



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

August 19, 2022

Meeting of the
Kentucky Agricultural Development Board

August 12, 2022

Meeting of the
Kentucky Agricultural Finance Corporation Board



August Approved Loans

Program	County	Enterprise	Amount Approved	Total Project Cost
Ag Infrastructure	Nelson	Beef	\$50,000.00	\$100,000.00
Beginning Farmer	Hardin	Lamb/Goat	\$130,000.00	\$385,000.00
Beginning Farmer	McLean	Poultry	\$250,000.00	\$1,235,775.00
Beginning Farmer	Graves	Poultry	\$250,000.00	\$1,010,000.00
Beginning Farmer	Graves	Poultry	\$250,000.00	\$1,145,000.00
Beginning Farmer	Webster	Poultry	\$250,000.00	\$970,000.00
Beginning Farmer	McLean	Poultry	\$250,000.00	\$1,112,798.00
Beginning Farmer	Shelby	Beef	\$250,000.00	\$3,111,500.00
Beginning Farmer	Bourbon	Forage	\$250,000.00	\$1,025,000.00
Beginning Farmer	Barren	Lamb/Goat	\$126,000.00	\$419,000.00
	Total		\$2,056,000.00	\$10,514,073.00

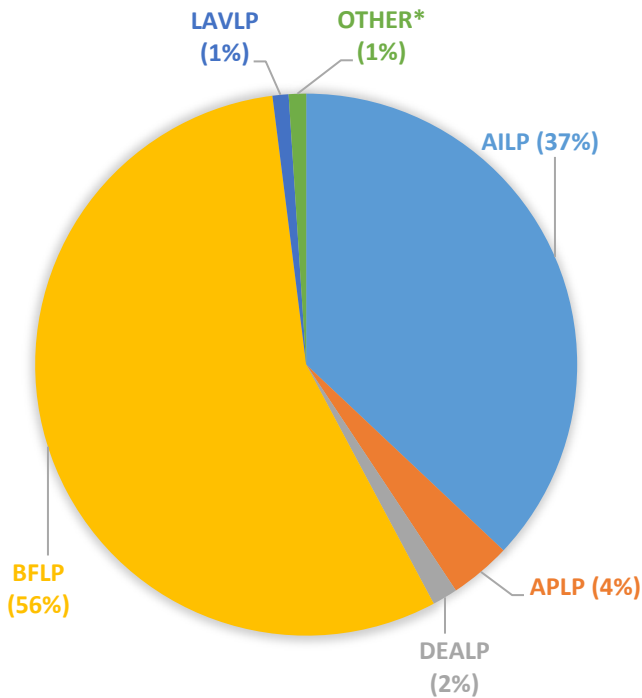
KAFC Approved, Active, and PIF Loans: Loan Program Data

Loan Program	Number of Total Loans in Program	% of Total KAFC Applications	Amount of Total Loans in Program	% of Total KAFC Funds Portfolio
Agricultural Infrastructure	465	37.02%	\$35,242,475	19.35%
Agricultural Processing	46	3.66%	\$27,170,692	14.92%
Beginning Farmer	701	55.81%	\$114,442,875	62.84%
Diversification through Entrepreneurship in Agribusiness	19	1.51%	\$1,889,565	1.04%
Large Animal Veterinary	12	0.96%	\$1,216,753	0.67%
OTHER*	13	1.04%	\$2,163,634	1.19%
TOTAL:	<u>1,256</u>	<u>100%</u>	<u>\$182,125,995</u>	<u>100%</u>

