policy Report

Brian Lacefield stated Kentucky will be hosting the National Association of State Departments of Agriculture (NASDA). The Commissioner of the Kentucky Department of Agriculture, Ryan Quarles, is the President of NASDA.

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

The requested program amendments discussed included:

- Owen County Farm Bureau requested an additional \$300,000 in Owen County funds for CAIP. The board recommended approval, which would bring the program total to \$305,000.

- Caldwell County and Lyon County Cattlemen’s Association requested an additional \$7,071 in Caldwell County funds for CAIP. The board recommended approval, which would bring the program total to \$93,790.
- Taylor County Cattlemen’s Association requested an additional \$8,400 in Taylor County funds for YAIP. The board recommended approval, which would bring the program total to \$16,400.
- Greenup County Conservation District requested an additional \$83,940 in Greenup County funds for CAIP. The board recommended approval, which would bring the program total to \$226,104.
- Whitley County Cattlemen’s Association requested an additional \$5,679 in Whitley County funds for CAIP. The board recommended approval, which would bring the program total to \$36,679.
- Fleming County Conservation District requested an additional \$20,000 in Fleming County funds for CAIP. The board recommended approval, which would bring the program total to \$228,613.
- Shelby County Farm Bureau requested an additional \$30,000 in Shelby County funds for CAIP. The board recommended approval, which would bring the program total to \$305,000.
- Campbell County Conservation District requested an additional \$33,008 in Campbell County funds for CAIP. The board recommended approval, which would bring the program total to \$60,598.

The approved funds for level two of the meat processing expansion included:

- Ray’s Custom Processing in Grayson County was approved for \$6,650.
- Freeman’s Catering in Union County was approved for \$13,674.
- Ronald P. Halsey in Wolfe County was approved for \$25,492.
- Moonlight Meat Processing in Whitley County was approved for \$21,042.

The projects discussed included:

- Lorenze and Hammond LLC was approved for up to \$250,000 in state funds, as a forgivable loan, and \$30,000 in multiple county funds, as a cost-reimbursement grant, to build a United States Department of Agriculture (USDA) processing facility in Anderson County.
- Farmstead Butcher Block LLC was approved for up to \$250,000 in state funds, as a forgivable loan, and \$20,000 in multiple county funds, as a cost-reimbursement grant, to build a USDA processing facility for beef, pork, lamb, poultry, and deer.
- Hayz Meatz LLC was approved for up to \$149,350 in state funds, as a forgivable loan, and \$11,969 in multiple county funds, as a cost-reimbursement grant, to build a USDA processing facility in Warren County.

- The Western Kentucky University Research Foundation was approved for up to \$227,896 in state funds to establish a SmartHolstein Lab, which is a research, development, and demonstration center for the dairy industry.
- AW Farms LLC was approved for up to \$250,000 in state funds, as a forgivable loan, and \$2,000 in Boyd County funds, as a cost-reimbursement grant, to purchase processing equipment and build a USDA processing facility for beef, pork, and deer in Greenup County.
- The Corbin Tourism and Convention Commission was approved for up to \$100,000 in state funds and \$1,500 in Whitley County funds to build a pavilion for the Whitley County farmers market in downtown Corbin.
- The City of Whitesburg was approved for up to \$250,000 in state and \$84 in Letcher County funds, as a cost-reimbursement grant, to build a farmers market pavilion with a commercial kitchen.
- Daviess County Conservation District was approved for a grant up to \$20,000 in Daviess County funds for the Daviess County Youth Agriculture Production Cost-Share Program.
- Logan Premium Meats and Processing LLC was approved for up to \$250,000 in state funds, as a forgivable loan, to purchase processing equipment and build a USDA processing facility for beef, pork, goat, turkey, ducks, and poultry in Logan County.
- Owensboro Catholic High School was approved for up to \$15,000 in multiple county funds to construct a new greenhouse.

In response to Representative Reed, Mr. McCloskey stated \$6 million has been disbursed to 30 meat processors. There is uncertainty of the demand for meat processors after COVID-19.

In response to Representative King, Mr. Lacefield stated having small meat processing operations spread throughout the state mitigates the risk of cyber threats.

Representative Dossett stated the meat processing expansion will make Kentucky more secure and will reduce the risk of increased meat prices.

There being no further business, the meeting was adjourned.