



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



January 12, 2024

Meeting of the
Kentucky Agricultural
Finance Corporation Board

January 19, 2024

Meeting of the
Kentucky Agricultural Development
Board



January Approved Loans

Program	County	Enterprise	Amount Approved	Total Project Cost	Lender
Ag Infrastructure	Breckinridge	Grain	\$165,000.00	\$330,000.00	Farm Credit Mid-America
Ag Infrastructure	Warren	Grain	\$250,000.00	\$645,642.00	Field & Main Bank
Ag Infrastructure	Webster	Grain	\$100,000.00	\$238,000.00	Independence Bank
Ag Processing	Warren	Grain	\$204,500.00	\$631,900.00	Franklin Bank & Trust
Beginning Farmer	Todd	Grain	\$250,000.00	\$637,500.00	Farm Credit Mid-America
Beginning Farmer	Todd	Grain	\$250,000.00	\$627,500.00	Farm Credit Mid-America
Beginning Farmer	Christian	Dairy	\$104,000.00	\$208,000.00	Farm Credit Mid-America
Beginning Farmer	Hopkins	Poultry	\$250,000.00	\$1,770,000.00	Farm Credit Mid-America
Beginning Farmer	Wayne	Poultry	\$250,000.00	\$810,000.00	Farm Credit Mid-America
Beginning Farmer	Garrad	Beef	\$54,000.00	\$135,000.00	Central KY Ag Credit
Beginning Farmer	Taylor	Beef	\$74,375.00	\$175,000.00	Farm Credit Mid-America
Beginning Farmer	Hart	Beef	\$53,000.00	\$135,000.00	South Central Bank
Beginning Farmer	McLean	Grain	\$250,000.00	\$600,000.00	Independence Bank
Beginning Farmer	Union	Grain	\$250,000.00	\$1,250,000.00	Farm Credit Mid-America
Total			\$2,504,875.00	\$8,193,542.00	



Kentucky Agricultural Finance Corp. approves \$2,504,875 in loans

Financing bolsters beef, forage, poultry, and grain farmers across the commonwealth

FRANKFORT, Ky. (Jan. 12, 2024) – The Kentucky Agricultural Finance Corp. (KAFC) approved \$2,504,875 for 14 agricultural loans for projects across the commonwealth at its monthly board meeting.

Agricultural Infrastructure Loan Program (AILP)

Three Agricultural Infrastructure loans totaling \$515,000 were approved. Loan recipients were in Breckinridge (\$165,000), Warren (\$250,000), and Webster (\$100,000) counties. KAFC participates with lenders to provide financing to producers making capital expenditures for agricultural projects through the AILP. Eligible projects include permanent farm structures with attached equipment that improves the profitability of farming operations. Producers may be eligible for up to \$150,000 not to exceed 50 percent of the project.

Agricultural Processing Loan Program (APLP)

An Agricultural Processing loan totaling \$204,500 was approved for an operation in Warren County. APLP is designed to provide loan opportunities to companies and individuals in Kentucky interested in adding value to Kentucky-grown agricultural commodities through further processing. Agricultural processors may qualify for financing for acquisition of equipment, construction of new facilities, renovation/expansion of existing facilities and permanent working capital up to 50 percent of the project cost.

Beginning Farmer Loan Program (BFLP)

Ten Beginning Farmer loans totaling up to \$1,785,375 were approved. Loan recipients were in Christian (\$104,000), Garrard (\$54,000), Hart (\$53,000), Hopkins (\$250,000), McLean (\$250,000), Taylor (\$74,375), Todd (\$250,000 and \$250,000), Union (\$250,000), and Wayne (\$250,000) counties. The BFLP is designed to assist individuals with some farming experience who desire to develop, expand, or buy into a farming operation. Beginning farmers may qualify for financing to purchase livestock, equipment, or agriculture facilities; to secure permanent working capital; for the purchase of farm real estate; or to invest in a partnership or LLC.

For more information on the programs offered by the KAFC, contact Bill McCloskey at Kentucky Office of Agricultural Policy at (502) 382-6093 or email kafc@ky.gov.

###

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.



Follow the Kentucky Department of Agriculture on social media.

