

INTERIM JOINT COMMITTEE ON AGRICULTURE

Minutes of the 4th Meeting of the 2021 Interim

October 7, 2021

Call to Order and Roll Call

The 4th meeting of the Interim Joint Committee on Agriculture was held on Thursday, October 7, 2021, at 9:00 AM, in Room 154 of the Capitol Annex. Representative Richard Heath, 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 Jason Howell, Dennis Parrett, Robin L. Webb, Stephen West, and Max Wise; Representatives Jonathan Dixon, Myron Dossett, Daniel Fister, Kelly Flood, Derrick Graham, Mark Hart, Mary Beth Imes, Kim King, Matthew Koch, Nima Kulkarni, Shawn McPherson, Reginald Meeks, Phillip Pratt, Felicia Rabourn, Josie Raymond, Brandon Reed, Cherlynn Stevenson, Nancy Tate, Walker Thomas, and James Tipton.

Guests: Dave Maples, Executive Vice President, Kentucky Cattlemen's Association; Rachel Ross, Vice President of Merchandising, Louisville Branch, The Kroger Company; Katelyn Hawkins, Kentucky Cattlemen's Association; Chris Cooper, President, Kentucky Cattlemen's Association; Nikki Whitaker, Membership Coordinator, Kentucky Cattlemen's Association; Rich Storm, Commissioner, Kentucky Department of Fish and Wildlife; and Gabe Jenkins, Acting Information and Education Division Director and CWD Response Coordinator, Kentucky Department of Fish and Wildlife; Martin Richards, Executive Director, Community Farm Alliance; Kimmie Ishmael, Policy Campaign Coordinator, Community Farm Alliance; and Kirk Pomper, Ph.D., Director of Land Grant Programs, Dean and Professor College of Agriculture, Community and the Sciences, Kentucky State University.

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

The September 15, 2021, minutes were approved, without objection, upon motion of Representative Brandon Reed and seconded by Representative Daniel Fister.

Disruption of Kentucky's Food Supply Chain

Rachel Voss, Vice President of Merchandising, Louisville Branch, The Kroger Company, stated that Kroger's vision is "When I think Food, I think Kroger", their purpose is to feed the human spirit, and Kroger's values are integrity, honesty, respect, safety,

diversity, and inclusion. The Louisville Branch operates 103 stores in Kentucky, has donated \$1.7 million to hunger charities, and through the Food Rescue program over 4 million pounds of food have been donated. Kroger employs 19,000 associates along with 700 department leaders, which have served over 129,000,000 customers. Ms. Voss said that Kroger works with local farmers to procure beef, pork, dairy, lamb, cheese, fresh fruits and vegetables, and it also partners with 200 Kentucky Proud producers. Recently, Kroger partnered with Chaney's Dairy Barn to sell its milk products. Ms. Voss said that during the height of the pandemic, Kroger's partnership with local producers was a real advantage. In the future, Ms. Voss said that Kroger plans to advance diverse partnerships from \$3.4 billion to \$10 billion by 2030, as well as continue to increase the number of Kentucky Proud partners, grow more innovative local partnerships, and support efforts to expand and educate customers.

In response to Senator Hornback, Ms. Voss stated that Kroger has been working toward improving language on placards/signage to include more information about local products. However, it can be challenging as there are so many stores in Kentucky and sometimes the next shipment maybe from another source.

In response to Representative Tipton, Ms. Voss said that if Kroger had not had local connections, then there probably would not have been meat on the shelves. Kroger still depends on local producers to help fill in the gaps when necessary.

In response to Senator Howell, Ms. Voss said that Kroger invests in building product assortments and getting the product into the promotion process system.

In response to Representative Rabourn, Ms. Voss said it is important to Kroger to be a part of the community. Based on the size and segmentation of Kroger stores, the assortment of products available in each store is based on the needs of the consumer, but freshness and quality are consistent in all stores. Kroger has a mobile market that travels to different communities in areas that do not have local access to a grocery store.

