



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

October 13, 2022

Meeting of the
Kentucky Agricultural Finance
Corporation Board

October 21, 2022

Meeting of the
Kentucky Agricultural Development
Board



The Pulaski County Farmers Market
401 E. Mt. Vernon St,
Somerset, KY 42501

November 17 & 18, 2022

KAFC/KADB Joint Meeting Itinerary

Wednesday, November 16

Arrival and check in for overnight guests (Courtyard by Marriott Somerset (2254 S Hwy 27, Somerset, KY 42501)

Thursday, November 17

Closed toe shoes are required for tours

7:00 – 8:00 a.m. Hotel Continental Breakfast for those spending night

(If driving self to tours please arrive at 9:00 a.m. at Continental Refining Company. If you want to carpool with KOAP staff please meet at Courtyard by Marriott Hotel at 8:00 a.m.)

8:45 – 9:45 a.m. Continental Refining Company (300 Somerset Refinery Road, Somerset, KY)

10:00 - 10:30 a.m. Pulaski County High School Greenhouse (511 University Dr, Somerset, KY)

10:45 - 11:45 a.m. Summit Meats & Processing (244 Ware Rd, Science Hill, KY)

12:00 - 1:15 p.m. Pulaski County Farmers Market (401 E. Mt. Vernon St, Somerset, KY)

1:30 - 2:30 p.m. Pulaski County Conservation District (45 Eagle Creek Dr. #102, Somerset, KY)

2:45 – 3:45 p.m. KNS, Inc. (11554 W. Highway 80, Nancy, KY)

4:00 – 5:00 p.m. Haney's Appledale Farm (8350 KY-80, Nancy, KY)

7:00 p.m. Dinner (Catered at Courtyard Marriott Somerset)

Friday, November 18

6:00 to 10:00 a.m. Hotel Continental Breakfast for those spending night

Joint Meeting at Pulaski County Farmers Market (401 E. Mt. Vernon St, Somerset, KY)

8:00 to 9:00 a.m. KADB/KDDC Recipient Review **Committee (The Center for Rural Development 2292 US-27 #300, Somerset, KY 42501)**

9:00 to 10:00 a.m. KAFC Board Meeting

10:00 to 12:30 p.m. KADF Board Meeting

12:30 to 1:00 p.m. Lunch

1:00 p.m. KADB Blue Application Review Committee Meeting



October Approved Loans

Program	County	Enterprise	Amount Approved	Total Project Cost	Lender
Ag Infrastructure	Barren	Poultry	\$40,000.00	\$100,000.00	Cecilian Bank
Ag Infrastructure	Clinton	Poultry	\$210,000.00	\$840,000.00	Farm Credit Mid-America
Beginning Farmer	Logan	Beef	\$45,828.00	\$303,500.00	Farm Credit Mid-America
Beginning Farmer	Bourbon	Beef	\$187,500.00	\$750,000.00	Farm Credit Mid-America
Beginning Farmer	Hickman	Poultry	\$190,000.00	\$750,000.00	River Valley Ag Credit
Beginning Farmer	Mercer	Beef	\$250,000.00	\$1,270,200.00	Farmers National Bank
Diversification	Nelson	Grain	\$150,000.00	\$475,000.00	Town & Country Bank & Trust C
Entrepreneurship					
Agribusiness Loan Program					
	Total		\$1,073,328.00	\$4,488,700.00	

Programs Recommended for Approval

CAIP

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2022-0193	Bullitt County Conservation District	Bullitt	\$94,220.00
A2022-0194	Scott County Soil Conservation District	Scott	\$305,000.00
A2022-0200	Hardin County Extension District Board	Hardin	\$120,000.00
A2022-0203	Shelby County Farm Bureau, Inc.	Shelby	\$350,000.00
A2022-0206	Wolfe County Conservation District	Wolfe	\$173,000.00
			\$1,042,220.00

Deceased Farm Animal Removal (DAR)

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2022-0195	Scott County Soil Conservation District	Scott	\$15,000.00
A2022-0201	Spencer County Fiscal Court	Spencer	\$6,000.00
			\$21,000.00

Next Generation Farmer (NextGen)

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2022-0196	Scott County Soil Conservation District	Scott	\$25,000.00
A2022-0199	Hardin County Extension District Board	Hardin	\$30,000.00
			\$55,000.00

Shared-Use Equipment Program

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2022-0202	Clark County Conservation District	Clark	\$4,425.00
A2022-0209	Washington County Conservation District	Washington	\$9,500.00
			\$13,925.00

Youth Ag Incentives Program (Youth)

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2022-0198	Hardin County Extension District Board	Hardin	\$10,000.00
			\$10,000.00