Programs Recommended for Approval

CAIP

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2024-0006	Garrard County Farm Bureau, Inc.	Garrard	\$265,000.00
A2024-0007	Bracken County Conservation District	Bracken	\$332,500.00
A2024-0010	Simpson County Conservation District	Simpson	\$77,997.00
A2024-0012	Breckinridge County Soil Conservation District	Breckinridge	\$300,000.00
A2024-0014	Fayette County Conservation District	Fayette	\$215,000.00
			\$1,190,497.00

Deceased Farm Animal Removal (DAR)

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2024-0004	Garrard County Fiscal Court	Garrard	\$2,500.00
			\$2,500.00

Shared-Use Equipment Program

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2024-0001	Jackson County Cattlemen's Association Incorporated	Jackson	\$12,488.00
A2024-0005	Daviess County Cattleman's Association	Daviess	\$13,053.00
			\$25,541.00

Youth Ag Incentives Program (Youth)

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2024-0009	Bracken County Conservation District	Bracken	\$20,000.00
A2024-0011	Carroll County Conservation District	Carroll	\$15,000.00
A2024-0013	Kenton County Farm Bureau, Inc.	Kenton	\$1,000.00
			\$36,000.00

Total County Funds Recommended for Approval in Programs: **\$1,254,538.00**

Requested Program Amendments

App #	A2023-0077
Applicant Name	Green River Beef Improvement Group, Inc. (Daviness County)
Original Amount Approved	\$100,000
Execution Date	06/19/2023
Requested Change	<p>The applicant requests an <u>additional</u> \$82,330 in Daviness 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 \$182,330.</p>

Recommend Approval

App #	A2023-0193
Applicant Name	Cumberland County Conservation District
Original Amount Approved	\$136,866
Execution Date	09/13/2023
Requested Change	<p>The applicant requests an <u>additional</u> \$25,208 in Cumberland 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 \$161,074.</p>

Recommend Approval

Approved Project

AgRenew, LLC

A2023-0267

Application County: Metcalfe

Date Submitted: 10/31/2023

Total Funds Awarded: \$3,750

FUNDING REQUEST

AgRenew, LLC is requesting \$3,750 in state funds for funding consultation fees to create a food safety plan to adhere to FDA standards.

APPLICATION SUMMARY

Funding will be used to work with a consultant from EAS Consulting Group to assist the applicant in an on-site GAP assessment.

The total cost of the project is estimated at \$5,500 with funding from the following sources:

\$ 3,750 KADF State Funds

\$ 1,750 Personal Funds

Board Decision:

1/26/2024:AgRenew, LLC was approved up to \$3,750 in state funds to support the expenses of consultation fees to create a food safety plan to adhere to FDA standards.

Approved Project

Alvios Cuban Meats, LLLP**A2023-0270***Application County: Jefferson**Date Submitted: 11/06/2023**Total Funds Awarded: \$3,750***FUNDING REQUEST**

Alvios Cuban Meats is requesting \$3,750 in state funds for HACCP Plan creation and testing to get the process authority.

APPLICATION SUMMARY

Funding will be used to work with Dr. Aliyar Fouladkhah from Tennessee State University to create a HACCP plan, and testing to get process authority.

The total cost of the project is estimated at \$6,618.75 with funding from the following sources:

\$ 3,750 KADF State Funds

\$ 2,868.75 Personal Funds

Board Decision:

1/26/2024: Alvios Cuban Meats, LLLP was approved up to \$3,750 in state funds for a HACCP Plan creation and testing to get the process authority.

Approved Project

University of Kentucky, KY Agricultural Leadership Program**A2023-0273***Application County: _ALL**Date Submitted: 11/27/2023**Total Funds Awarded: \$500,000***FUNDING REQUEST**

The University of Kentucky, KY Agricultural Leadership Program (KALP) is requesting \$500,000 in state funds to develop alumni programming and to conduct evaluations geared towards enhancing the leadership development experience for past and future participants.

APPLICATION SUMMARY

The applicant states the funding from this project would enhance the administration, delivery, and assessment of the value of KALP to the Commonwealth. The investment of KADF alongside with the matching dollars in existing endowments will generate approximately \$45,000/year in perpetuity. Primary uses would be to develop alumni programming and to conduct rigorous ongoing evaluations to enhance the leadership development experience for past and future participants. Through this project, KALP would address the long-held need to improve alumni engagement with annual alumni events and seminars targeted toward continuing leadership for KALP graduates. Through the evaluation portion of their request, the applicant stated they can more adequately describe and quantify KALP's development of human capital and the return of investment in leadership development.

