

TOBACCO SETTLEMENT AGREEMENT FUND OVERSIGHT COMMITTEE

Minutes

May 9, 2024

Call to Order and Roll Call

The 1st meeting of the Tobacco Settlement Agreement Fund Oversight Committee was held on May 9, 2024, at 10:30 AM in Room 129 of the Capitol Annex. Senator Amanda Mays Bledsoe, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Myron Dossett Co-Chair; Senator Amanda Mays Bledsoe Co-Chair; Senators Matthew Deneen, Denise Harper Angel, and Robin L. Webb; Representatives George Brown Jr., Kim King, Phillip Pratt, and Rachel Roarx.

Guests: Brandon Reed, Executive Director, Kentucky Office of Agricultural Policy (KOAP); and Bill McCloskey, Deputy Executive Director, KOAP.

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

Approval of minutes for the meeting of December 14, 2023

Motion to approve minutes made by Representative Dossett and seconded by Senator Deneen. The minutes were approved by voice vote.

Report on the projects considered for funding by the Agricultural Development Board

Brandon Reed, the new executive director of the Kentucky Office of Agriculture Policy, provided a brief update from KOAP and its staff. He stated that presentations from the KOAP will be given in a different format, where the office will highlight funded projects that they believe will be of particular interest to the committee members, rather than detailing all projects.

The Kentucky Agriculture Development Board (KADB) and Kentucky Agricultural Finance Corporation (KAFC) approved the following funding totals for January through April 2024:

- January 2024: \$2,100,000 (KADB) and \$2,500,000 (KAFC)
- February 2024: \$800,000 (KADB) and \$4,400,000 (KAFC)
- March 2024: \$1,600,000 (KADB) and \$2,700,000 (KAFC)
- April 2024: \$5,800,000 (KADB) and \$2,800,000 (KAFC)

Bill McCloskey described the KADB's approved projects for December 2023 through March 2024 under the program.

December 2023:

- Boyle County Farm Bureau was approved for \$5,500 in Boyle County funds to support the purchase of grain bin rescue equipment.
- Kentucky Agricultural Council was approved for \$70,000 in state funds to develop the 2025-2030 Road Map for Kentucky Agriculture, as well as support the Kentucky Agriculture Summit.

January 2024:

- AgRenew, LLC was approved for \$3,750 in state funds for consultation fees to create a food safety plan to adhere to Federal Food and Drug Administration standards.
- Alvios Cuban Meats, LLLP was approved for \$3,750 in state funds for a Hazardous Analysis Critical Control Point (HACCP) plan creation and testing to get the processing authority.
- The University of Kentucky's Agricultural Leadership Program was approved for \$500,000 in state funds to develop alumni programming and to conduct evaluations.
- 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. The project will support the expansion of its existing facility.
- The Farmstand was approved for \$7,554 in Carroll County funds to construct a storefront for local homegrown products.

- Bluegrass Lamb Company, LLC was approved for \$3,750 in state funds to support the expenses of consultation fees for BRCGS food safety standard consulting, HACCP training, and internal auditor training.

February 2024:

- Creation Gardens was approved for \$500,000 in state funds to support upgrades to their processing equipment.
- Metcalfe County 4-H Council was approved for \$1,680 in Metcalfe County funds for the local country ham project.
- Owen County Tourism & Convention Commission was approved for \$5,503 in Owen County funds for the purchase of equipment to help provide market opportunities for local producers.
- Calloway County was approved for \$75,850 in county and state funds to add large animal services to the existing small animal practice.

March 2024:

- Mayfield Downtown Farmers Market with the City of Mayfield was approved for \$5,000 in Graves County funds and \$250,000 in state funds for the construction of a farmers market.
- Alexander Glenn Hagan was approved for \$27,521 in county and state funds as part of the Large and Food Animal Veterinary Incentives Program.
- Kentucky River Lamb Co. was approved for \$37,254 in matching multi-county and state funds for the expense of digital marketing.
- The Calloway County Board of Education was approved for \$30,000 in Calloway County funds for the construction of a greenhouse at the local high school.
- P.H.A.R.M., LLC was approved for \$225,000 in matching multi-county and state funds to expand the existing roadside market and produce processing facilities.

April 2024:

- The Kentucky Association of Meat Processors was approved for \$472,750 in state funds over a two-year period to create a Master Butcher Program.

- Sadler Vet and Embryo Services was approved for \$69,112 in matching multi-county and state funds for the purchase of a new truck and veterinary box for their ambulatory services.
- Owen County Board of Education was approved for \$100,000 in Owen County funds for the construction of a greenhouse at the local high school.
- Commonwealth Veterinary Clinic was approved for \$2,978 in Scott County funds for the purchase of breeding soundness exam equipment.
- Temple Hill Lion's Club was approved for \$46,250 in Barren County funds to implement improvements to the fairgrounds.
- Cornett Farm Fresh was approved for \$100,000 in state funds and \$256,385 in multi-county funds to remodel a building to expand their retail farm market and farm-to-table cafe. If the county commitments are not met there will be an option to pursue a participation loan for the remaining balance.
- Davis Veterinary Services was approved for \$70,446 in state funds and \$14,089 in Grayson County funds to start a mobile veterinary practice.
- Thelma's Garden Academy, Corp. was approved for \$50,000 in state funds to provide opportunities for farming education and leadership skills.
- Greenfield Grain was approved for \$2,000,000 in the form of a participation loan to construct a river terminal in Henderson County.
- Lowe Farms was approved for \$3,600 in state funds for consultation fees as a part of the Food Safety and Efficiency Incentives Program.
- Barren County Board of Education was approved for \$178,753 in multi-county funds for the construction of a livestock facility at the local high school.
- Pleasant View Greenhouse, Inc. was approved for \$237,697 in multi-county funds for repurposing a greenhouse into an agriculture education center. If the county commitments are not met there will be an option to pursue a participation loan for the remaining balance.
- Kentucky Farmed, LLC was approved for \$292,050 in matching multi-county funds and state funds to upgrade and restore an existing greenhouse. If the

county commitments are not met there will be an option to pursue a participation loan for the remaining balance.

- Jill Harton Farms was approved for \$3,600 in state funds for consultation fees as a part of the Food Safety and Efficiency Incentives Program.
- Kentucky Fresh Harvest, LLC was approved for \$3,600 in state funds for consultation fees as a part of the Food Safety and Efficiency Incentives Program.

Mr. Reed stated that the County Agricultural Investment Program (CAIP) has a new tiered incentive system. Applicants for CAIP funding are now required to present proof of Kentucky residence with state identification and a utility bill.

In response to Representative King, Mr. Reed stated that the KADF operates from funds in the prior fiscal year. There is a trend that revenues to the Master Settlement Agreement (MSA) will continue to gradually decrease.

In response to Senator Webb, Mr. McCloskey stated that most veterinary funding applicants are independently practicing veterinarians. There are active programs and projects funded from the KADF in all 120 counties.

In response to Representative Roarx, Mr. McCloskey stated that the Diversification through Entrepreneurship in Agribusiness Program (DEALP) assists agri-entrepreneurs who may not fit into other KADF programs.

Chair Mays Bledsoe stated that the next Tobacco Settlement Agreement Fund Oversight Committee meeting will be June 13th, 2024, where Wayne Hunt, founding member of the KADF and KAFC, will present the history of the MSA.

Representative Dossett commended the KOAP staff for their work.

Adjournment

There being no further business, the meeting was adjourned.