



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

**July 14, 2023**

Meeting of the  
Kentucky Agricultural Finance  
Corporation Board

**July 21, 2023**

Meeting of the  
Kentucky Agricultural Development  
Board



## July Approved Loans

Program	County	Enterprise	Amount Approved	Total Project Cost	Lender
Ag Infrastructure	Mercer	Beef	\$28,000.00	\$90,000.00	Central KY Ag Credit
Ag Infrastructure	Trigg	Dairy	\$250,000.00	\$365,000.00	Independence Bank
Ag Infrastructure	Trigg	Dairy	\$250,000.00	\$380,000.00	Independence Bank
Beginning Farmer	Marshall	Beef	\$111,875.00	\$227,500.00	First Community Bank of the He
Beginning Farmer	LaRue	Grain	\$250,000.00	\$981,500.00	Magnolia Bank
Beginning Farmer	Christian	Poultry	\$250,000.00	\$3,010,000.00	Farm Credit Mid-America
Beginning Farmer	Taylor	Beef	\$102,000.00	\$240,000.00	Farm Credit Mid-America
Beginning Farmer	Shelby	Equine	\$250,000.00	\$515,000.00	Independence Bank
Beginning Farmer	Allen	Beef	\$200,000.00	\$405,000.00	First Financial Bank
Beginning Farmer	Allen	Beef	\$62,500.00	\$297,500.00	First Financial Bank
Beginning Farmer	Meade	Beef	\$49,175.00	\$98,350.00	The Cecilian Bank
Beginning Farmer	Owen	Beef	\$184,000.00	\$460,000.00	Heritage Bank
Beginning Farmer	Hickman	Poultry	\$250,000.00	\$2,750,000.00	River Valley Ag Credit
Beginning Farmer	McLean	Grain	\$182,323.00	\$729,291.00	Farm Credit Mid-America
Beginning Farmer	Hardin	Grain	\$250,000.00	\$950,000.00	Wilson & Muir Bank and Trust
Beginning Farmer	Ohio	Poultry	\$206,125.00	\$485,000.00	First United Bank and Trust
Beginning Farmer	Clinton	Poultry	\$197,500.00	\$775,000.00	Farm Credit Mid-America
	<b>Total</b>		<b>\$3,073,498.00</b>	<b>\$12,759,141.00</b>	

## Programs Recommended for Approval

### CAIP

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2023-0158	Lincoln County Cattlemen's Association (LCCA)	Lincoln	\$247,000.00
A2023-0160	Graves County Conservation District	Fulton*	\$60,000.00
A2023-0161	Crittenden County Conservation District	Livingston*	\$51,230.00
A2023-0165	Edmonson Co Cattleman Association Inc.	Edmonson	\$85,000.00
A2023-0169	Laurel County Cattlemen's Association, Inc.	Laurel	\$126,000.00
A2023-0170	Nicholas County Conservation District	Nicholas	\$260,785.00
A2023-0171	Taylor County Cattlemen's Association, Inc.	Taylor	\$191,144.00
A2023-0175	Perry County Conservation District	Perry*	\$57,593.00
A2023-0179	Warren County Conservation District	Warren	\$169,652.00
A2023-0182	Pendleton County Agricultural Diversification Association, Inc.	Pendleton	\$217,099.00
A2023-0186	Barren County Conservation District	Barren	\$280,000.00
A2023-0187	Elliott County Conservation District	Elliott	\$154,982.00
A2023-0192	Greenup County Conservation District	Greenup	\$177,208.00
			<b>\$2,077,693.00</b>

### Deceased Farm Animal Removal (DAR)

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2023-0159	Lincoln County Fiscal Court	Lincoln	\$15,000.00
A2023-0162	Fayette County Conservation District	Fayette	\$2,500.00
A2023-0166	Marion County Fiscal Court	Marion	\$15,000.00
A2023-0173	Taylor County Conservation District	Taylor	\$15,000.00
A2023-0180	Hart County Soil Conservation District	Hart	\$15,000.00
			<b>\$62,500.00</b>

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

## Programs Recommended for Approval

### Shared-Use Equipment Program

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2023-0167	Marion County Conservation District	Marion	\$3,525.00
A2023-0174	Clark County Conservation District	Clark	\$25,121.00
A2023-0181	Hart County Soil Conservation District	Hart	\$15,675.00
A2023-0183	Barren County Conservation District	Barren	\$19,425.00
A2023-0184	Barren County Conservation District	Barren	\$19,425.00
			<b>\$83,171.00</b>