Dave Maples, Executive Vice President, Kentucky Cattlemen's Association, stated that the lack of processing plants in Kentucky is a problem. There are only four major processors in the country, two of which are foreign-owned. He said that major black swan events have occurred over the last two years causing a national supply chain disruption. There have been fires in packing plants, cyber-attacks, severe weather events, and the global COVID-19 pandemic. Mr. Maples said that transportation and labor shortages are causing disruptions in the food supply chain.

Katelyn Hawkins, Director of Product Marketing, Kentucky Cattlemen's Association, said that Kentucky Cattlemen's ground beef, the product of the parent company, Beef Solutions LLC, has partnered with 159 Kroger locations across four states and has been served in three large event venues. Kentucky Cattlemen's ground beef comes

from 242 Kentucky farm families and has resulted in returning \$2,773,700 million back to those farm families. She stated that Beef Solutions is continuing to focus on the local food supply chain disruption by helping to navigate production inefficiencies, food safety concerns, inclement weather conditions, and labor shortages.

Mr. Maples stated that Kentucky Beef Council representatives recently met with the owners of a processing plant who were interested in building in Kentucky. People in the community were opposed to the location of the plant, and therefore Kentucky not only lost an agricultural economic opportunity but also an opportunity to improve local food security.

Senator West noted that there are four processing plants, two of which, JBS and National Beef are Brazilian-owned. The four plants are located over 500 miles away from Kentucky and they nearly have a monopoly on the beef market.

In response to Senator West, Mr. Maples said that there is a Texas A&M study regarding the lack of processing plants throughout the country and how that has affected the food supply chain. That study is being presented at a hearing in Congress.

Upon motion by Senator Hornback and seconded by Representative Fister, staff is to draft a letter, on behalf of the Interim Joint Committee on Agriculture, to the Governor urging him to contact the owners of the proposed processing plant and start a dialogue about locating in Kentucky. Upon voice vote, motion passed.

In response to Representative McPherson, Ms. Hawkins stated that the fiscal impact of a major processing plant in Kentucky would add value to that community and to the beef producers. Representative McPherson also stated that it would be a great opportunity to build feedlots in Kentucky.

Senator Webb said that there should have been a representative(s) at the community meeting to help with communication and the discussions. It is all about correcting misinformation.

In response to Representative Graham, Mr. Maples said the processing plant would have brought 1,300 jobs openings – a \$300,000 to \$500,000 million investment. The Association talked to the Economic Development Cabinet, but the Cabinet is not allowed to divulge or discuss any information regarding new businesses. Representative Graham noted that because of legal limitations regarding negotiations, there is very little information that can be shared.

Cattle Insurance Program

Nikki Whitaker, Membership Coordinator, Kentucky Cattlemen's Association explained that the Livestock Risk Protection-Feeder Cattle insurance can only be purchased

through a certified livestock insurance agent. She said the program is designed to insure against declining feeder cattle market prices.

Representative Heath asked members to be aware that the Kentucky Department of Revenue is accepting applications from eligible farmers for new agriculture exemption numbers designed to protect the sales and use tax exemptions available. Senator Hornback said the new process simplifies the process for the retailer and the farmer on the tax exempt status.

Chronic Wasting Disease

Rich Storm, Commissioner, Kentucky Department of Fish and Wildlife (KDFW), said that Tennessee reported a doe, found approximately eight miles from the Kentucky border, tested positive for Chronic Wasting Disease (CWD). Commissioner Storm explained that CWD is a fatal disease of deer and elk, and so far no cases have been reported in Kentucky. As a precautionary measure, KDFW, has initiated the CWD response plan which includes the counties of Calloway, Fulton, Graves, Hickman, and Marshall.

Gabe Jenkins, acting Information and Education Division Director and CWD Response Coordinator, Kentucky Department of Fish and Wildlife, explained that CWD is caused by an abnormal protein and the most infectious material is the brain, spinal cord, lymph nodes, and saliva. He said that a CWD surveillance zone includes special regulations and extra testing of deer carcasses.

In response to Representative King, Mr. Jenkins said that the Centers for Disease Control and Prevention (CDC) reports that no cases of CWD infection in people have been reported.

