

INTERIM JOINT COMMITTEE ON AGRICULTURE

Minutes of the 1st Meeting of the 2021 Interim

July 8, 2021

Call to Order and Roll Call

The 1st meeting of the Interim Joint Committee on Agriculture was held on Thursday, July 8, 2021, at 9:00 AM, in Room 154 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 Matt Castlen, Jason Howell, Dennis Parrett, Robin L. Webb, and Whitney Westerfield; Representatives Josh Calloway, Jonathan Dixon, Myron Dossett, Daniel Fister, Kelly Flood, Derrick Graham, Mark Hart, Mary Beth Imes, Kim King, Matthew Koch, Nima Kulkarni, Shawn McPherson, Phillip Pratt, Felicia Rouborn, Josie Raymond, Brandon Reed, Cherlynn Stevenson, Nancy Tate, Walker Thomas, and James Tipton.

Guests: Matthew Gosnell, VP of Development, AppHarvest; Kristi Putnam, Director for State and Local Government Affairs, AppHarvest; Dana Feldman, Executive Director, Officer of Consumer and Environmental Protection, Kentucky Department of Agriculture; Harland Hatter, Deputy Executive Director, Office of Consumer and Environmental Protection, Kentucky Department of Agriculture; and Jason Glass, Director, Division of Regulation and Inspection, Kentucky Department of Agriculture.

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

Overview of AppHarvest

Ms. Kristi Putnam, Director for State and Local Government Affairs, AppHarvest, stated that the mission of AppHarvest is to build a resilient food system for America. The United Nations has found that the world will need fifty to seventy percent more food by 2050, and according to the United States Department of Agriculture approximately sixty-nine percent of all fresh vine crops sold in the United States in 2019 were imported. AppHarvest's technology will enable hyper-efficient facilities that can grow produce where it is consumed allowing access to fresh, affordable, and nutritious produce. The facilities will also help to solve some of agriculture's biggest environmental and social issues. Kentucky can be the leader in ensuring that America's food supply chain is secure. AppHarvest's focus in Kentucky is on eastern Kentucky and Appalachia, where AgTech could be a significant part of rebuilding Kentucky's economy. Mr. Matthew Gosnell, VP

of Development, AppHarvest, stated that AppHarvest is in the process of investing approximately \$200 million in two new projects in Madison County, which will create around 300 jobs. He said those two projects would expand to growing leafy greens as well as vine crops. Other projects currently being developed include a facility in Somerset to grow berries.

In response to Representative Heath, Ms. Putnam stated that AppHarvest sells to Mastronardi, which markets its products under the brand of Sunset. Mastronardi has contracts with the thirty biggest grocers in the Midwest and on the East coast. In Kentucky, the market is being pushed toward stores such as Kroger, Publix on the East coast, and Costco in the northeast.

In response to Representative King, Ms. Putnam said that Sunset and AppHarvest have an agreement to co-brand the produce. Produce stickers and boxes have both the Sunset and the AppHarvest “double mountains” logos prominently featured. Mr. Gosnell said that AppHarvest is trying to displace Mexico’s market share with USA grown peppers, cucumbers, berries, lettuces, and tomatoes.

In response to Senator Howell, Mr. Gosnell said the entire greenhouse comes turn-key from the Netherlands. There are dozens of opportunities for supporting industries across the state such as those involved in making diffused glass, steel, LED lights, robotics, and other technology.

In response to Representative Graham, Mr. Gosnell stated that there were over 300 job openings in Morehead and AppHarvest received 7,000 resumes. It is important for AppHarvest to hire locally.

In response to Senator Hornback, Mr. Gosnell said currently 41 of 58 counties in California are in an extreme drought. A lot of the lettuce grown in the United States comes from the central valley in California where there have been concerns over salmonella and E. coli breakouts. This can be avoided because AppHarvest does not use chemical pesticides and uses ninety percent less water than conventional agriculture. Mr. Gosnell said that AppHarvest can only commit to growing produce and not fish at the same time due to the scale and size of the projects.

Discussion of Motor Fuels

Dana Feldman, Executive Director, Office of Consumer and Environmental Protection, Kentucky Department of Agriculture; Harland Hatter, Deputy Executive Director, Office of Consumer and Environmental Protection, Kentucky Department of Agriculture; and Jason Glass, Director, Division of Regulation and Inspection, Kentucky Department of Agriculture discussed program modernization and updates to motor fuel

regulations. Mr. Glass explained that the Kentucky Department of Agriculture (KDA) tests fuel to ASTM International standards, federal requirements, and administrative regulation requirements. The inspectors pull samples for random testing from over 2,600 gas stations in Kentucky. He said the Kentucky General Assembly mandated agencies to certify, repeal, or update regulations. Mr. Glass said that KDA is in the process of revamping administrative regulations in the Motor Fuel Quality Program. KDA does anticipate some changes to the statutes; mainly clean up language and removal of outdated terms. He said that any statutory changes will be worked on with stakeholders in advance of filing.

Referred Administrative Regulations reviewed by the committee pursuant to KRS 13A.290:

302 KAR 079:011

Motor fuel quality testing and inspection program

302 KAR 079:012

Motor fuel quality standards and specifications

There being no further business, the meeting was adjourned.