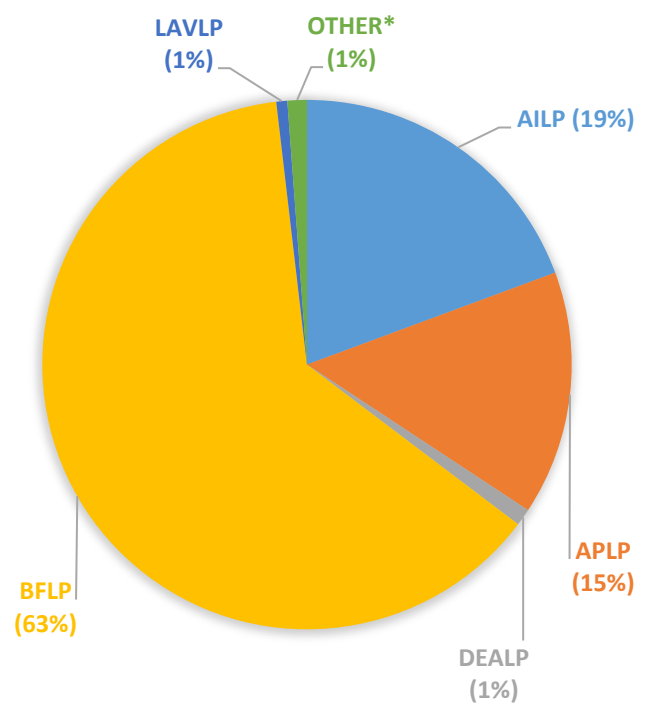
*BREAKDOWN OF OTHER/DISCONTINUED LOAN PROGRAMS

METCO	3	0.24%	\$120,030	0.07%
NAELP	8	0.64%	\$1,619,604	0.89%
KADB	1	0.08%	\$405,000	0.22%
CVALP	1	0.08%	\$19,000	0.01%
*TOTAL "OTHER":	13	1.04%	\$2,163,634	1.19%

PROGRAMS % OF TOTAL KAFC APPLICATIONS



PROGRAMS % OF TOTAL KAFC FUNDS PORTFOLIO



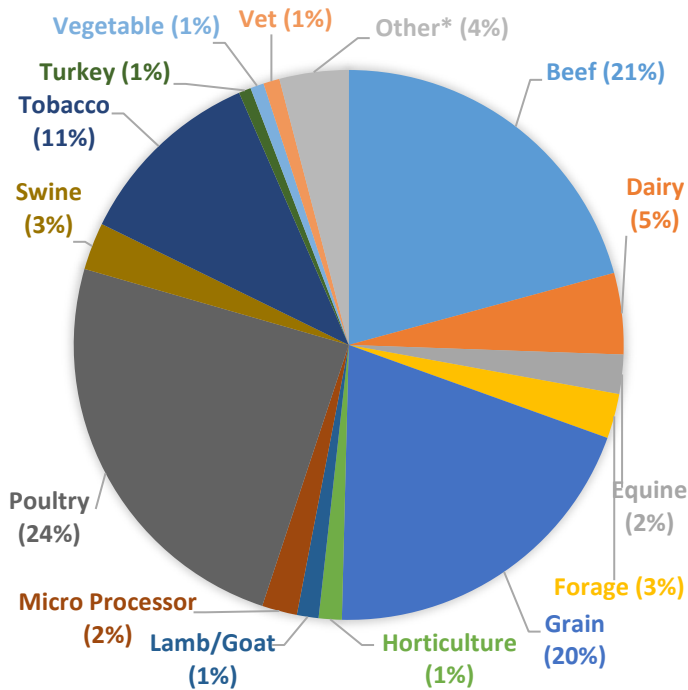
KAFC Approved, Active, and PIF Loans: Enterprise Data

Enterprise	Number of Total Loans in Enterprise	% of Total KAFC Applications	Amount of Total Loans in Enterprise	% of Total KAFC Funds Portfolio
Poultry	306	24.36%	\$59,020,022	32.41%
Beef	261	20.78%	\$30,352,513	16.67%
Grain	250	19.90%	\$33,493,640	18.39%
Tobacco	141	11.23%	\$8,678,768	4.77%
Dairy	60	4.78%	\$5,748,012	3.16%
Swine	35	2.79%	\$6,719,128	3.69%
Forage	33	2.63%	\$3,010,671	1.65%
Equine	29	2.31%	\$3,192,354	1.75%
Micro Processor	26	2.07%	\$9,450,610	5.19%
Horticulture	17	1.35%	\$1,233,914	0.68%
Lamb/Goat	16	1.27%	\$2,220,418	1.22%
Vet	12	0.96%	\$1,216,753	0.67%
Vegetable	10	0.80%	\$1,071,045	0.59%
Turkey	9	0.72%	\$2,000,000	1.10%
Other*	51	4.06%	\$14,718,142	8.08%
TOTAL:	<u>1,256</u>	<u>100%</u>	<u>\$182,125,995</u>	<u>100%</u>