Total County Funds Recommended for Approval in Programs:	\$1,142,145.00
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App #	A2022-0050
Applicant Name	Jessamine County FFA Alumni Association, Inc.
Original Amount Approved	\$100,000
Execution Date	06/08/2022
Requested Change	<p>The applicant requests an <u>additional</u> \$90,000 in Jessamine County funds for the <i>CAIP Program</i>. The request received a <u>high</u> priority from the County Council.</p> <p>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.</p> <p>Approval of this request would bring the program total to \$190,000.</p>
	Recommend Approval

KADF On-Farm Energy Incentives

Approved at the October 2022 KADB Meeting

On-Farm Energy Program

<u>County</u>	<u>Program Administrator</u>	<u>Date Submitted</u>	<u>Funds Approved</u>
Barren	Rich Pullet Farm <i>On-Farm Energy Poultry</i>	08/26/2022	\$10,150
Daviess	Wes Poole <i>On-Farm Energy Poultry</i>	08/25/2022	\$10,150
Graves	Sheldon Brown <i>On-Farm Energy Poultry</i>	08/26/2022	\$10,075
Owsley	Chantilly Rose DBA StoneGully <i>On-Farm Energy Horticulture</i>	08/26/2022	\$10,150
4			<hr/> \$40,525

Approved Project

Robert W. Brown**A2022-0147***Application County: Graves**Date Submitted: 06/24/2022**Total Funds Awarded: \$255,780***FUNDING REQUEST**

Robert W Brown is requesting \$250,000 in State funds to build meat processing facility.

APPLICATION SUMMARY

Funding will be used for building a 4000 sq. ft. meat processing facility with capacity to hold 40-50 beef. The facility will harvest animals two days a week. Hogs will be able to hang 3-5 days in the cooler prior to processing and cattle will be able to hang 7-10 days in the cooler. The goal is to process around 20 beef a week and become USDA certified within two years.

The total cost of the project is estimated at \$626,100 with funding from the following sources:

\$ 250,000 KADF State funds

\$ 76,100 Owner Provided (Secured)

\$ 300,000 Loan (Secured)

\$ 5,000 Graves County Agricultural Development Funds

PROJECTED PRODUCER IMPACT

The applicant states that at least 12 counties in Kentucky will be impacted by the project and six family farms are already listed as potential beef customers.

Board Decision:

10/21/2022 • Robert W. Brown was approved up to \$250,000 in state funds and \$5,780 in Graves County Agricultural Development Funds to build a USDA meat processing facility in Graves County.

Approved Project

Caliente Therapy, LLC**A2022-0166***Application County: Barren**Date Submitted: 08/02/2022**Total Funds Awarded: \$88,250***FUNDING REQUEST**

Caliente Therapy, LLC is requesting \$88,250 in county funds to build an equine rehabilitation facility barn and purchase various pieces of needed equipment.

APPLICATION SUMMARY

Caliente Therapy, LLC will be an equine rehabilitation and fitness center where owners can send their horses for post-surgery / injury rehabilitation, boarding, or just basic muscle-building fitness. Rehab Therapist certification courses will also be offered at this center. The applicant plans to build a 50 x 70 equine rehabilitation facility barn in Barren county and purchase pieces of equipment that are needed to run this business. This equipment includes a Hudson Aqua Tread, Free Flow horse walker, Respond PEMF equipment, Theraplate, Respond Cold Laser, and merchandise/advertising.

The total cost of the project is estimated at \$176,500 with funding from the following sources:

\$ 5,000 Barren County Funds (Committed)

\$ 83,250 Multiple County Funds (Pending)

\$ 169,000 Private Lending - Rita & Larry Berry (Committed & Pending)

PRODUCER IMPACT

The applicant indicates that many farm families will be impacted by this facility as it will be available to individuals across the entire U.S.

Board Decision:

10/21/2022 • Caliente Therapy, LLC was approved up to \$88,250 in county funds to build an equine rehabilitation facility barn and purchase needed equipment.

Approved Project

Poso Creek Family Dairy, LLC**A2022-0167***Application County: Fulton**Date Submitted: 07/29/2022**Total Funds Awarded: \$2,500,000***FUNDING REQUEST**

The Poso Creek Family Dairy, LLC is requesting \$5,000,000 in state funds as a participation loan to support the establishment of a 5,000-cow dairy farm in Fulton County.

APPLICATION SUMMARY

The applicant's goal for this project is to build a 5,000-cow dairy farm, with the main product produced being milk, and intentions of marketing the sales through one of the milk cooperatives serving the Southeast milk market. The applicant indicates that Poso Creek Family Dairy, LLC has been approved for a \$2.5 million dollar tax incentive in a fifteen year period through the Kentucky Economic Development Cabinet. The applicant stated ten to fifteen farm families will benefit due to their plan to purchase silage and estimate an economic impact of \$25 million a year within the state. The applicant expects the farm to employ forty to fifty people, stemming from management to entry-level positions.

