

INTERIM JOINT COMMITTEE ON AGRICULTURE

Minutes of the 1st Meeting of the 2025 Interim

June 5, 2025

Call to Order and Roll Call

The first meeting of the Interim Joint Committee on Agriculture was held on June 5, 2025, at 9:00 AM in Room 154 of the Capitol Annex. Representative Myron Dossett, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Myron Dossett, Co-Chair; Senators Matthew Deneen, Shelley Funke Frommeyer, Matt Nunn, Craig Richardson, Robin L. Webb, Mike Wilson, and David Yates; Representatives Chad Aull, Ryan Bivens, Anne Gay Donworth, Daniel Fister, David Hale, Mark Hart, Kim Holloway, Kim King, Matthew Koch, Candy Massaroni, Shawn McPherson, Adam Moore, J.T. Payne, Michael Sarge Pollock, Sarah Stalker, Nancy Tate, Walker Thomas, James Tipton, and Joshua Watkins.

Guests: Eddie Melton, President, Kentucky Farm Bureau; Aleta Botts, Project Coordinator, Kentucky Farmland Transition Initiative; Jessie Hancock, Executive Director, Bluegrass Land Conservancy; and Ashley Greathouse, Counsel and Director of Conservation, Bluegrass Land Conservancy.

LRC Staff: Stefan Kasacavage, Hillary Abbott, and Susan Spoonamore.

Overview of the Kentucky Farmland Transition Initiative

Eddie Melton, President, Kentucky Farm Bureau (KFB), and Aleta Botts, Project Coordinator, Kentucky Farmland Transition Initiative (KFTI), discussed how Kentucky's farmland is disappearing. In the last 20 years, Mr. Melton stated Kentucky has lost 1.4 million acres of farmland. In the last five years alone, Kentucky lost over half a million acres. The KFTI was created to educate, inform, connect, and review policy changes needed to help landowners preserve farmland. He said it is important to help farms stay in the hands of active farmers. Ms. Botts stated the KFTI wants to focus on: public awareness of the issues; providing farmers with information on how to keep their own farming operation in agriculture and in the hands of active farmers; and connecting with like-minded people. KFTI's website is a place for farmers, attorneys, and certified public accountants to share resources. Mr. Melton said KFB would like to be involved in KFTI's policy process.

In response to Senator Funke Frommeyer, Mr. Melton stated KFB has several programs that can help young and beginning farmers.

In response to Representative Donworth, Ms. Botts said there is a tax credit for land sold to a beginning farmer, as well as a beginning farmer loan program through the Kentucky Agricultural Finance Corporation.

In response to Representative King, Mr. Melton said other states admire Kentucky's handling of the Master Settlement Agreement. Ms. Botts said some states do one-on-one work with farmers using the United States Department of Agriculture (USDA) federal funds. She said the University of Kentucky and the Center for Rural Development are working to access USDA funds and Ag Development Board dollars.

Senator Webb noted her concerns with tax valuations of farmland. When land is sold by parcels for commercial development, property valuations for nearby land can increase to a point that is comparable to a commercial site.

Farmland Conservation in Kentucky and Update on 2024 Funding Allocations

Jessie Hancock, Executive Director, Bluegrass Land Conservancy (BLC), and Ashley Greathouse, Counsel and Director of Conservation, Bluegrass Land Conservancy, stated BLC's mission is to protect land in the Bluegrass region through permanent conservation easements. Ms. Hancock stated preserving farmland benefits family farms, tourism, and the bourbon industry. Compared to other states, she said Kentucky ranks among the lowest in conservation funding programs. Ms. Hancock said there is a disconnect between the conservation community, farmland conservation, and other types of conservation programs.

The Regional Conservation Partnership Program was awarded \$45.7 million from the Natural Resources Conservation Service (NRCS). Instead of a tax benefit for farmers, the BLC can purchase conservation easements. Fifty percent of the value of the farmer's conservation easement is given to the farmer at closing, and the remaining 50 percent is used as a tax deduction. Lots of programs included in the 2018 Farm Bill are going through a review process. She noted the BLC received two grants for two different areas: Louisville and the Kentucky Palisades. The BLC also received \$7 million for Kentucky landowners. The \$4 million appropriated by the General Assembly to BLC helped with matching dollars, administrative positions, creating a land analysis, and attracting private dollar investments for land conservation.

In response to Representative Aull, Ms. Greathouse said the federal freeze on Internal Revenue Service funding has had a substantial impact on projects. The NRCS has been heavily impacted by loss of staff, which has affected the ability to close projects. BLC does not have any information on how long the freezes will last. Ms. Hancock said that ten projects have been impacted by the freezes.

In response to Representative Moore, Ms. Greathouse said some of BLC's programs could replicate Lexington's Purchase of Development Rights program. It would depend upon local investments.

In response to Representative Bivens, Ms. Hancock said there have been discussions on expanding to other regions. Ms. Greathouse said establishing revolving funds is possible.

In response to Senator Frommeyer, Ms. Hancock said the BLC has staff who can talk with financial planners. She stated the Purchase of Agricultural Conservation Easements (PACE) program had not been funded by the state for several years, and does not participate in federal programs.

In response to Representative Nunn, Ms. Hancock said the ultimate staff plan shows what positions the BLC would like to have in the future.

In response to Chairman Dossett, Ms. Hancock said 50 acres or more is normally required, but there are exceptions. Ms. Greathouse said every easement is negotiated with the landowner. Within the easement, there are reserved rights for the landowner that may allow for improvements on the land.

Adjournment

There being no further business, the meeting was adjourned.