



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

**October 15, 2021**

Meeting of the  
Kentucky Agricultural Development Board

# KADF Programs

*Approved at the October 2021 KADB Meeting*

## CAIP

<u>County</u>	<u>Program Administrator</u>	<u>Date Submitted</u>	<u>Funds Approved</u>
Woodford	Woodford County Agriculture Advancement Council, Inc.	09/15/2021	\$ 250,000.00
1			<b>\$ 250,000.00</b>

## Next Generation Farmer (NextGen)

<u>County</u>	<u>Program Administrator</u>	<u>Date Submitted</u>	<u>Funds Approved</u>
Woodford	Woodford County Agriculture Advancement Council, Inc.	09/15/2021	\$ 36,000.00
1			<b>\$ 36,000.00</b>

## Youth Ag Incentives Program (Youth)

<u>County</u>	<u>Program Administrator</u>	<u>Date Submitted</u>	<u>Funds Approved</u>
Shelby	Shelby County 4-H Council, Inc	09/20/2021	\$ 10,250.00
1			<b>\$ 10,250.00</b>

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**Total County\* KADF Approved for Programs: \$296,250.00**

## Requested Program Amendments

**App #** A2021-0107  
**Applicant Name** Adair County Cattlemen’s Association  
 Original Amount Approved \$172,675  
 Execution Date 08/03/2021  
 Requested Change The applicant requests an additional \$45,000 in Adair 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 \$217,675.  
**Recommend Approval**

**App#** A2021-0108 YAIP  
**Applicant Name** Adair County Cattlemen’s Association  
 Original Amount Approved \$30,000  
 Execution Date 08/03/2021  
 Requested Change The applicant requests an additional \$5,500 in Adair County funds for the *YAIP 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 \$35,500.  
**Recommend Approval**

**App #** A2021-0109  
**Applicant Name** Johnson County Agricultural Advancement Council  
 Original Amount Approved \$43,000  
 Execution Date 06/11/2021  
 Requested Change The applicant requests an additional \$3,000 in Johnson 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 \$46,000.  
**Recommend Approval**

# KADF On-Farm Energy Incentives

*Approved at the October 2021 KADB Meeting*

## On-Farm Energy Program

<u>County</u>	<u>Program Administrator</u>	<u>Date Submitted</u>	<u>Funds Approved</u>
Hickman	Wilson Workman Farm <i>On-Farm Energy Poultry</i>	04/26/2021	\$10,150
LaRue	Lee's Plant Farms, Inc <i>On-Farm Energy Horticulture</i>	08/20/2021	\$10,150
Madison	Pumpkin Vine Creek, LLC <i>On-Farm Energy Horticulture</i>	08/20/2021	\$10,150
Marion	Tom & DeeAnn Bauerle <i>On-Farm Energy Dairy</i>	08/16/2021	\$2,520
McLean	William M. Kuegel, Jr. <i>On-Farm Energy Beef</i>	05/24/2021	\$10,150
Ohio	Eddie Humphrey <i>On-Farm Energy Poultry</i>	06/24/2021	\$10,150
Rockcastle	Susana Lein <i>On-Farm Energy Horticulture</i>	12/21/2020	\$2,650
Webster	Kyle Lancaster d/b/a Lancaster Poultry <i>On-Farm Energy Poultry</i>	08/20/2021	\$10,150

8 **\$66,070**

## Meat Processing: Level 2 Expansion Approved

APP #	APPLICANT	COUNTY	FUNDS APPROVED
A2021-0220	Goldy's Meats Ltd. Co. <i>MPIP Level 2 - Processing Equipment</i>	Crittenden	\$30,426.00
Total State Funds Recommended for Approval:			<b>\$30,426.00</b>
# Awards: 1		# Counties: 1	

*\*The Meat Processing Investment Program provides funding to incentivies economical expansion of Kentucky meat processors to process Kentucky livestock and poultry.*

*Level 1 Incentives are for a USDA-inspected processing facilities or USDA-exempt poultry processing facilities needing assistance in operating costs related to increasing the number of head of Kentucky animals. Incentives are paid on a per head basis above the applicant's established baseline up to \$20,000.*

*Level 2 Simplified Processor Capacity Expansion is for processors interested in making small or modest facility improvements. Awards are 75% cost-reimbursement up to \$37,500.*

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**Approved Project**

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**Burnett's Enterprise, LLC****A2021-0169***Application County: Graves**Date Submitted: 06/25/2021**Total Funds Awarded: \$238,599***FUNDING REQUEST**

Burnett's Enterprise, LLC is requesting \$238,599 in State funds to renovate their current processing facilities to become USDA Certified and to purchase processing equipment.