* The University of Kentucky KALP is requesting \$500,000 in state funds to add to the endowment in order to increase earned revenue through the project A2008-0407.

PROJECTED PRODUCER IMPACT

The applicant indicates the impact of this project would be the newest class of 22 members and the 332 alumni of previous classes.

Board Decision:

1/26/2024: University of Kentucky, KY Agricultural Leadership Program was approved up to \$500,000 in state funds to develop alumni programming and to conduct evaluations.

Approved Project

Chaney's Dairy Barn**A2023-0274***Application County: Warren**Date Submitted: 11/27/2023**Total Funds Awarded: \$1,000,000***FUNDING REQUEST**

Chaney's Dairy Barn is requesting \$950,000 in state funds and \$50,000 in Warren County funds to expand the existing facility to include a tempering walk-in freezer, additional retail space, an outdoor seating area, additional freezer space, and a larger production room and dining area.

APPLICATION SUMMARY

Funding will be used to expand upon the current building. The expansion will add an additional 10,000 square feet to the facility and will allow the applicant to effectively accommodate tour bus groups. The expansion will double the freezer space and add a tempering walk-in freezer. The ice cream production space will be three times its current size and will have a viewing window for guests. The ice cream retail area will be expanded to include four dipping cabinets, two customer lines, and two cash registers. The dining area will have a capacity of 50 people and there will be an outdoor seating area. The applicant sells ice cream and milk to many businesses across Kentucky and Tennessee including 40 Kroger stores and Creation Gardens and serves as an agritourism destination.

The total cost of the project is estimated at \$2,322,275 with funding from the following sources:

\$ 950,000 KADF state funds

\$ 50,000 KADF Warren County funds

\$ 1,322,275 Farm Credit

PROJECTED PRODUCER IMPACT

The applicant states that they currently purchase milk from at least one farmer in Todd County. The applicant also purchases products from Kentucky producers and businesses in Todd, Fulton, Simpson, Allen and Woodford Counties for the ice cream and retail store. The applicant states that the expansion could cause them to purchase milk from even more producers.

Board Decision:

01/26/2024: Chaney's Dairy Barn was approved for a \$250,000 participation loan, in addition to a cost-reimbursement grant in matching multi-county funds with state funds, not to exceed \$50,000 in state funds.

This project will support the construction of its existing facility.

Approved Project

The Farmstand, LLC**A2023-0275***Application County: Carroll**Date Submitted: 11/27/2023**Total Funds Awarded: \$7,554***FUNDING REQUEST**

The Farmstand is requesting \$7,554 in county funds to construct a self-serve storefront for local homegrown and handmade products.

APPLICATION SUMMARY

Makayla Bates and her husband currently farm outside the city of Carrollton. They would like to construct a storefront on the farm to sell products from their own farm as well as from others in the community.

KADB funds will be used to purchase the building, commercial fridge, commercial freezer, and electricity needed to run the storefront.

The total cost of the project is estimated at \$15,106.78 with the following funding sources:

\$7,554 KADB County Funds

\$7,552.78 Personal Funds (Secured)

PROJECTED PRODUCER IMPACT

The applicant states that their own and other farm families in the area will directly benefit from this project.

Board Decision:

01/26/2024: The Farmstand was approved up to \$7,554 in Carroll County funds to construct a storefront for local homegrown products.

Approved Project

Bluegrass Lamb Company, LLC**A2023-0277***Application County: Hardin**Date Submitted: 11/27/2023**Total Funds Awarded: \$3,750***FUNDING REQUEST**

Bluegrass Lamb Company, LLC is requesting \$11,095.50 in state funds for funding consultation fees for BRCGS Consulting, HAACP Training, and Internal Auditor Training.

APPLICATION SUMMARY

Funding will be used to work with a consultant from Retained Quality to assist the applicant in BRCGS Consulting, HAACP Training, and Internal Auditor Training.