The total cost of the project is estimated at \$50,207,000 with funding from the following sources:

\$5,000,000 KADF State funds (unsecure)

\$45,207,000 AgTexas, PCA (secured)

PROJECTED PRODUCER IMPACT

The applicant indicates that there is a projected \$29.5 million in total sales and silage purchases directly from farmers in Kentucky that will benefit from this project.

Board Decision:

10/21/2022 • Poso Creek Family Dairy, LLC was approved \$2,500,000 in state funds in the form of a participation loan to support the establishment of a 5,000-cow dairy farm in Fulton County.

Approved Project

Paris Independent Schools**A2022-0172***Application County: Bourbon**Date Submitted: 08/12/2022**Total Funds Awarded: \$25,000***FUNDING REQUEST**

Paris Independent Schools is requesting \$25,000 in Bourbon County funds to construct a greenhouse for the agricultural department.

APPLICATION SUMMARY

The applicant's goal is to build and equip a greenhouse for the Paris High School Agricultural Department. The department will use this greenhouse to grow spring bedding plants and vegetables, mums, and poinsettias and sell them for fundraising. It will also give students, with or without experience, the opportunity to work in the greenhouse.

The total cost of the project is estimated at \$54,151 with funding from the following sources:

\$ 25,000 Bourbon County funds (Committed)

\$ 50,000 Paris City Schools (Secured)

PROJECTED PRODUCER IMPACT

The applicant states that 43 FFA students in the program, their families, and more will be impacted.

Board Decision:

10/21/2022 • Paris Independent Schools was approved \$25,000 in Bourbon County funds to construct a greenhouse for the agricultural department.

Approved Project

Pulaski County Farm Bureau, Incorporated, of Pulaski County**A2022-0185***Application County: Pulaski**Date Submitted: 08/26/2022**Total Funds Awarded: \$2,512***FUNDING REQUEST**

The Pulaski County Farm Bureau, Inc. is requesting \$2,512 in Pulaski County funds to purchase a grain rescue extraction kit.

APPLICATION SUMMARY

The applicant indicates that the funds will be used to purchase equipment necessary for a grain rescue extraction kit. Pulaski County Farm Bureau would like to increase the availability of the extraction equipment due to an increase in the number of grain bins in the area, both on-farm and commercially. The Somerset Fire Department has demonstrated a commitment in housing the equipment, as well as training to properly use the equipment.

The total cost of the project is estimated at \$5,023 with funding from the following sources:

\$2,512 KADF Pulaski County funds (secured)

\$2,512 Pulaski County Farm Bureau (secured)

PROJECTED PRODUCER IMPACT

The applicant indicates that the grain rescue extraction kit would be available for use in Pulaski County and the surrounding counties should the need arise.

Board Decision:

10/21/2022 • Pulaski County Farm Bureau, Inc. was approved \$2,512 in Pulaski County funds to purchase a grain rescue extraction kit.

Approved Project

University of Kentucky Research Foundation**A2022-0187***Application County: _ALL**Date Submitted: 08/26/2022**Total Funds Awarded: \$801,086***FUNDING REQUEST**

UK Research Foundation UK Research Foundation is requesting \$400,543 in state funds to fund 3 full-time value chain coordinators for 2 years.

APPLICATION SUMMARY

The applicant plans to build a Kentucky Value Chain Collaborative that would work with farmers, processors, distributors, and buyers to get KY farm food to more mid to large-scale buyers. This application will support 3 full-time value chain coordinators, for 2 years, who will be responsible for one of three regions in the Commonwealth (West, Central, & East).

The total cost of the project is estimated at \$801,087 with funding from the following sources:

\$ 400,543 KADF State Funds

\$ 157,996 Cash, The Food Connection @ The University of Kentucky (Secured)

\$ 242,547 Cost share/in-kind, The Food Connection @ The University of Kentucky, 15% of Ashton Potter Wright's time + unrecovered indirects for cost share direct expenses per UK OSPA (Secured)

PRODUCER IMPACT

The applicant indicates that many farm families across the state will be impacted.

Board Decision:

10/21/2022 • University of Kentucky Research Foundation was approved up to \$400,543 in state funds to fund 3 full-time value chain coordinators for 2 years.

Approved Project

Johnson's Custom Meats, LLC**A2022-0191***Application County: Breathitt**Date Submitted: 08/26/2022**Total Funds Awarded: \$12,184***FUNDING REQUEST**

Johnson's Custom Meats is requesting \$12,184 in Breathitt County funds to purchase meat processing equipment to replace equipment lost by recent flooding.