**APPLICATION SUMMARY**

In 2010, the applicant's business opened its doors and began processing deer in a newly built facility. All five of the applicant's children and even some of their spouses have worked for the business at different times throughout the years. Since opening, the applicant has seen an increase in the demand for their services year after year. The applicant has always wanted to open a local butcher shop to process locally raised animals under USDA inspection. After COVID-19 started in March of 2020, they felt the need for a USDA certified processor even more. The applicant plans to expand the current deer processing facility to offer custom butchering for livestock and USDA certification. The facility will also offer retail sales through the benefit of USDA.

Currently, the facility is custom processing about 8-10 beef per week and has been doing custom processing since May 2021. By the time the expansion is completed with USDA certification, the facility will be able to process 22 beef, 10 hogs, and 10 sheep and/or goats per week by year 3.

The total cost of the project is estimated at \$477,196 with funding from the following sources:

\$238,599 State funds

\$240,000 Loan with Citizen Deposit Bank (Secured)

**PRODUCER IMPACT**

The applicant estimates that more than 11 producers have the potential to benefit from this project.

**Board Decision:**

Meat Processing Investment Program Level 3: Burnett's Enterprise, LLC is requesting \$238,599 in State funds, as a forgivable loan, to renovate its current processing facilities to become USDA Certified and to purchase processing equipment.

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**Approved Project**

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**City of LaGrange****A2021-0206***Application County: Oldham**Date Submitted: 08/17/2021**Total Funds Awarded: \$250,000***FUNDING REQUEST**

The City of LaGrange is requesting \$245,000 in State funds and \$5,000 in Oldham County funds to aid in building a farmers market pavilion structure for their existing producers to utilize.

**APPLICATION SUMMARY**

Funding will be used for site preparation and construction of a farmers market pavilion. The City of LaGrange will market this pavilion as space for Oldham County producers and producers from other nearby counties to market their product. Their goal creating this farmers market pavilion is to provide a solid structure in a highly trafficked area for local producers to market their product to consumers. Most of the producers who will use this facility have been marketing their product in the area, but have not had a static and weather protected structure to market their product in. The applicant states Oldham, Trimble, and Henry counties will directly benefit from this farmers market pavilion.

The total cost of the project is estimated at \$1,297,600 with funding from the following sources:

- \$ 245,000 KADF State funds
- \$ 5,000 Oldham County KADF Funds
- \$ 1,047,600 Cash on Hand (secured)

**PROJECTED PRODUCER IMPACT**

The applicant states that 29 local producers will be directly impacted by this project with 11 of those being young farmers.

***Board Decision:***

The City of LaGrange was approved for up to \$245,000 in State funds and \$5,000 in Oldham County funds, as a cost-reimbursement grant, to aid in building a farmers market pavilion structure for its existing producers to utilize.

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**Approved Project**

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**Hancock County Cattleman's Association LTD.****A2021-0199***Application County: Hancock**Date Submitted: 08/02/2021**Total Funds Awarded: \$5,000***FUNDING REQUEST**

Hancock County Cattleman's Association LTD. is requesting \$5,000 in Hancock County funds for a Hancock County Youth Agriculture Production Cost-Share Program.

**APPLICATION SUMMARY**

The applicant plans to implement a cost-share program on a reimbursement basis for agricultural projects for Hancock County youth. Youth will submit their applications along with a farm business plan and marketing plan describing how purchased items and supplies will be utilized in their projects. This will be a 50 percent cost share reimbursement, with the maximum being \$900 if \$1,800 or more is spent.

The total cost of the project is estimated at \$10,000 with funding from the following sources:

\$5,000 Hancock County funds (secured)

\$5,000 Applicant funds (secured)

**PRODUCER IMPACT**

The applicant indicates 12 Hancock County youth will directly benefit from this project.

***Board Decision:***

Hancock County Cattleman's Association LTD. was approved for \$5,000 in Hancock County funds, as a grant, for a Hancock County Youth Agriculture Production Cost-Share Program.



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**Approved Project**

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**Kentucky Center for Agriculture and Rural Development, Inc.****A2021-0217***Application County: Hardin**Date Submitted: 08/27/2021**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 the developmental 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 most effective when establishing a relationship during the developmental 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 400 businesses, at least 280 had not previously received assistance from KCARD. In 2020, KCARD help over 390 business or organizations impacting over 800 farmers.

The total cost of this two-year project is estimated at \$1,964,500 with the following funding sources:

\$900,000 KADF State funds

\$400,000 USDA Rural Cooperative Development Grant (Pending)

\$800,000 KCARD fee-based work (Secured)

**PROJECTED PRODUCER IMPACT**

The applicant indicates that at least 1,500 producers and agribusinesses have been affected by this project since January 1, 2020.

**Board Decision:**

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

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**Approved Project**

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**Kentucky State University****A2021-0216***Application County: Franklin**Date Submitted: 08/27/2021**Total Funds Awarded: \$990,000***FUNDING REQUEST**

Kentucky State University (KSU) is requesting \$990,000 in State funds to aid in continuing its KSU Mini Grant Program to help producers across the commonwealth.