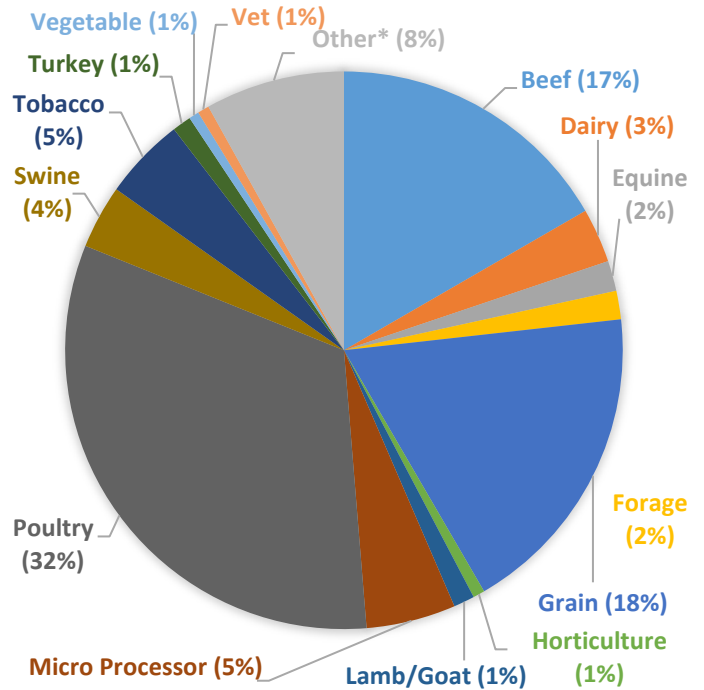
*BREAKDOWN OF OTHER ENTERPRISES

<i>Aquaculture</i>	1	0.08%	\$235,000	0.13%
<i>Timber</i>	4	0.32%	\$728,000	0.40%
<i>Winery</i>	3	0.24%	\$265,000	0.15%
**Other	43	3.42%	\$13,490,142	7.41%
*TOTAL "OTHER":	51	4.06%	\$14,718,142	8.08%