### Youth Ag Incentives Program (Youth)

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2023-0172	Taylor County Cattlemen's Association, Inc.	Taylor	\$15,350.00
A2023-0178	Warren County 4-H Foundation Inc.	Warren	\$30,000.00
A2023-0185	Barren County Conservation District	Barren	\$20,000.00
			<b>\$65,350.00</b>

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Total County Funds Recommended for Approval in Programs: **\$2,288,714.00**

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

**App #** A2023-0061  
**Applicant Name** Grayson County Cattlemen’s Association, Inc.  
Original Amount Approved \$150,000  
Execution Date 05/09/2023  
Requested Change The applicant requests an additional \$100,000 in Grayson 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 \$250,000.

**Recommend Approval**

**App #** A2023-0076  
**Applicant Name** Clark County Conservation District  
Original Amount Approved \$150,000  
Execution Date 05/26/2023  
Requested Change The applicant requests an additional \$20,000 in Clark 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 \$170,000.

**Recommend Approval**

**App #** A2023-0096  
**Applicant Name** Marion County Conservation District  
Original Amount Approved \$125,000  
Execution Date 05/30/2023  
Requested Change The applicant requests an additional \$38,904 in Marion 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 \$163,904.

**Recommend Approval**

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**Approved Project**

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**City of Morgantown****A2023-0130***Application County: Butler**Date Submitted: 05/04/2023**Total Funds Awarded: \$250,000***FUNDING REQUEST**

The City of Morgantown is requesting \$250,000 in state and Butler County funds to construct a new farmers' market pavilion in the county's River Park.

**APPLICATION SUMMARY**

The applicant plans to build a permanent 50ft x 75ft pavilion that will include handicap access, parking, and electricity for vendors. This project will be constructed in tandem with development of the River Park, supported by the Land and Water Conservation Fund, with their completion leaving access to a bathroom facility, visibility to the Green River, and close proximity to a walking trail. The City of Morgantown will be financially responsible for the pavilion's maintenance but will act as a partner to the farmers' market association as they design the facility. KADB funds will be used strictly for the materials associated directly with the construction of the new farmers' market pavilion.

The total cost of the project is estimated at \$500,000 with the following funding sources:

\$240,000 KADF state funds (unsecured)

\$10,000 KADF Butler County funds (Secured)

\$250,000 City of Morgantown (Secured)

**PROJECTED PRODUCER IMPACT**

The applicant states that over 30 local farm families will be directly affected by this project as vendors and many others as consumers.

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***Board Decision:***

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7/21/2023 • City of Morgantown was approved \$10,000 in Butler County funds and \$240,000 in state funds to support the construction of a new farmers' market pavilion.

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**Approved Project**

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**Tri-County Livestock Exchange, Inc****A2023-0140***Application County: Henry**Date Submitted: 05/12/2023**Total Funds Awarded: \$6,640***FUNDING REQUEST**

Tri-County Livestock Exchange, Inc. is requesting \$6,639.50 in Henry County funds to aid in purchasing a cattle chute, alley, gates, and an RFID reader.

**APPLICATION SUMMARY**

Funding will be used to purchase a cattle chute, gates, RFID reader and an alley stop. The updated working facilities will allow larger livestock to flow through the chute and be worked on by the veterinarian. The Kentucky state veterinary office is requesting that cattle be tagged with RFID tags. The stockyard will be able to comply with those requests after this project is completed.

The total cost of the project is estimated at \$13,279.00 with funding from the following sources:

\$6,639.50 in Henry County funds

**PROJECTED PRODUCER IMPACT**

The applicant states that this project will benefit farmers in the central part of the state that have livestock. Tri-County Livestock Exchange, Inc. has had cattle from over 22 counties in Kentucky.

***Board Decision:***

7/21/2023 • Tri-County Livestock Exchange, Inc. was approved up to \$6,640 in Henry County funds to upgrade the existing working facilities.

Approved Project

Hallstead Farms, LLC

A2023-0141

Application County: Scott

Date Submitted: 05/19/2023

Total Funds Awarded: \$12,500

FUNDING REQUEST

Hallstead Farm, LLC. is requesting \$30,000 in state funds and \$30,000 in multi-county funds to aid in building an on-farm retail store. where they will market their products as well as other farmers ' products. The building will also be used as a meeting area for farm tours and field days.