The total cost of the project is estimated at \$14,794.85 with funding from the following sources:

\$ 11,095.50 KADF State Funds

\$ 3,699.35 Personal Funds

Board Decision:

01/26/2024: Bluegrass Lamb Company, LLC was approved up to \$3,750 in state funds to support the expenses of consultation fees for BRCGS consulting, HAACP Training, and Internal Auditor Training.

Recommendations for No Funding

APP #	APPLICANT	COUNTY
A2024-0008	Bracken County Conservation District <i>NextGen</i>	Bracken

Project Recommendations for No Funding

Bracken County Conservation District

A2024-0008

Application County: Bracken

County Priority: Low

Sarah Bryant

Project Summary:

NEXTGEN SUMMARY
FUNDING \$0 (NOT FUNDED)

PRO-RATE Yes, only ties

MIN. SCORE 44

RETROACTIVITY Yes, 6 months

EVERY OTHER YEAR No

PRODUCER INVESTMENT
\$0 Maximum Producer Limit
\$0 Primary Focus Area
\$0 Secondary Focus Area
Producer Maximum

Primary:
Ag Diversification
AgTech & Leadership Development
Animal, Large
Animal, Small
Farm Infrastructure
Fencing & On-Farm Water
Forage & Grain Improvement
Innovative Ag System
On-Farm Energy
Poultry & Other Fowl
Value-Added & Marketing

Secondary:
N/A

Committee Recommendation:

Staff recommends not funding this program due to the Bracken County Agricultural Development Council assigning a low priority and not committing county funds to this application.



Kentucky Agricultural Development Board approves more than \$2.1 million for projects across the commonwealth

Funded projects focus on agricultural diversification, rural development

FRANKFORT (Jan. 26, 2024) – The Kentucky Agricultural Development Board approved \$2,130,880 for agricultural diversification and rural development projects across the commonwealth at its monthly board meeting.

“The Kentucky Agricultural Development Board’s attention to a diverse set of projects and programs sets a high standard for Kentucky’s agricultural future,” said Commissioner of Agriculture and board chair Jonathan Shell. “With the board’s focus and the innovative plans from some of Kentucky’s top producers, it’s evident Kentucky agriculture is headed in the right direction.”

County and State Funded Projects

- Chaney’s Dairy Barn was approved for a \$250,000 participation loan, in addition to a cost-reimbursement grant in matching multi-county funds with state funds, not to exceed \$50,000 in state funds. This project will support the construction of its existing facility. For more information, contact Carl Chaney at chaneyinfo@yahoo.com.
- The Farmstand was approved up to \$7,554 in Carroll County funds to construct a storefront for local homegrown products. For more information, contact MaKayla Dates at makaylabates07@icloud.com.
- University of Kentucky, KY Agricultural Leadership Program was approved up to \$500,000 in state funds to develop alumni programming and enhance the leadership development for past and future participants. For more information, contact Dr. Will Snell at wsnell@uky.edu.

State Program

Food Safety and Efficiency Incentives Program

Food Safety and Efficiency Incentives Program provides funding for Kentucky farm families, businesses, and processors to increase their efficiency and food safety protocol through sound consultation services.

Three Food Safety and Efficiency Incentives Programs were approved by the board totaling \$11,250:

- Hardin (\$3,750)
- Jefferson (\$3,750)
- Metcalfe (\$3,750)

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, beef and dairy cattle; farm infrastructure, fencing, and water enhancement; equine; forage; goats and sheep; horticulture; poultry; swine; bees and honey; timber and technology, as well as energy efficiency and production; marketing; and value-added production.

Seven CAIPs were approved by the board in the following counties totaling \$1,298,035:

- Bracken (\$332,500)
- Breckinridge (\$300,000)
- Cumberland (\$25,208)*
- Daviess (\$82,330)*
- Garrard (\$265,000)
- Fayette (\$215,000)
- Simpson (\$77,997)

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.

A DAR Program was approved in Garrard County totaling \$2,500.

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 Program were approved by the board totaling \$25,541:

- Daviess (\$13,053)
- Jackson (\$12,488)

Youth Agricultural Incentives Program (YAIP)

YAIP encourages youth to engage in and explore agricultural opportunities.

Three YAIPs were approved by the board totaling \$36,000:

- Bracken (\$20,000)
- Carroll (\$15,000)
- Kenton (\$1,000)

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

*Existing programs receiving additional funding.

###

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.

