

TOBACCO SETTLEMENT AGREEMENT FUND OVERSIGHT COMMITTEE

Minutes of the 1st Meeting of the 2020 Interim

June 11, 2020

Call to Order and Roll Call

The 1st meeting of the Tobacco Settlement Agreement Fund Oversight Committee was held on Thursday, June 11, 2020, at 10:30 AM, in Room 171 of the Capitol Annex. Senator C.B. Embry Jr., Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator C.B. Embry Jr., Co-Chair; Representative Myron Dossett, Co-Chair; Senators Dennis Parrett, Robin L. Webb, and Whitney Westerfield; Representatives Kim King, Phillip Pratt, Rick Rand, Brandon Reed, and Dean Schamore.

Guests: Warren Beeler, Executive Director, Governor's Office of Agricultural Policy (GOAP); and Bill McCloskey, Deputy Executive Director, GOAP.

LRC Staff: Nathan Smith, Kelly Ludwig, and Rachel Hartley.

Governor's Office of Agricultural Policy Report

Warren Beeler provided an update on the three hemp projects: Victory Hemp, Atalo, and Sunstrand. Atalo and Sunstrand have filed for bankruptcy and GOAP was able to recover some of the funds.

Bill McCloskey provided an overview of program amendments and projects from January to May 2020.

Requested program amendments included:

- Green River Area Beef Improvement Group requested an additional \$142,528 in Daviess County funds for the County Agricultural Investment Program (CAIP). The board recommended approval, which would bring the program total to \$192,528.
- Green River Area Beef Improvement Group requested an additional \$35,000 in McLean County funds for CAIP. The board recommended approval, which would bring the program total to \$85,500.

- Jessamine County Future Farmers of America Alumni Association requested to increase the maximum producer limit amount from \$3,000 to \$4,000. The board recommended approval.
- Logan County Cattlemen’s Association requested an additional \$9,083 in Logan County funds for CAIP. The board recommended approval, which would bring the program total to \$69,217.
- Simpson County Conservation District requested to increase the maximum producer limit amount from \$1,200 to \$5,000. The board recommended approval.
- Buffalo Trace Area Development District requested an additional \$4,000 in Bracken County funds for the Next Generation Farmer Program and requested an increase to the maximum producer limit amount from \$3,000 to \$3,500. The board recommended approval, which would bring the program total to \$34,000.
- Buffalo Trace Area Development District requested an additional \$58,282 in Bracken County funds for CAIP and requested an increase to the maximum producer limit amount from \$3,000 to \$3,500. The board recommended approval, which would bring the program total to \$308,282.
- Northern Kentucky Cattle Association requested an additional \$7,000 in Boone County funds for CAIP. The board recommended approval, which would bring the program total to \$130,464.
- Owen County Farm Bureau requested an additional \$275,000 in Owen County funds for CAIP. The board recommended approval, which would bring the program total to \$300,000.
- Casey County Conservation District requested an additional \$247,260 in Casey County funds for CAIP. The board recommended approval, which would bring the program total to \$537,260.
- Shelby County Farm Bureau requested an additional \$15,500 in Shelby County funds for CAIP. The board recommended approval, which would bring the program total to \$290,500.

The projects discussed included:

- The city of Berea was approved for up to \$240,000 in state funds and \$10,000 in Madison County funds for the construction of a multi-use farmers market pavilion.
- The Kentucky State Fair Board was approved for up to \$6,000,000 in state funds for the demolition and renovation of the main entrance at the Kentucky Exposition Center.
- The Jessamine County Young Farmers Association was approved for up to \$5,000 in Jessamine County funds for the 2020 Kentucky Young Farmers Convention.

- Pennington Stave and Cooperage was denied \$1,000,000 in state funds and \$225,000 in multiple county funds to produce staves and new barrels for the growing spirits and wine industry. The board denied the request due to limited producer impact.
- Michael R. Sloan was denied \$250,000 in state funds on behalf of Southern Appalachian Cherokee Mountain Eagle Express to purchase equipment in order to develop a trucking business. The board denied the request due to limited producer impact.
- Grand Stable was denied \$30,000 in Daviess County funds and \$270,000 in state funds for construction of a multi-use event facility. The board denied the request due to limited producer impact.
- American Farmland Trust was approved for up to \$275,000 in state funds for the Kentucky Commercial Rye Cover Crop Initiative to improve profitability for farmers, soil health, and environmental quality.
- Metcalfe County 4-H Council was approved for up to \$1,446 in Metcalfe County funds to purchase 18 hams for the 4-H country ham project.
- The University of Kentucky Research Foundation was approved for up to \$94,928 in state funds over two years to develop the infrastructure to assess patterns of viral infections among Kentucky honey bee hives.
- Daviess County 4-H Council was approved for up to \$2,488 in Daviess County funds to offer an equine safety clinic taught by Landsafe Equestrian Safety Clinic.
- On Tapp Dairy was approved for up to \$27,500 in Washington County funds and \$27,500 in state funds to purchase equipment to process and bottle milk to market to retail customers at the farmers market, retail stores, restaurants, and private schools.
- The University of Kentucky Research Foundation was approved for up to \$228,800 in state funds for the expansion of water quality monitoring stations in western Kentucky.
- The Caldwell County Board of Education was approved for up to \$5,500 in Caldwell County funds to purchase a Computer Numerical Controlled plasma cutting machine for the Caldwell County High School agriculture department.
- The Pennyryle Area Development District was approved for up to \$6,018 in state and \$6,018 in multiple county funds to conduct a broadband feasibility study for the area.
- The Kentucky Future Farmers of America Leadership Training Center was approved for up to \$30,000 in multiple county funds to purchase a 20 kilowatt solar panel unit that will offset energy costs and will incorporate into an Emerging Technology curriculum.

- Rockcastle County Board of Education was approved for up to \$2,000 in Rockcastle County funds to renovate the school greenhouse at Rockcastle County High School.
- Marksbury Farm Foods was approved for up to \$392,700 in state funds, as a participation loan, to purchase equipment and upgrade its processing facility.
- Southeast Sheep Producers Association was approved for up to \$12,590 in county funds to conduct a feasibility study to determine if Kentucky has enough sheep producers to aggregate and sell lambs into regional markets.
- The Grayson County Board of Education was approved for up to \$1,500 in Grayson County funds for updates to the greenhouse and aquaponics system at Grayson County High School.
- JSW Farm Chop Shop was approved for up to \$173,230 in state funds to purchase a carcass washing unit.
- Winchester Clark County Farmers Market was approved for up to \$210,000 in state funds and \$25,000 in Clark County funds to construct a permanent farmers market structure.
- The University of Kentucky Research Foundation was approved for up to \$256,602 in state funds to launch an online beef assessment tool.
- Clark County Fair and Horse Show was approved for up to \$21,332 in Clark County funds to build a new facility to house the 4-H and Future Farmers of America exhibits.

In response to a question from Representative Dossett, Mr. Beeler stated there is a federal investigation started by the United States Department of Justice into price gouging in the meat industry.

In response to a question from Representative King, Mr. Beeler stated the deadline for replacing Agricultural Development Board members has been extended to October 31, 2020.

Senator Webb stated more funds need to be allocated to northeastern Kentucky.

In response to a question from Senator Parrett, Mr. Beeler stated the cost of dead animal removal is too high and the program needs to be reviewed.

There being no further business, the meeting was adjourned.