

# **INTERIM JOINT COMMITTEE ON AGRICULTURE**

## **Minutes of the 5th Meeting of the 2020 Interim**

**November 18, 2020**

### **Call to Order and Roll Call**

The 5th meeting of the Interim Joint Committee on Agriculture was held on Wednesday, November 18, 2020, at 8:30 AM, in Room 171 of the Capitol Annex. Senator Paul Hornback, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Paul Hornback, Co-Chair; Representative Richard Heath, Co-Chair; Senators David P. Givens, Stan Humphries, Robby Mills, Dennis Parrett, Damon Thayer, Stephen West, and Whitney Westerfield; Representatives Kelly Flood, Joe Graviss, Mark Hart, Kim King, Matthew Koch, Phillip Pratt, Brandon Reed, Rachel Roberts, Steven Rudy, Dean Schamore, John Sims Jr., Wilson Stone, Nancy Tate, Walker Thomas, James Tipton, and Susan Westrom.

Guests: Mark Haney, President, Kentucky Farm Bureau; Laura Knoth, Executive Director, Kentucky Corn Growers Association; Dr. Ryan Quarles, Commissioner, Kentucky Department of Agriculture; Jamie Guffey, Executive Director, Kentucky Poultry Federation; Dave Maples, Executive Vice President, Kentucky Cattlemen's Association; and Nikki Whitaker, Membership Coordinator, Kentucky Cattlemen's Association.

LRC Staff: Stefan Kasacavage, Kelly Ludwig, Nathan Smith, Susan Spoonamore, Committee Assistant.

The September 17, 2020, minutes were approved, without objection, upon motion made by Representative Reed and seconded by Representative Rudy.

### **Proposed Legislative Issues for the 2021 Regular Session**

Mark Haney, President, Kentucky Farm Bureau (KFB), stated that KFB's top priorities included adequate statewide broadband connectivity, maintaining the allocation of 50 percent of the Master Settlement Agreement funds to the Agricultural Development Board, and ensuring the Kentucky Department of Agriculture is well financed. He said that KFB is focused on maintaining the sales tax exemption for agriculture goods, and maintaining the 4 percent property tax provision contained in House Bill 44 (1979). He stated that road funds for rural and secondary roads are extremely important to agriculture.

Mr. Haney also discussed the Kentucky Production Agri-Tech (KPAT) Initiative. He stated that KPAT was developed to bring attention to production agriculture's growing needs in today's modern world of advanced technology. He said that the mission of KPAT is to bring forth a recognition of farming and business needs as they relate to ag-based technology, to engage with other statewide initiatives similar in nature, and to ensure Kentucky production agriculture remains included in the initiatives, as well as being sustainable and relevant as new digital initiatives are implemented across the Commonwealth. The mission is also to foster an environment of collaboration that allows technologically-driven success in the industry to be achievable by all. Mr. Haney stated that KPAT's top priorities include: (a) adequate broadband service throughout the state; (b) education, including a statewide program for training technicians focused on all aspects of technology in agriculture; (c) marketing tools to help farm families navigate in the world of podcasts and social media; and (d) continued research in the advancement of crop production, equipment, and livestock monitoring capabilities. Mr. Haney stated that it was necessary to move forward with the KPAT Initiative in order to achieve optimum results.

Senator Hornback stated the KPAT Initiative was unique in that all the commodity groups in Kentucky were working together to bring attention to Agri-Technology.

In response to Senator Hornback, Mr. Haney stated that this year's crop production was better than anticipated and the prices were higher. The money that was obtained through the federal stimulus package was a life saver for many agricultural operations.

In response to Representative Stone, Mr. Haney said that Kentucky Farm Bureau's annual meeting would be different than past years. The total number of in-person attendees would be around 400, compared to 2,200 last year. He noted that the Farm Bureau National Convention would be completely virtual.

Laura Knoth, Executive Director, Kentucky Corn Growers Association (KCGA), along with the Kentucky Small Grain Growers' Association (KSGGA) stated that the associations are focusing on improving markets and demand, strengthening consumer trust for products and practices, investing in research for economically and environmentally sustainable production, and advancing leadership and membership to provide a voice for Kentucky farmers. She said that the associations would be closely following the fuel regulations that the Kentucky Department of Agriculture has proposed that deals with dispensing E-15 fuel. Several retail chains are installing E-15 pumps which will allow for lower cost and cleaner burning fuel for Kentucky consumers. Ms. Knoth said that the KCGA and the KSGGA support the Kentucky Production Agri-Tech Initiative.

Senator Hornback recognized Hopkinsville's Grain Elevator for retrofitting their plant to be able to make Personal Protection Equipment (PPE).

Dr. Ryan Quarles, Commissioner, Kentucky Department of Agriculture, stated that the North American International Livestock Show, the largest purebred show in the world, had 17,000 entries; down from 30,000. Keeneland was able to host the Breeders' Cup and sales. He said that the Kentucky State Veterinarian, Dr. Robert Stout, would be retiring at the end of the year. He said the process of hiring a new State Veterinarian, was close to completion and a new veterinarian would be chosen in the near future. Commissioner Quarles stated that the western part of the state was very close to landing a salmon farm facility with the projection of producing 10,000 tons of salmon yearly. There are also other potential future businesses and current businesses looking to expand. He said that there is a new trade agreement with Japan to purchase beef and pork products. Another bright spot is the fact that China is making large grain purchases from the United States. The U.S. is also working with the United Kingdom to advocate for more sales of American products. On July 1, 2020, the United States-Mexico-Canada Agreement (USMCA) went into effect. Commissioner Quarles stated that there had been a 30 percent increase in Kentuckians using food banks and food pantries in Kentucky, and the agriculture community has been very generous in its donations. He stated that the Agricultural Development Board set aside \$1.5 million, along with an additional \$2 million from the CARES Act, to expand Kentucky's meat processing plants. Consumers can help by buying Kentucky Proud products, especially cheese. For every package of cheese sold, fifty cents goes to support the food banks in Kentucky.

