

Farms to Food Banks Advisory Committee  
Kentucky Department of Agriculture

Report to Governor Matt Bevin and the Legislative Research Commission  
September 2018

**Introduction**

The Farms to Food Banks program was established under KRS 247.980 to 247.986 in the Kentucky Department of Agriculture (KDA) to award grants to nonprofit organizations for the purpose of collecting and distributing Kentucky grown and raised surplus agricultural commodities to food banks and other charitable organizations that serve needy or low-income individuals. The Farms to Food Banks Trust Fund (Fund) was created in the State Treasury as a restricted account to be administered by the Department with advice from the Farms to Food Banks Advisory Committee (Committee). Refer to Appendix A for the current roster of advisory committee members. The Fund received for FY 18 a \$600,000 appropriation from the General Assembly and \$20,899.23 from donations by tax payers on their income tax return.

**Written Plan for Expenditure of Funds**

The Committee submitted to KDA in September 2016 and reviewed in September 2017 a written plan for the expenditure of funds that included a summary of existing food banks in Kentucky, an evaluation of the needs of the hungry in Kentucky, and a proposal for distributing funds to areas of recognized need. Refer to Appendix B for the Plan for Expenditure of Funds.

**Amounts and Recipients of Funds Distributed**

A nonprofit is eligible to receive a grant from the Fund if the organization:

- 1) Has at least 5 years of experience coordinating a statewide network of food banks and charitable organizations that serve counties in Kentucky; and
- 2) Operates a program that coordinates the collection and transportation of surplus agricultural commodities to a statewide network of food banks that provide food to needy or low-income individuals.

One eligible applicant, the Kentucky Association of Food Banks (KAFB), submitted an application to the Department on 4/27/17 for \$650,000 for the Farms to Food Banks program. (The amount of funds donated by taxpayers was unknown at the time of submission and projected to be \$50,000; instead, \$20,899.23 was donated). Through the Farms to Food Banks program, KAFB pays Kentucky farmers just below wholesale prices for surplus and Number 2-grade produce. Producers complete a Participant Agreement Form listing their Farm Service Agency number and certifying that all produce for which they submit invoices for payment is from their Kentucky farming operation (Appendix C). The produce is distributed free of charge to hungry Kentuckians through the food bank network, which includes 7 regional food banks and 800 partner distribution agencies. The intent is to help farmers recoup losses while diverting what would have been wasted food to hungry Kentuckians. More information about KAFB may be found at [www.kafb.org](http://www.kafb.org).

KAFB’s proposal included the following goals for the \$650,000 to be spent on the Farms to Food Banks program:

- 2,100,000 million pounds of 28 types of Kentucky-grown produce distributed to hungry Kentuckians in all 120 counties.
- 250 Kentucky farmers from at least 70 counties benefitting from an average cash flow increase of \$2,600.
- Less than 1 percent of produce lost to spoilage before distribution to consumers.

KAFB was awarded \$600,000.00 on 7/13/17 under contract PON2 035 1700001942 1 with a grant period of 7/1/17- 6/30/18. All funds were spent as of 6/30/18 as described below.

KAFB was awarded \$20,899.23 on 11/13/17 under contract PON2 035 1800000825 1 with a grant period of 11/1/17 to 6/30/18. This contract stipulated that the grant funds were “for the purpose of providing Kentucky-grown specialty crops to food banks, and working with the Hunters for the Hungry program to cover the cost associated with processing deer meat.” Communication from KDA’s Chief of Staff Keith Rogers on 10/25/17 clarified that “the intent was for these funds to first be targeted to venison processing as needed.” All funds were spent as of 6/30/18 as described below.

**Outcomes: Farms to Food Banks**

<b>Goal</b> (if fully funded at \$650,000)	<b>Actual</b> (funded at \$600,000)
2,100,000 pounds of Kentucky-grown produce	3,231,610 pounds
28 types of Kentucky-grown produce	28 types
Less than 1% lost to spoilage	<1%
Distributed to hungry Kentucky residents in all 120 counties	120 counties
250 Kentucky farmers	362 farmers
Farmers from 70 counties	64 counties
Average cash flow increase of \$2,600	\$1,800

Despite the grant award being less than anticipated at the time of the submission of the proposal, KAFB was able to exceed the goal for pounds of produce distributed and number of farmers participating. Because more farmers participated than anticipated, the average increase in cash flow was lower than the goal.

Producers from the following counties participated: Adair, Allen, Barren, Bath, Bourbon, Boyle, Breckinridge, Butler, Casey, Christian, Clark, Clay, Clinton, Crittenden, Daviess, Estill, Fayette, Fleming, Franklin, Gallatin, Garrard, Graves, Grayson, Hardin, Harrison, Hart, Henderson, Henry, Hopkins, Jackson, Jefferson, Jessamine, Larue, Laurel, Letcher, Lewis, Lincoln, Logan, Madison, Marion, Mason, McCracken, McLean, Menifee, Metcalfe, Montgomery, Oldham, Owen, Owsley, Pulaski, Rockcastle, Rowan, Russell, Scott, Shelby, Simpson, Spencer, Taylor, Todd, Trigg, Trimble, Warren, Wayne, and Whitley.

