

TOBACCO SETTLEMENT AGREEMENT FUND OVERSIGHT COMMITTEE

Minutes of the 5th Meeting of the 2022 Interim

October 13, 2022

Call to Order and Roll Call

The 5th meeting of the Tobacco Settlement Agreement Fund Oversight Committee was held on Thursday, October 13, 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: Senator Paul Hornback, Co-Chair; Representative Myron Dossett, Co-Chair; Senators Dennis Parrett, Robin L. Webb, and Whitney Westerfield; Representatives Kim King, Phillip Pratt, Brandon Reed, and Rachel Roberts.

Guests: Bill McCloskey, Deputy Executive Director, Kentucky Office of Agricultural Policy; Dean Schamore, State Executive Director, Farm Service Agency (FSA), United States Department of Agriculture (USDA); and Angella Watson, Farm Program Specialist, FSA, USDA.

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

The committee adopted a citation in memory of Senator C.B. Embry, Jr.

The minutes from the meeting of September 15, 2022, were approved by voice vote.

Kentucky Office of Agricultural Policy Report

Bill McCloskey stated the Kentucky Agricultural Finance Corporation approved 10 loans for a total of \$1,796,200 to the Agriculture Infrastructure and Beginning Farmer programs. Six of the loans are farm service agency (FSA)-guaranteed.

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

The requested program amendments discussed included:

- Oldham County Farm Bureau requested an additional \$12,615 in Oldham County funds for CAIP. The board recommended approval, which would bring the program total to \$42,615.

The projects discussed included:

- Cierra Enterprises was approved for \$6,000 in county funds to construct a building for community education classes and a commercial kitchen.
- Greenup County Extension District Board was approved for \$250,000 in state and county funds to build a farmers market pavilion.
- Beechwood Independent Schools was approved for \$76,500 in county funds to build a greenhouse and to purchase lab equipment.
- Gav's Meat Processing, LLC was approved for \$202,676 in state funds and \$45,000 in Butler County funds to renovate a meat processing facility.
- Grain Day, Inc. was approved for \$5,000 in Daviess County funds to host a program at Grain Day for producers to learn the latest production practices, agricultural policy, and marketing information.

Drought Assistance Update

Angella Watson stated the FSA has several disaster programs that can assist producers who are facing a drought. The United States Drought Monitor observes national, regional, and state drought conditions and indexes areas by drought severity. The United States Farm Bill (USFB) states that in cases of extreme drought (D3) and exceptional drought (D4), USDA assistance is automatically triggered. For regions that are experiencing severe drought (D2), they must remain in D2 status for eight consecutive weeks to receive assistance. Any drought conditions lower than D2 or for less than eight consecutive weeks do not qualify for USDA assistance.

The disaster programs offered by the FSA include the Livestock Forage Disaster Program (LFP), the Emergency Assistance for Livestock, Honeybees, and Farm-raised Fish Program, and the Noninsured Crop Disaster Assistance Program.

In response to Senator Hornback, Ms. Watson stated Graves County and Calloway County are currently rated as severe drought, but were rated as extreme drought a few weeks prior. Both counties were eligible for LFP because extreme drought conditions were met, and they have received payments. Mr. Schamore stated some of the FSA County committees are understaffed and others are overstaffed.

In response to Representative Dossett, Ms. Watson stated some counties in Kentucky received drought assistance through the USDA's Conservation Reserve Program. Mr. Schamore stated legislators should reach out to United States Senator Mitch McConnell who is heavily involved in the USFB to consider changes to the law to address drought conditions in Kentucky.

Mr. Schamore stated the USDA will distribute \$20 million to build temporary grain storage facilities in western Kentucky due to the tornadoes in December 2021.

Ms. Watson stated the USDA website, Farmers.gov, is a resource for locating a USDA Service Center, which will connect the farmer with the FSA. There is also a farm loan discovery tool and a disaster assistance discovery tool.

There being no further business, the meeting was adjourned.