ENTERPRISE % OF TOTAL KAFC APPLICATIONS

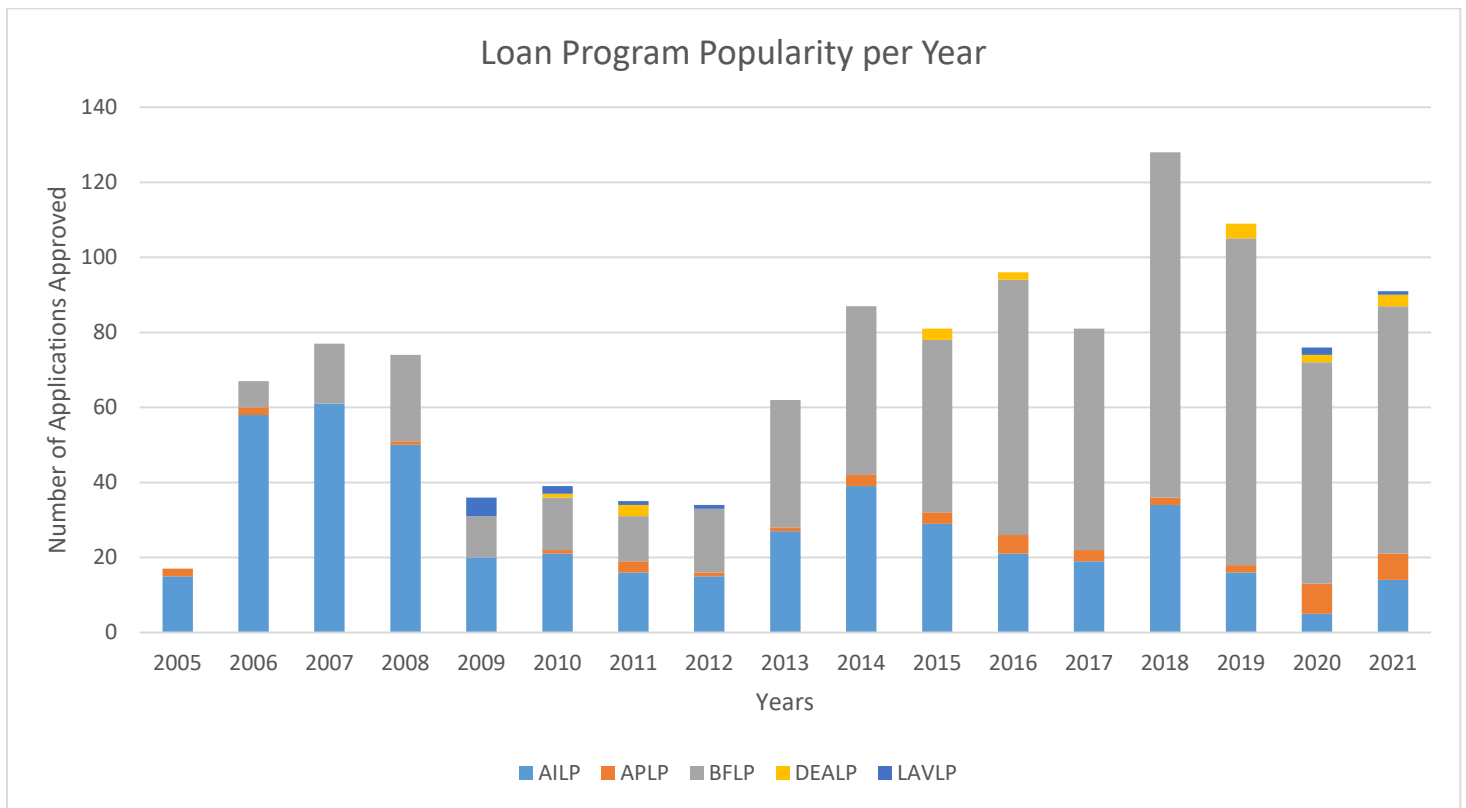
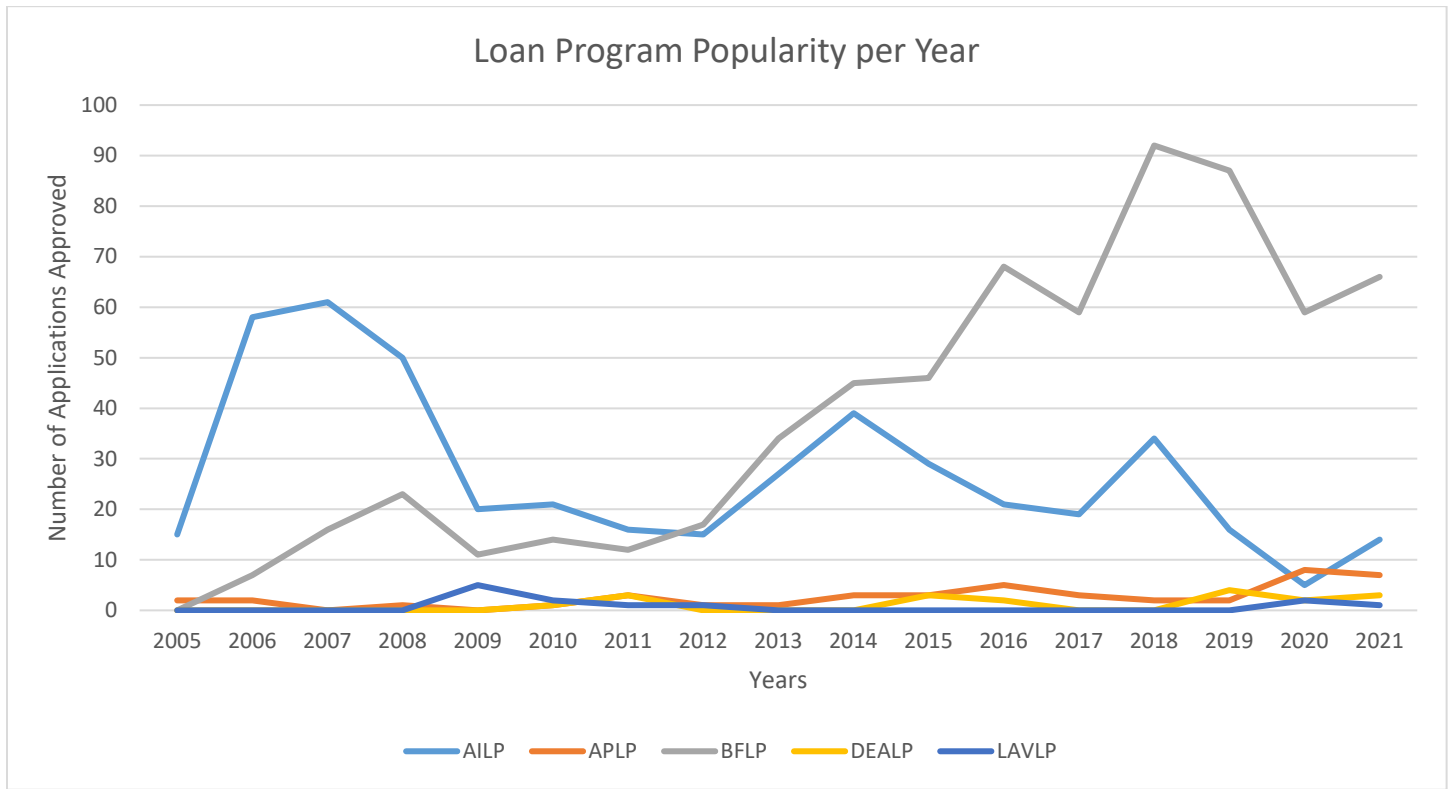