Said producer Ford Waterstrat of Sustainable Harvest Farm in London: “As we've expanded and started selling to the wholesale market, we have found they are very picky about the quality of grade. They only take a perfectly blemish-free item, but to get a lot of perfectly blemish-free items we've got to grow a lot of stuff. So it's nice to know there's a potential market for the stuff that doesn't make the number one grade...it's great to know that instead of composting or going to the animals, it is going to a good home. Farms to Food Banks has been able to take a lot of our extra vegetables.”

The amount of produce distributed was enough to fill half a plate full of fruits and vegetables for over 5 million meals distributed across the Commonwealth. Struggling Kentuckians in all 120 counties benefitted. Said Jolinda Conley, Director of the First United Methodist Church Food Pantry in Ashland, “We have people tell us that they don't know what they would do without us or where they would go for food, especially during the summer months. We see so many more people as the kids are now home from school and can't get school lunch. They're eating at home and families are running out faster. We get shipments from grocery stores and the food is already rotten... (but) the stuff that comes from the farm is fresh. The green beans, the tomatoes, corn, it gets scooped right up. They love it.”

**Grant Budget**

<b>Item</b>	<b>Amount spent</b>
Kentucky-grown surplus and No 2 produce	\$540,000.00
<b>Total food (90%)</b>	<b>\$540,000.00</b>
Salary and benefits	\$49,966.07
Office and administrative expenses	\$10,033.93
<b>Total program administration (10%)</b>	<b>\$60,000.00</b>
<b>Total spent</b>	<b>\$600,000.00</b>
<i>Balance</i>	<i>\$0</i>

**Funds Leveraged**

The grant funding from KDA was leveraged with grants from private sources such as Farm Credit Mid-America, the Gimbel Fund and Lift a Life Foundation as well as donations from individuals. KAFB members also covered the distribution costs for the produce provided to food pantries (average: \$0.10/pound) with other sources of funding; this in-kind contribution is estimated to be \$323,200. Farms to Food Banks is an example of an effective and impactful public-private partnership.

**Outcomes: Hunters for the Hungry**

KAFB's grant proposal did not include Hunters for the Hungry and therefore no goals were set. KAFB received invoices from 17 game processors to cover the fees for processing 339 head of donated deer at \$60.00 per deer processed. The average price per

pound of venison was \$1.51. As a result, 13,531 pounds of venison was distributed to 19 food banks and food pantries. It was enough protein for 45,100 meals.

**Grant Budget**

The full amount allocated for venison processing was not requested by KHFH. Permission to spend the balance to cover a portion of KAFB’s expenses to administer the program was granted by Keith Rogers, Chief of Staff, on 6/18/18.

<b>Item</b>	<b>Amount spent</b>
Processing fees for donated venison (98%)	\$20,385.00
Salary (0.02%)	\$514.23
<b>Total spent</b>	<b>\$20,899.23</b>
<i>Balance</i>	<i>\$0</i>

**Conclusion**

The Farms to Food Banks program continues to be a worthwhile investment for the Commonwealth of Kentucky. For farmers, the program increased cash flow and helped them recover losses for product they would not otherwise have been able to sell. For hungry families, the program increased access to fresh, nutritious produce. For communities, the program helped the economy by supporting local farming businesses and reducing the amount of wasted food.

## Appendix A

### Farms to Food Banks Advisory Committee

Membership as of 9/12/16; recommendations for changes were submitted to KDA in 9/17

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Appendix B  
Surplus Agricultural Commodities Advisory Committee  
Plan for Expenditures from the Farms to Food Banks Trust Fund  
Approved by Committee 9/2017

The Farms to Food Banks Trust Fund (Fund) was created in the State Treasury by [HB 344](#) as a restricted account to be administered by the Kentucky Department of Agriculture (Department) with advice from the Surplus Agricultural Commodities Advisory Committee. The fund shall receive amounts collected from the income tax checkoff, described below, and any other proceeds from grants, contributions, appropriations, or other moneys made available for the purpose of the fund.

As specified by [HB 419](#), effective for taxable years beginning January 1, 2013 any taxpayer who is entitled to an income tax refund may designate an amount to be paid to the Fund. The Secretary of the Revenue Cabinet shall transfer moneys to the Fund by July 1, 2014 and by July 1 of each year thereafter.

The Surplus Agricultural Commodities Advisory Committee recommends the following plan for expenditure of funds.

### **1. Overview of Food Banks in Kentucky.**

“Food bank” means a surplus food collection and distribution system operated and established to reduce hunger and supply nutritional needs by assisting in bringing donated food to individuals and to nonprofit charitable organizations for redistribution.