In response to Representative Fister, Mr. Jenkins said that the reason the Department does not monitor archery takes is because of the low numbers of samples that could be tested.

In response to Senator Howell, Commissioner Storm said the Department is asking hunters to not put out any grain, salt, or mineral blocks for baiting. He said they are also meeting with local officials to give an update. Mr. Jenkins said the Department has updated the hunting guide, posted it on social media, emailed it to hunters and outfitters, and included the information on the Kentucky Afield television show.

Discussion on Potential Legislative Issues and Food Insecurity in Kentucky

Kimmie Ishmael, Policy Campaign Coordinator, Community Farm Alliance (CFA), explained that one in seven Kentuckians and one in five children struggles with hunger. She said that data shows that six Kentucky counties have a food insecurity rate of 24 percent or higher. Kentucky ranks 43rd for diet-related negative health outcomes, and 50th in consumption of fruits and vegetables. She stated that the Kentucky Double Dollars

program is a partnership between Community Farm Alliance and Bluegrass Farm-to-Table. The program offers financial incentives for individuals participating in the Supplemental Nutrition Assistance Program (SNAP), Women, Infants and Children (WIC), and Seniors Farmers Market Nutrition Program (SFMNP). In 2018, Community Farmers Market, Community Farm Alliance, and WellCare Health plans piloted a 21-week fruit and vegetables prescription for Mothers on Medicaid (MOM) -- Fresh RX for MOMs. Based upon the success of the program, CFA filed a successful application to the United States Department of Agriculture (USDA) to expand the program. Ms. Ishmael stated that sustainability, growth, and match requirements are still challenges for the healthy food access programs. Even though healthy food access impacts both agriculture and health, only agriculture funds are supporting the programs. A Healthy Farm and Food Fund would set aside approximately 1.5 percent of the Tobacco Settlement Funds to leverage additional federal dollars.

In response to Representative Graham, Ms. Ishmael said that Kentucky does not use any general fund dollars toward supporting any of the programs. Using general fund dollars would help to secure more federal funds.

Comments from Kentucky State University

Kirk Pomper, Ph.D., Director of Land Grant Programs, Dean and Professor College of Agriculture, Community and the Sciences, Kentucky State University (KSU), explained that the mission of the Land Grant Program at KSU is to serve the underserved in rural and urban settings, with a focus on small scale and minority farmers. KSU has programs that are focused on alternative species and production methods, sustainable and organic agriculture, and human health, nutrition, and food safety. Dr. Pomper noted that aquaculture, KSU's Program of Distinction, is ranked 5th in the United States. He said that KSU was able to secure a \$750,000 Agriculture and Food Research Initiative (AFRI) grant for aquaponics research. KSU received a meat processing grant through the Kentucky Agricultural Development Board to construct a permanent processing facility for poultry. He said that the University of Kentucky and KSU function as one Kentucky Cooperative Extension that works toward Kentucky AgrAbility and has 4-H and STEM summer programs. The Center for Sustainability of Farms and Families helps to provide assistance and mini-grants to small-scale and underserved farmers statewide. The mini-grants include aquaculture, value-added, organics, food insecurity, farmer education, and agroforestry. The funds that KSU receives help to access matching federal dollars that make it possible to support research and expand valuable programs through KSU's College of Agriculture. Dr. Pomper also noted there are 50 students pursuing a career in agriculture with almost half of those being from Kentucky.

Representative Heath asked Dr. Pomper to inform the legislature when matching funds are needed so no federal matching funds are overlooked.

Representative Graham said that Dr. Jim Tidwell, Chair for School of Aquaculture and Aquaculture Sciences at KSU, is known nationally and internationally for his research and leadership in aquaculture.

Representative Tipton noted that all the land grant institutions in the United States were formed under two separate federal acts. Dr. Pomper said that the 1890 Morale Act formed additional schools which focused on agriculture, mechanics, arts, and education for African Americans. Kentucky State University focuses on minority farmers and other underserved stakeholders.

Senator Webb asked members to monitor a bill relating to animal cruelty that is in the Judiciary Committee. Most of these type bills are being pushed by organizations who do not support animal agriculture.

Meeting adjourned.