ENTERPRISE % OF TOTAL KAFC FUNDS PORTFOLIO



**** “Other” includes purchase of: stave mill equipment, soy bean crushing plant equipment, feed mix blending and bagging equipment, solar panels, a distillery rickhouse, tilling equipment, an orchard, a seed dealership and treatment facility, ownership interest in an existing agribusiness, a farm supply store, a mechanic shop, an agricultural lab and cleaning equipment, and a natural fiber dehairing machine; construction or renovation of: agritourism facilities and venues, a farm market and retail space, a feed mixing plant, a welding school, high tunnels, a farm supply and feed store, a fertilizer building, a biodiesel production facility, a biology facility, a boar isolation unit, a rabbit facility, a mice production facility, and an alpaca boarding and breeding facility; installation of: field tiles and solar panels; expansion of an artisan ice cream business; and working capital.**

Program Popularity: 2005-2021



Programs Recommended for Approval

CAIP

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2022-0136	Jefferson County Soil & Water Conservation District	Jefferson*	\$20,500.00
A2022-0149	Franklin County Cattlemen's Association, Inc.	Franklin	\$170,273.00
A2022-0151	County Agriculture Investment Program Council Inc.	Russell	\$215,000.00
A2022-0153	Magoffin County Agriculture Investment Program Incorporated	Magoffin	\$115,000.00
A2022-0154	Laurel County Cattlemen's Association, Inc.	Laurel	\$100,000.00
A2022-0156	Johnson County Agricultural Advancement Council, Inc.	Johnson	\$80,000.00
A2022-0157	Carlisle County Conservation District	Carlisle	\$82,639.00
			\$789,412.00

Deceased Farm Animal Removal (DAR)

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2022-0148	Franklin County Conservation District	Franklin	\$8,750.00
A2022-0150	Russell County Conservation District	Russell	\$7,500.00
A2022-0158	Hart County Conservation District	Hart	\$15,000.00
			\$31,250.00

Shared-Use Equipment Program

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2022-0155	Green County Cattlemen's Association, Inc.	Green	\$20,625.00
A2022-0162	Rockcastle County Conservation District	Rockcastle	\$15,000.00
			\$35,625.00

Total County Funds Recommended for Approval in Programs: **\$850,207.00**

*Indicates a portion of the project is funded from the "State Funds To Support to Counties with Limited Allocation initiative."

App # A2021-0242
Applicant Name Rockcastle County Conservation District
Original Amount Approved \$168,173
Execution Date 12/22/2021
Requested Change The applicant requests an additional \$153,135 in Rockcastle 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 \$321,308.

Recommend Approval

App# A2022-0056
Applicant Name Wayne County Agricultural Development Council, Inc.
Original Amount Approved \$180,000
Execution Date 06/08/2022
Requested Change The applicant requests an additional \$30,000 in Wayne 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 \$210,000.

Recommend Approval

Approved Project

Loretto Butcher Shop, LLC**A2022-0035***Application County: Marion**Date Submitted: 02/25/2022**Total Funds Awarded: \$239,645***FUNDING REQUEST**

Loretto Butcher Shop, LLC is requesting \$239,645 in state funds to purchase and renovate the current Loretto Butcher Shop facility.