In response to Representative Flood, Commissioner Quarles said that he would have to look up the amount that farmers utilized on the tax credit for donations to the food banks.

Representative Graviss stated that he had been helping at food banks and that the generosity of the agriculture community had made a huge difference.

In response to Representative Heath, Commissioner Quarles stated that he did not know yet about the tonnage of feed that would be needed to supply the salmon plants.

In response to Senator Mills, Commissioner Quarles stated that the Department of Fish and Wildlife and the KDA work together on Asian Carp issues. Asian Carp, an invasive species, are still a problem in Kentucky's lakes and need to be eradicated. There are three processing plants for Asian Carp, but it would need to be incentivized.

Senator Hornback stated that Asian Carp cannot be sold as Kentucky Proud because they are not raised in a confined area in Kentucky. If Asian Carp could be included under the Kentucky Proud Program, it would help those processors.

Senator Hornback said the money from the Kentucky Agricultural Development Board and the CARES Act for new plants or existing processing plants will help to offset meat shortages and help small farmers.

Jamie Guffey, Executive Director, Kentucky Poultry Federation, said that 2020 had been challenging for all farmers. He said that when the numbers come in for 2020, he expects to see a decrease in the number of birds grown and processed due to the Covid pandemic. Some plants are growing larger birds. Poultry farmers are seeing staffing issues as is the case with every other agricultural business. It would help to see all agricultural businesses be classified as essential. The temporary closure of restaurants has a huge effect on the poultry industry. He also said that it was important to protect Kentucky's Tobacco Settlement Funds so they can help young farmers, male and female, who were interested in the poultry business. He said that the Kentucky Poultry Federation supports the Kentucky Production Agri-Tech (KPAT) Initiative.

In response to Representative Stone, Mr. Guffey said that he did not know if new regulations related to Covid would be permanent. The plants in Kentucky are set up based on the end product, and each plant is different. The plants that are delivering to the grocery stores are having trouble keeping up with demand, and the plants delivering to fast food restaurants have seen a decrease in sales which backs up the supply chain.

In response to Representative Stone, Mr. Guffey said that there is a fear of staff reduction. The way the industry is setup, employees work shoulder to shoulder. Even with the barriers and split schedules, employees are still closer than six feet. Many plants are working closely with their health officials and receiving good marks from the health officials.

Senator Mills stated that he toured the Robertson County Tyson Plant and was impressed with how they were handling their on-campus health screening for employees.

Mr. Dave Maples, Executive Vice President, Kentucky Cattlemen's Association and Nikki Whitaker, Membership Coordinator, Kentucky Cattlemen's Association explained that in early March, the Association began discussing the Coronavirus Food Assistance Program (CFAP1). Ms. Whitaker said that cattle farmers received over \$121 million in assistance from the CFAP1 program. There were over 24,000 applications and 22,000 of those applications were cattle farmers. Ms. Whitaker said that applications for the CFAP2 program would be available until December 7, 2020. So far, 17,000 cattle farmers have applied and been approved for \$69 million to be distributed. She said that sale markets were able to remain open, allowing cattle to be moved through the markets. She stated that the Association is keeping an eye on market transparency bills on the federal level. She said that it had been hard to get out and talk with individual members and county associations because of Covid restrictions.

Mr. Maples stated that the Association put together a strategic plan covering four areas: marketing, strengthening research, demonstration, and outreach. He said that the University of Kentucky plans to build a research facility on the Dean Oran Little campus

that would include equine, cattle, and forage animals. He said that the original plan included rooms for commodity groups to be housed in the facility or on-campus.

In response to Representative King, Ms. Whitaker stated that the numbers mentioned earlier for CFAP1 and CFAP2 were Kentucky numbers. Farmers can find information at their local FSA Office or the United States Department of Agriculture web site.

### **Review of Referred Regulations**

- 012 KAR 001:116** Sampling, analyzing, testing, and tolerances
- 012 KAR 001:120** Noxious weed seed
- 012 KAR 001:125** Identification of seed not for sale
- 012 KAR 001:130** Labeling of seed mixtures
- 012 KAR 001:140** Permits, reports, and fees for persons using own tags
- 012 KAR 001:155** Schedule of charges for samples submitted for testing
- 012 KAR 001:160** Seed not required to be labeled by variety name
- 012 KAR 001:170** Germination standards for flower seed
- 012 KAR 001:175** Seed certification in Kentucky
- 302 KAR 060:010** Produce safety
- 012 KAR 004:075** Licenses and fertilizer product registration
- 012 KAR 004:080** Plant nutrient guarantees and labeling
- 012 KAR 004:091** Repeal of 012 KAR 004:090, 004:120, and 004:160
- 012 KAR 004:100** Slowly released nutrients; labeling
- 012 KAR 004:110** Definitions for 012 KAR Chapter 004
- 012 KAR 004:130** Investigational allowances
- 012 KAR 004:140** Monetary penalties
- 012 KAR 004:170** Maximum chlorine guarantees for tobacco fertilizers

There being no further business, the meeting was adjourned.