

TOBACCO SETTLEMENT AGREEMENT FUND OVERSIGHT COMMITTEE

Minutes of the 2nd Meeting of the 2022 Interim

June 16, 2022

Call to Order and Roll Call

The 2nd meeting of the Tobacco Settlement Agreement Fund Oversight Committee was held on Thursday, June 16, 2022, at 10:30 AM, in Room 129 of the Capitol Annex. Representative Myron Dossett, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Myron Dossett, Co-Chair; Senators Dennis Parrett and Robin L. Webb; Representatives Kim King, Phillip Pratt, Brandon Reed, and Rachel Roberts.

Guests: Brian Lacefield, Executive Director, Kentucky Office of Agricultural Policy (KOAP); Bill McCloskey, Deputy Executive Director, KOAP; Sarah Vaughn, Director, Farms to Food Banks Program, Feeding Kentucky; and Cassidy Wheeler, Advocacy Coordinator, Feeding Kentucky.

LRC Staff: Stefan Kasacavage, Hillary Abbott, Kelly Ludwig, and Rachel Hartley.

The minutes from the meeting of May 26, 2022, were approved by voice vote.

Kentucky Office of Agricultural Policy Report

Brian Lacefield introduced new interns and provided a brief overview of various events. The KOAP loan programs with low interest rates have become more attractive because commercial interest rates have increased. There are areas in Kentucky that are underserved by large animal veterinarians due to shortages.

Bill McCloskey described the Agricultural Development Board's (ADB) projects. Mr. McCloskey highlighted programs including the County Agricultural Investment Program (CAIP), Next Generation Farmer, Deceased Farm Animal Removal, and Youth Agriculture Incentives Program.

The requested program amendments discussed included:

- Casey County Conservation District requested an additional \$240,000 in Casey County funds for CAIP. The board recommended approval, which would bring the program total to \$555,000.
- Fayette County Conservation District requested an additional \$40,000 in Fayette County funds for CAIP. The board recommended approval, which would bring the program total to \$215,000.
- Owen County Farm Bureau requested an additional \$265,000 in Owen County funds for CAIP. The board recommended approval, which would bring the program total to \$315,000.

The projects discussed included:

- The city of Cadiz was approved for up to \$93,500 in state and county funds for the construction of a farmers market structure to extend the marketing season for producers.
- Gav's Meat Processing was approved for \$5,000 in Butler County funds to purchase meat processing equipment.
- Sugarloaf Mountain Meats and Processing was approved for \$224,850 in state funds to purchase a poultry processing unit and equipment to expand its operation to a United States Department of Agriculture-certified poultry processing facility.

In response to Representative King, Mr. McCloskey stated since the Master Settlement Agreement was implemented there have been 1,500 approved loans with only four defaulted loans.

In response to Senator Webb, Mr. McCloskey stated the Youth Agriculture Incentives Program administers funds to be utilized by youths to purchase heifers. Mr. Lacefield stated there will be an increased need for KOAP loans due to the current state of the financial market.

Senator Webb expressed concerns regarding anti-livestock advocacy.

In response to Senator Parrett, Mr. McCloskey stated the Kentucky Center for Agriculture and Rural Development has staff throughout Kentucky.

Farms to Food Banks

Cassidy Wheeler stated one out of six Kentuckians and one out of five children are food insecure. The counties with the highest estimated food insecurity rates are Harlan, Leslie, Magoffin, Breathitt, Clay, Bell, and Letcher. Kentucky has the nation's second highest rate of food insecurity among residents 50 to 59 years old, according to Feeding America's effort to document hunger in older adults. Of those Kentuckians who are food insecure, 33 percent do not qualify for federal nutrition programs.

Feeding America estimates that food insecurity increased by 18 percent during COVID-19. Kentucky food banks experienced a 30 percent increase in demand.

Feeding Kentucky is a statewide network of seven member food banks and 800 partner agencies, such as food pantries, soup kitchens, and shelters. There are 50,000 Kentuckians served each week. There is a need for brick and mortar infrastructure, cold storage, and continued flexibility in school and federal nutrition programs.

Sarah Vaughn stated Farms to Food Banks receives agricultural products from farmers in need of a market and delivers them to food banks. The agricultural products include meat, cheese, and fresh produce. The goals of Farms to Food Banks is to increase access to healthy food for struggling Kentuckians, pay fair prices to farmers to help recoup losses, and reduce the amount of food waste.

More than three million pounds of Kentucky-grown agricultural products were distributed throughout Kentucky in 2021. There were 332 farmers who participated with an average payment per farmer of \$2,119.

Kentucky Kids Eat focuses on access to healthy foods 365 days a year by providing funding, training, and support for schools and nonprofits.

Feeding Kentucky successfully lobbied the Kentucky General Assembly in the 2022 Regular Session to pass Senate Bill 151, which allows school districts to use 15 minutes of instructional time for breakfast.

In response to Representative King, Ms. Wheeler stated the United States Department of Agriculture declined to extend waivers to allow kids to receive meals outside of a meal site or to allow bus routes to be utilized to deliver meals. The waivers will expire June 30, 2022. Prior to the summer of 2022, many meal sites stopped using the waivers to ensure there was not confusion among the consumers.

Senator Webb expressed concern regarding low farmer participation with Feeding Kentucky. The Farms to Food Banks program should be promoted to farmers in all areas of Kentucky.

There being no further business, the meeting was adjourned.