APPLICATION SUMMARY

Funding will be used specifically for building purchase and renovations. The applicant wishes to extend the cooler, cutting room, and freezer space to increase capacity. The renovations should increase weekly harvest 15 head of beef weekly to over 20 head of beef. Renovations will allow more efficiency in the plant and help reduce/eliminate lag times that are currently problematic for the business. This project will create a need for an additional 5-6 employees at the facility.

The total cost of the project is estimated at \$479,289 with funding from the following sources:

- \$ 239,645 KADF State funds
- \$ 125,000 Wilson Muir Bank Business Loan (secured)
- \$ 10000 Cash On Hand (secured)
- \$ 104,889 Wilson Muir Bank (pending)

PROJECTED PRODUCER IMPACT

The applicant states the project will impact an additional 8-10 farm families which will accumulate to over 500 annually, potentially.

Board Decision:

Approved 8/19/2022 • Loretto Butcher Shop, LLC was approved \$239,645 in state funds to purchase and renovate the current facility.

Approved Project

Country Charm Event Barn, LLC**A2022-0121***Application County: Metcalfe**Date Submitted: 06/09/2022**Total Funds Awarded: \$26,265***FUNDING REQUEST**

Country Charm Event Barn, LLC is requesting \$26,265 in state and county funds to improve the facility with enclosures and add a dining area to be a resource for the community during all seasons.

APPLICATION SUMMARY

Country Charm Event Barn, LLC has hosted events like local concerts, local vendor barn sales, school functions, weddings, and agricultural meetings/education days since 2020. This tobacco barn allows event attendees to experience a true working farm because it is on the applicant's 2,500-acre farm in Metcalfe County. They use the barn for tobacco, equipment, and storage when it is not rented. Country Charm Event Barn's goal for the funds is to improve this facility by adding enclosures and a dining area to host events during all seasons.

The total cost of the project is estimated at \$52,530 with funding from the following sources:

- \$ 13,132.50 KADF State funds
- \$ 5,000 Metcalfe County funds (Committed)
- \$ 34,397 Edmonton State Bank Loan (Pending)

PROJECTED PRODUCER IMPACT

The applicant states that several farm families will be impacted.

Board Decision:

Approved 8/19/2022 • Country Charm Event Barn, LLC was approved up to \$26,265 in county funds to improve the facility to be used as a resource within the community.



Kentucky Agricultural Development Board approves more than \$1.2 million for projects across the commonwealth

Funded projects focus on agricultural diversification, rural development

FRANKFORT (August 19, 2022) – The Kentucky Agricultural Development Board approved \$1,299,332 for agricultural diversification and rural development projects across the commonwealth at its monthly board meeting.

"Diversifying our agricultural landscape and investing in our rural communities ensures Kentucky's agricultural future continues to flourish," Commissioner of Agriculture Dr. Ryan Quarles said. "Kentucky agricultural producers can find an ally in the Kentucky Department of Agriculture and the funds distributed by the Kentucky Agricultural Development Board."

State and County Funded Projects

- Country Charm Event Barn, LLC was approved \$26,265 in Metcalfe County funds to improve the facility to be used as a resource within the community. For more information, contact Harvey Hawkins at lynn.hawkins@metcalfe.kyschools.us.
- Loretto Butcher Shop, LLC was approved \$239,645 in state funds to purchase and renovate the current facility. For more information, contact Joshua Geron at josh.geron@bankpartsusa.com.

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.

Nine CAIPs were approved by the board totaling \$966,547:

- Carlisle (\$82,639)
- Franklin (\$170,273)
- Jefferson (\$20,500)
- Johnson (\$80,000)
- Laurel (\$100,000)
- Magoffin (\$115,000)
- Rockcastle (\$153,135)*
- Russell (\$215,000)
- Wayne (\$30,000)*

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.

Three DAR programs were approved by the board totaling \$31,250:

- Franklin (\$8,750)
- Hart (\$15,000)
- Russell (\$7,500)

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 \$35,625:

- Green (\$20,625)
- Rockcastle (\$15,000)

All application periods and deadlines for CAIP will be advertised locally.

*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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