APPLICATION SUMMARY

Funding will be used for building an on-farm retail building upon an existing foundation. The store will serve as a market for their produce as well as provide retail space for other KY Proud producers . The applicant also has plans to utilize the building for farm tours and field days. Their mission is to share the agriculture story through local, KY Proud foods.

The total cost of the project is estimated at \$60,000 with funding from the following sources:

- \$30,000 KADF state funds
- \$7,500 Scott (secured)
- \$7,500 Woodford (Unsecured)
- \$5,000 Fayette (secured)
- \$0 Franklin (no funds committed)

PROJECTED PRODUCER IMPACT

The applicant states they hope that at least four farm families will be able to sell produce in the store within the first year and hope to directly benefit residents of Scott, Fayette, Woodford, and Franklin Counties.

**Board Decision:**

7/21/2023 • Hallstead Farms, LLC was approved up to \$30,000 in matching county and state funds to aid in the construction of an on-farm retail store.



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**Approved Project**

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**Kentucky Young Farmer Association****A2023-0143***Application County: Marshall**Date Submitted: 05/24/2023**Total Funds Awarded: \$21,814***FUNDING REQUEST**

The Kentucky Young Farmer Association is requesting \$21,814 in state funds to purchase welders, helmets, electrodes, and gloves for 25 farmers that complete the requirements of a pilot program for welding training.

**APPLICATION SUMMARY**

In the early 2000s, the Kentucky Young Farmers/Adult Agriculture Program did a similar project where farmers could participate in a series of classes and receive a welder at the conclusion of the class.

The Kentucky Young Farmer Association is partnering with KCTCS Workforce Solutions to pilot this program for 25 participants at the KCTCS Southcentral Campus. The goal of this program is to provide 12 two-hour classes on welding (6 in the fall of 2023 and 6 in the spring of 2024). At the conclusion of the program, participating farmers will receive a welder, helmet, gloves, and electrodes. In order to receive the welder and supplies, a farmer must attend 22 of the 24 hours offered.

KADB funds will be used to purchase and provide the 25 welders, 25 helmets, 25 sets of gloves, and 25 5lb boxes of electrodes.

The total cost of the project is estimated at \$46,564 with the following funding sources:

\$21,814 KADB State Funds

\$16,875 KCTCS TRAINS Funding – Workforce Solutions (Secured)

\$7,875 Individual Payments from Farmers (Pending)

**PROJECTED PRODUCER IMPACT**

The applicant states that 25 farm families will be directly affected by this project. If this initial program is successful, the applicant plans to expand the program statewide and provide the same instruction to 400+ Kentucky farmers.

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**Board Decision:**

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7/21/2023 • Kentucky Young Farmer Association was approved up to \$21,814 in state funds to support the purchase of equipment for a pilot welding training program.

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**Approved Project**


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**Locals Food Hub & Pizza Pub, LLC****A2023-0144***Application County: Franklin**Date Submitted: 05/25/2023**Total Funds Awarded: \$200,000***FUNDING REQUEST**

Locals Food Hub & Pizza Pub, LLC is requesting \$200,000 in state and multi-county funds to purchase kitchen equipment necessary to create a large-scale value-added processing program at their second location in Louisville, KY.

**APPLICATION SUMMARY**

Locals Food Hub & Pizza Pub, a Kentucky-sourced grocery store and restaurant, opened the doors to their current location in Frankfort, KY in July of 2021 to support three main goals:

- Increase the communities' access to locally produced nutrient-rich foods.
- Increase the farming communities' access to consistent and viable markets for their goods.
- Create a gathering space where the community can come together around locally produced nutrient-rich foods while celebrating those who produce them.

Since opening in 2021, Locals Food Hub & Pizza Pub has developed a local supply chain of over 120 Kentucky producers and farmers and has purchased \$506,000 worth of products from these producers.

The applicant plans to open a second location in Louisville, KY to reproduce the successful model.

KADB funds will be used to purchase kitchen equipment necessary to create a large-scale value-added processing program and increase retail grocery sales of KY-produced value-added products.