**APPLICATION SUMMARY**

Funding will be used for salaries, demo materials, supplies, travel, and sub awards to farmers. KSU realizes a need for support for small scale niche operations in agriculture. Their goal creating this mini grant program is to provide assistance and mini grants to small-scale and underserved farmers statewide in the areas of aquaculture, value-added products, organics, food insecurity, farmer educational support and agroforestry. Farmers in 113 counties were funded through the previously funded project according to the applicant.

The total cost of the project is estimated at \$1,980,000 with funding from the following sources:

\$ 990,000 KADF State funds

\$ 990,000 in kind

**PROJECTED PRODUCER IMPACT**

The applicant states approximately 190 farm families will directly benefit from this program in the first year and that all 120 counties could potentially benefit from this project.

***Board Decision:***

Kentucky State University (KSU) was approved for \$990,000 in State funds over two years, as a grant, to aid in continuing to provide assistance and mini grants to small-scale and underserved farmers statewide in the areas of aquaculture, value-added products, organics, food insecurity, farmer educational support and agroforestry.



## Kentucky Agricultural Development Board approves more than \$2.8 million for projects across the commonwealth

*Funded projects focus on agricultural diversification, rural development*

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**FRANKFORT (Oct. 15, 2021)** – The Kentucky Agricultural Development Board approved \$2,829,845 for agricultural diversification and rural development projects across the commonwealth at its monthly board meeting.

### State and County Funded Projects

- City of LaGrange was approved for \$245,000 in state funds and \$5,000 in Oldham County funds for the construction of a farmers' market pavilion to provide a permanent structure for local farmers' markets. For more information on the project contact, Russ Morris at [wvrussnky@live.com](mailto:wvrussnky@live.com).
- Hancock County Cattleman's Association was approved for \$5,000 in Hancock County funds for a Hancock County Youth Agriculture Production cost-share program. For more information on the project contact, Evan Tate at [evan.tate@uky.edu](mailto:evan.tate@uky.edu).
- Kentucky Center for Agriculture and Rural Development was approved for \$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 the project contact, Aleta Botts at [abotts@kcard.info](mailto:abotts@kcard.info).
- Kentucky State University was approved for \$990,000 in state funds for the continuation of the KSU Mini Grant Program which provides assistance and mini grants to small-scale and underserved farmers statewide in the areas of aquaculture, value-added products, organics, food insecurity, farmer educational support, and agroforestry. For more information on the project contact, Joni Nelson at [joni.nelson@kysu.edu](mailto:joni.nelson@kysu.edu).

### Meat Processing Investment Program (MPIP)

MPIP provides funding for meat processors who are currently or plan to become USDA certified to financially incentivize economical expansion of businesses to process Kentucky meat products.

One MPIP Level 2 grant was approved by the board totaling \$30,426:

- Goldy's Meats in Crittenden County

One MPIP Level 3 grant was approved by the board totaling \$238,599:

- Burnett's Enterprise in Graves County

### On-Farm Energy Efficiency Incentives Program

The On-Farm Energy Efficiency Incentives Program provides incentives for Kentucky farm families to increase the energy efficiency of existing equipment or facilities on the farm.

Eight On-Farm Energy grants were approved by the board totaling \$66,070:

- Hickman (\$10,150)
- LaRue (\$10,150)
- Madison (\$10,150)
- Marion (\$2,520)
- McLean (\$10,150)
- Ohio (\$10,150)
- Rockcastle (\$2,650)
- Webster (\$10,150)

### **County Agricultural Investment Program (CAIP)**

CAIP provides Kentucky agricultural producers with cost-share assistance on practices to allow them to improve and diversify their current farm operations. CAIP covers a wide variety of agricultural enterprises in its 11 investment areas, including, but not limited to, bees and honey; equine; forage; beef and dairy cattle; goats and sheep; horticulture; poultry; swine; timber and technology, as well as energy efficiency and production; farm infrastructure and water enhancement; marketing; and value-added production.

Three CAIP were approved by the board totaling \$298,000:

- Adair (\$45,000)\*
- Johnson (\$3,000)\*
- Woodford (\$250,000)

### **Next Generation Farmer Program (NextGen)**

NextGen addresses 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 NextGen Program was approved by the board totaling \$36,000:

- Woodford (\$36,000)

### **Youth Agricultural Incentives Program (YAIP)**

YAIP encourages youth to engage in and explore agricultural opportunities.

Two YAIP programs were approved by the board totaling \$15,750:

- Adair (\$5,500)\*
- Shelby (\$10,250)

All application periods and deadlines for CAIP, NextGen and Youth and leasing information for Shared-Use programs will be advertised locally.

\*Existing programs receiving additional funding.

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