Food banks serving Kentucky include the following:

- Dare to Care Food Bank.
- Facing Hunger Foodbank.
- Feeding America, Kentucky’s Heartland.
- Freestore Foodbank.
- God’s Pantry Food Bank.
- Purchase Area Development District Food Bank.
- Tri-State Food Bank.

### **2. Needs of the Hungry in Kentucky.**

The food banks listed in section 1 serve hungry individuals who need access to emergency food assistance in all 120 counties in Kentucky.

700,000 individuals in Kentucky are food insecure, meaning they lack consistent access to enough food for a healthy, active lifestyle (Feeding America [Map the Meal Gap 2017](#)).

18% of the population of Kentucky is below the federal poverty level (US Census Bureau [State and County QuickFacts](#)).

57% of school children in Kentucky are eligible to receive free or reduced-price meals through school feeding programs ([County Health Rankings and Roadmap](#)).

### 3. Proposal for Distributing Funds.

- A. **Eligibility.** Pursuant to KRS 247.982, a nonprofit is eligible to receive a grant from the Fund if the organization:
- 3) Has at least 5 years of experience coordinating a statewide network of food banks and charitable organizations that serve counties in Kentucky; and
  - 4) Operates a program that coordinates the collection and transportation of surplus agricultural commodities to a statewide network of food banks that provide food to needy or low-income individuals.
- B. **Application Process.** Eligible grant recipients shall submit to the Department by May 1 of each year a proposal for the collection and distribution of agricultural commodities to food banks and other charitable organizations for use in providing food for needy or low-income individuals. The proposal shall include:
- 1) A description of the proposal;
  - 2) A schedule of projected costs for the proposal;
  - 3) Measurable goals for the proposal; and
  - 4) A plan for evaluating the success of the proposal.
- Grant applicants must affirm their intention to comply with the following requirements:
- 1) Purchases shall be made from Kentucky farmers, growers, and vendors;
  - 2) Agricultural commodities collected and distributed shall be culls or those designated as surplus or unmarketable, and not primary agricultural commodities. Surplus or unmarketable agricultural commodities or culls shall be purchased at production cost or below market price from produce auctions, farmers, growers, and vendors; and
  - 3) Donations of culls or surplus or unmarketable agricultural commodities from farmers' markets, cooperatives, farmers, and growers shall be encouraged. Persons making the donations may be reimbursed for picking, packaging, processing, transportation, storage, distribution, or other costs.
- C. **Award Notification.** The Department shall notify successful applicants of their grant award by June 30 of each year.
- D. **Fund Disbursement.** The Department shall disburse grant funds to successful applicants by July 15 of each year.
- E. **Reporting.** Grant recipients shall report results to the Department within 12 months of receipt of grant funds

Appendix C: Participant Agreement Form  
 Farms to Food Banks Participant Agreement\*  
 2017 Growing Season

Name ("Seller")	
Mailing Address	
Phone Number	
Email (if applicable)	
Farm Service Agency number	
County (physical location of farm)	

*\*This agreement is NOT a contract guaranteeing a business transaction between KAFB and Seller.*

By signing this form, I verify the following:

1. All produce for which I submit to KAFB an invoice for payment is from my Kentucky farming operation in the county listed above. I understand that the intent of the program is to provide an outlet for otherwise unmarketable produce, **not for farmers to raise crops specifically for the program.**
2. I understand that the price paid per product must be below current market prices. The price paid per product will be determined as approximately 95% of the Kentucky produce auction market prices for US No. 2s as reported on the University of Kentucky's website: (<http://www.uky.edu/ccd/pricereports/KYPA>). Prices are to include cost of packaging and delivery unless other arrangements have been made. Current KAFB prices will be available at [kafb.org/farmstofoodbanks](http://kafb.org/farmstofoodbanks) and by calling 859-986-7422. If the price listed on an invoice exceeds the current KAFB price, KAFB will reduce the amount due on the invoice for the item in question.
3. I will be responsible for submitting with each delivery an invoice that includes my contact information, type of produce (i.e., tomatoes); grade of produce (i.e., Number 2); unit of produce (i.e., 20-pound box); number of units (i.e., 5); price per unit (i.e., \$5.00), total price (i.e., \$25.00). The invoice must also include the total amount due. Deliveries made without a written invoice will be considered a donation. Any item delivered that was not listed on the invoice will be considered a donation.
4. Deliveries must be scheduled in advance by calling the KAFB office (859-986-7422) or by emailing [produce@kafb.org](mailto:produce@kafb.org). I understand that any unscheduled deliveries may be refused.
5. All produce delivered will be fresh (not likely to spoil within 48 hours of delivery) and will be either Grade 1 or Grade 2, pursuant to the United States Department of Agriculture grade standards. It will be delivered to the food bank in compliance with applicable food safety requirements. At the sole discretion of the receiving food bank, any produce determined not to be fresh or of an unacceptable quality will be deducted from the invoice and I will be responsible for the disposal of the rejected produce.

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Seller signature

Date