APPLICATION SUMMARY

Funding will be used to purchase a meat saw, grinder, scales, vac master, refrigerator, and jerky slicer. These pieces of equipment were all affected by the recent flooding in Eastern KY and would not be covered by insurance. This equipment will be used to custom process beef, hogs, deer, elk and bear. This is the only current processing facility in Breathitt County.

The total cost of the project is estimated at \$24,369 with funding from the following sources:

- \$ 12,184 Breathitt Co. Funds (secured)
- \$ 10,000 Foundation for Appalachia Business Grant (Pending)
- \$ 12,184 Local Bank Loan (Pending)

PROJECTED PRODUCER IMPACT

Last year the processor serviced 140 farm families.

Board Decision:

10/21/2022 • Johnson's Custom Meats, LLC was approved \$12,184 in Breathitt County funds to purchase meat processing equipment to replace equipment lost by recent flooding



Kentucky Agricultural Development Board approves more than \$4.5 million for projects across the commonwealth

Funded projects focus on agricultural diversification, rural development

FRANKFORT (Oct. 21, 2022) – The Kentucky Agricultural Development Board approved \$4,551,159 for agricultural diversification and rural development projects across the commonwealth at its monthly board meeting.

“The variety of projects funded by the Kentucky Agricultural Development Board exemplifies the diversity it strives to serve in order to achieve the greatest reach across our vast agricultural landscape,” said Commissioner of Agriculture and board chair Dr. Ryan Quarles. “The projects not only give assistance to the individual agriculture producers, but Kentucky agriculture as a whole, achieving a greater farming future for our commonwealth.”

State and County Funded Projects

- Caliente Therapy, LLC was approved up to \$88,250 in county funds to build an equine rehabilitation facility barn and purchase needed equipment. For more information, contact Jordan Berry at jeb20.jb@gmail.com.
- Johnson's Custom Meats, LLC was approved \$12,184 in Breathitt County funds to purchase meat processing equipment to replace equipment lost by recent flooding. For more information, contact Michael Johnson at johnsonscustommeats@yahoo.com.
- Paris Independent Schools was approved \$25,000 in Bourbon County funds to construct a greenhouse for the agricultural department. For more information, contact Shane Norris at shane.norris1@paris.kyschools.us.
- Poso Creek Family Dairy, LLC was approved \$2,500,000 in state funds in the form of a participation loan to support the establishment of a 5,000-cow dairy farm in Fulton County. For more information, contact Rayme Mackinson at rrmackinson@gmail.com.
- Pulaski County Farm Bureau, Inc. was approved \$2,512 in Pulaski County funds to purchase a grain rescue extraction kit. For more information, contact Delana Harris at delana.harris@kyfb.com.
- Robert W. Brown was approved up to \$250,000 in state funds to build a USDA meat processing facility in Graves County. For more information, contact Robert W. Brown at robert69pvf@gmail.com.
- University of Kentucky Research Foundation was approved up to \$400,543 in state funds to fund 3 full-time value chain coordinators for 2 years. For more information, contact Dr. Ashton Wright at ashtonpotterwright@uky.edu.

State Program

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.

Four On-Farm Energy Efficiency Incentives Programs were approved by the board totaling \$40,525:

- Barren (\$10,150)
- Daviess (\$10,150)
- Graves (\$10,075)
- Owsley (\$10,150)

County Programs

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.

Six CAIPs were approved by the board totaling \$1,132,220:

- Bullitt (\$94,220)
- Hardin (\$120,000)
- Jessamine (\$90,000) *
- Scott (\$305,000)
- Shelby (\$350,000)
- Wolfe (\$173,000)

Deceased Farm Animal Removal (DAR)

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.

Two DAR programs were approved by the board totaling \$21,000:

- Scott (\$15,000)
- Spencer (\$6,000)

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.

Two NextGen programs were approved by the board totaling \$55,000:

- Hardin (\$30,000)
- Scott (\$25,000)

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.

Two Shared-Use Equipment programs were approved by the board totaling \$13,925:

- Clark (\$4,425)
- Washington (\$9,500)

Youth Agricultural Incentives Program (YAIP)

YAIP encourages youth to engage in and explore agricultural opportunities.

One YAIP was approved by the board totaling \$10,000:

- Hardin (\$10,000)

*Existing programs receiving additional funding.

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The Kentucky Office of Agricultural Policy (KOAP), a division within the Kentucky Department of Agriculture, provides staff support to the Kentucky Agricultural Finance Corporation (KAFC) and the Kentucky Agricultural Development Fund (KADF). The KADF is administered by the Kentucky Agricultural Development Board. KOAP ensures Kentucky is being good stewards of dollars from the 1998 Tobacco Settlement Agreement by overseeing the boards' investments into diversifying and supporting Kentucky agriculture.



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