

INTERIM JOINT COMMITTEE ON AGRICULTURE

Minutes of the 1st Meeting of the 2026 Interim

June 4, 2026

Call to Order and Roll Call

The first meeting of the Interim Joint Committee on Agriculture was held on June 4, 2026, at 9:00 AM ET/8:00 AM CT in Room 154 of the Capitol Annex. Senator Jason Howell, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Myron Dossett, Co-Chair; Senator Jason Howell, Co-Chair; Senators Matthew Deneen, Shelley Funke Frommeyer, Matt Nunn, Aaron Reed, Craig Richardson, and Mike Wilson; and Representatives Ryan Bivens, Daniel Fister, David Hale, Mark Hart, Kim Holloway, Kim King, Candy Massaroni, Shawn McPherson, Adam Moore, J.T. Payne, Michael Sarge Pollock, Sarah Stalker, Walker Thomas, James Tipton, and Joshua Watkins.

Guests: Dr. Kenny Burdine, Department of Agricultural Economics, Martin-Gatton College of Agriculture, Food and Environment (CAFE), University of Kentucky (UK); Jonathan Shepherd, Department of Agricultural Economics, Martin-Gatton CAFE, UK; and Mark Barker, Senior Vice-President Agricultural Lending, Farm Credit Mid-America (Farm Credit).

LRC Staff: Stefan Kasacavage, Kelly Ludwig, Hillary Abbott, and Rachel Hartley.

Agricultural Economics and Lending in Kentucky

Dr. Kenny Burdine, Department of Agricultural Economics, Martin-Gatton CAFE, UK, explained the department's role in state extension services. As a Kentucky based agriculture economist, Dr. Burdine highlighted how Kentucky has grown and diversified the economy since the 1990s. UK estimates over \$8 billion in cash receipts for 2025 and forecasts the same for 2026. Dr. Burdine stated beef cattle values are at record levels in Kentucky. The equine sector is strong based on sales and stud fees. Meat demand for protein has increased in cattle, pork, and poultry sales. There are tight margins for the dairy industry, but the challenges have improved in the past 6 months.

Chair Howell stated Dr. Burdine's presentation sets a good foundation for understanding how agricultural economics is integrated into the state.

Jonathan Shepherd, Department of Agricultural Economics, Martin-Gatton CAFE, UK, provided an overview of the negative factors affecting the crop sector. Mr. Shepherd discussed methods to improve the outlook for the crop sector and summarized that Kentucky's strengths are land and asset values, cattle prices, strong farm balance sheet, non-farm income, agritourism, and biofuels. The challenges are input prices, declining working capital, uncertainty around fuel and fertilizer costs, weak grain prices, interest rates, concentration among input suppliers, and entry barriers for young farmers, noting that farm bankruptcies have increased nationwide by 46% from 2024 to 2025. Kentucky saw a decrease, with 0 bankruptcies in 2025.

In response to Senator Funke-Frommeyer, Dr. Burdine explained when alternative markets develop and purchase farmed products, it is a positive. Kentucky needs to explore opportunities to develop idle farm land.

In response to Representative Moore, Mr. Shepherd and Dr. Burdine stated small farms struggle to participate in large scale markets.

Chair Howell explained 2026 RS SB 199 addressed class action lawsuits against the manufacturers of pesticide products, clarifying the economic importance of glyphosate and similar products in agriculture and the potential consequences of removing it from current crop-management practices. Dr. Burdine stated that replacing glyphosate would involve switching to a more expensive or less efficient alternative, impacting production costs.

Representative Bivens stated that over 90% of farms in Kentucky are family-owned farms. There are 200,000 to 400,000 acres of farmland where farmers are paid to not put their land in production.

In response to Representative Watkins, Mr. Shepherd gave Kentucky farmers an A plus. Dr. Burdine gave Kentucky farmers and the agricultural system an A plus, but gave the macro level challenges a B plus.

In response to Representative Tipton, Dr. Burdine encouraged cattle farmers to expand and replace at a moderate rate.

Representative McPherson said the Tobacco Master Settlement Agreement is something Kentucky implemented 25 years ago to help small farms diversify and be competitive.

Federal and state tax implications factor heavily in a farmer's decision about crop and animal production and sales.

In response to Representative Stalker, Dr. Burdine stated weather events are a challenge farmers face.

Chair Howell stated the state has spent a lot of time and money dedicated to erosion prevention and water-related resiliency. He expressed that while weather events become more pronounced, there are in systems in place to manage the risks.

In response to Chair Howell, Dr. Burdine discussed challenges with bringing the next generation back to the family farm.

In response to Chair Howell, Mr. Shepherd noted the difference between now and the 1980s is the lack of high interest rates and devaluation of land that snowballed into a liquidity issue, which caused farmers to sell farmland, flooding the market and decreasing land values.

Chair Howell discussed concerns about the rural-urban divide and population decline in rural communities.

In response to Chair Howell, Mr. Shepherd stated the Center for Crop Diversification at UK is working to expand the produce market and increase nonproduction agriculture jobs in communities.

Co-Chair Dossett expressed the importance of learning from past agricultural challenges, including those experienced in the 1970s and 1980s. He recommended renewed efforts focus on industrial development tied to agriculture, stating it is important in western Kentucky. The Tobacco Master Settlement Agreement has been important for farmers to diversify agricultural operations and farmers have to be innovative. Co-Chair Dossett stated it is important for the members to have these conversations to help agriculture across the state.

Mark Barker, Senior Vice-President Agricultural Lending, Farm Credit, stated Farm Credit is the second largest Farm Credit in the US based out of Louisville, KY with 22,000 customers. There is significant farm debt in Kentucky. Farm Credit is a cooperative and paid back \$35 million to its customers last year. Mr. Barker stated diversification is an advantage to Kentucky farmers and lenders. The market price for a product has remained stable over the last 30 years, but the cost of production has increased

considerably. Farmers are experiencing higher interest rates, increasing equipment costs, labor shortages, rising fuel and diesel expenses, and rising fertilizer prices.

In response to Representative Massaroni, Mr. Barker stated anything that increases net earnings and reduces costs for farmers is a benefit.

In response to Chair Howell, Mr. Barker described agricultural lending as based on financial data and professional judgment.

In response to Chair Howell, Mr. Barker discussed the opportunities and challenges in expanding produce production in Kentucky.

In response to Chair Howell, Mr. Barker stated timber is a small part of Farm Credit's portfolio.

In response to Representative Hale, Mr. Barker clarified that the land values chart is showing the median sales.

In response to Representative Bivens, Mr. Barker discussed farmland preservation and noted that there is no single policy to prevent the loss of agriculture land. Mr. Barker further explained that Farm Credit utilizes Farm Service Agency Guarantee Programs to extend its credit standards to a situation where it would not normally offer credit, especially to young farmers.

Adjournment

With no further business, Chair Howell adjourned the committee.