The total cost of the project is estimated at \$400,000 with the following funding sources:

\$100,000 KADB State Funds

\$5,000 KADB Franklin County Funds (Committed)

\$10,000 KADB Shelby County Funds (Committed)

\$10,000 KADB Barren County Funds (Committed)

\$7,500 KADB Fayette County Funds (Committed)

\$5,000 KADB Owen County Funds (Committed)

\$2,500 KADB Spencer County Funds (Committed)

\$60,000 KADB Multi-County Funds (Pending)

\$200,000 Equipment - Healthy Food Financing Initiative (HFFI) Grant (Secured)

\$200,000 Buildout (Pending)

\$100,000 Starting Inventory (Pending)

\$50,000 Salary/Hiring/Training Wages (Pending)

\$50,000 Misc – Permits, Marketing, POS, Etc. (Pending)

**PROJECTED PRODUCER IMPACT**

The applicant states that approximately 180 farm families from all over Kentucky will be directly affected by this project in the first year.

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**Board Decision:**


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7/21/2023 • Locals Food Hub & Pizza Pub, LLC was approved up to \$200,000 in matching county and state funds to support the purchase of equipment to create a large-scale value-added processing program.



## **Kentucky Agricultural Development Board approves more than \$2.9 million for projects across the commonwealth**

*Funded projects focus on agricultural diversification, rural development*

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**FRANKFORT (July 21, 2023)** – The Kentucky Agricultural Development Board approved \$2,956,072 for agricultural diversification and rural development projects across the commonwealth at its monthly board meeting.

“The grants awarded today by the Kentucky Agriculture Development Board will help Kentucky continue to diversify its agricultural outputs,” said Commissioner of Agriculture and board chair Dr. Ryan Quarles. “The board’s diversification focus is important in encouraging a variety of pursuits for our agricultural community.”

### **County and State Funded Projects**

- City of Morgantown was approved \$10,000 in Butler County funds and \$240,000 in state funds to support the construction of a new farmers' market pavilion. For more information, contact Allie Lee at [a.lee@morgantownky.gov](mailto:a.lee@morgantownky.gov).
- Hallstead Farms, LLC was approved up to \$30,000 in matching county and state funds to aid in the construction of an on-farm retail store. For more information, contact Amanda Hall at [amandahall129@gmail.com](mailto:amandahall129@gmail.com).
- Kentucky Young Farmer Association was approved up to \$21,814 in state funds to support the purchase of equipment for a pilot welding training program. For more information, contact Rachel Wilson at [rachel.wilson@kctcs.edu](mailto:rachel.wilson@kctcs.edu).
- Locals Food Hub & Pizza Pub, LLC was approved up to \$200,000 in matching county and state funds to support the purchase of equipment to create a large-scale value-added processing program. For more information, contact Birch Bragg at [birch@localsfoodhub.com](mailto:birch@localsfoodhub.com).
- Tri-County Livestock Exchange, Inc. was approved up to \$6,640 in Henry County funds to upgrade the existing working facilities. For more information, contact Larry Congleton at [congletonlivestock@gmail.com](mailto:congletonlivestock@gmail.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.

Sixteen CAIPs were approved by the board totaling \$2,236,597:

- Barren (\$280,000)
- Clark (\$20,000)\*
- Edmonson (\$85,000)
- Elliott (\$154,982)
- Fulton (\$60,000)
- Grayson (\$100,000)\*
- Greenup (\$177,208)
- Laurel (\$126,000)
- Lincoln (\$247,000)
- Livingston (\$51,230)
- Marion (\$38,904)\*
- Nicholas (\$260,785)
- Pendleton (\$217,099)
- Perry (\$57,593)
- Taylor (\$191,144)
- Warren (\$169,652)

#### **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.

Five DAR programs were approved by the board totaling \$62,500:

- Fayette (\$2,500)
- Hart (\$15,000)
- Lincoln (\$15,000)
- Marion (\$15,000)
- Taylor (\$15,000)

#### **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.

Five Shared-Use Equipment programs were approved by the board totaling \$83,171:

- Barren (\$19,425 and \$19,425)
- Clark (\$25,121)
- Hart (\$15,675)
- Marion (\$3,525)

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

YAIP encourages youth to engage in and explore agricultural opportunities.

Three YAIPs were approved by the board totaling \$65,350:

- Barren (\$20,000)
- Taylor (\$15,350)
- Warren (\$30,000)

All application periods and deadlines for CAIP and YAIP 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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