

# **TOBACCO SETTLEMENT AGREEMENT FUND OVERSIGHT COMMITTEE**

## **Minutes of the 3rd Meeting of the 2020 Interim**

**August 13, 2020**

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

The 3rd meeting of the Tobacco Settlement Agreement Fund Oversight Committee was held on Thursday, August 13, 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 Matt Castlen, Paul Hornback, 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); Bill McCloskey, Deputy Executive Director, GOAP; Tamara Sandberg, Executive Director, Feeding Kentucky; and Martin Richards, Executive Director, Community Farm Alliance.

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

### **Report on the projects considered for funding at the July meeting of the Agricultural Development Board**

Warren Beeler provided an update on the Meat Processing Investment Program (MPIP). The Agricultural Development Board (ADB) allocated \$1 million in state funds to MPIP and has approved \$597,782.

Bill McCloskey described the ADB projects for July. Mr. McCloskey highlighted programs including the County Agriculture Investment Program (CAIP), Deceased Farm Animal Removal, Next Generation Farmer, Shared-Use Equipment Program, and the Youth Agriculture Incentive Program (YAIP).

The requested program amendments discussed included:

- Spencer County Conservation District requested to change the maximum producer limit from \$2,000 to \$2,800 and change the minimum score from 50 to 44 for CAIP. The board recommended approval.

- Metcalfe County Conservation District requested an additional \$177,387 in Metcalfe County funds for CAIP. The board recommended approval, which would bring the program total to \$412,387.

The projects discussed included:

- Bill and Teresa Flaughter were approved for up to \$58,999 in state funds to implement water harvesting, pond renovations, and rotational grazing on their beef cattle operation.
- The Louisville Parks Foundation was approved for up to \$2,500 in Jefferson County funds to develop a community garden in Jefferson County.
- The University of Kentucky Research Foundation was approved for up to \$352,145 in state funds over two years to support the Viticulture Extension Program.
- Marksbury Farm Foods was approved for up to \$250,000 in state funds to upgrade its slaughter and packaging capacity.
- Bluegrass Area Development District was approved for up to \$5,657 in state and multiple county funds to conduct a broadband feasibility study.
- Garrison Meat Processing was approved for up to \$37,500 in state funds to purchase and install a walk-in cooler and holding pens for the custom processing facility.
- Hampton Meat Processing was approved for up to \$37,500 in state funds to upgrade refrigeration space and boning areas for its processing facility.
- Dennis Ray Wise was approved for up to \$24,375 in state funds to purchase and install a patty attachment for the custom processing facility.
- Carter County Agriculture Advancement Council was denied \$148,000 for CAIP. The board denied the request, because county funds were not committed to the application.

### **Farms to Food Banks**

Tamara Sandberg stated there are 190,600 children that experience food insecurity within Kentucky. The counties with the highest child food insecurity rates are Magoffin, Breathitt, Harlan, Knott, and Clay. One out of six seniors is affected with food insecurity, which is the highest rate in the nation. Overall, one out of seven Kentuckians is affected with food insecurity. Of those Kentuckians that are food insecure, 33 percent do not qualify for federal nutrition programs.

Over 270,000 Kentuckians were food insecure as of July 21, 2020, due to COVID-19. The food banks are expecting a 40 percent increase in demand in the next 12 months. There were changes to protocols due to COVID-19 including: scheduling appointments for pick up, off-site sorting, and drive-through distribution.

Financial support from the legislature, the Department of Agriculture, and Kentucky Farm Bureau is helping Feeding Kentucky to meet the needs of hungry Kentuckians.

Farms to Food Banks receives fresh produce from farmers in need of a market and delivers produce to food banks. Almost three million pounds of Kentucky-grown produce were distributed throughout Kentucky in 2019. In 2019, there were 336 farmers that participated with an average payment per farmer of \$1,273.

Kentucky Kids Eat focuses on access to healthy foods 365 days a year by providing funding, training, and support for schools and nonprofits. There were 102 schools and nonprofits awarded 55 grants in the summer of 2019.

The Kentucky-Grown Vegetables Incentive Program (K-VIP), which is funded by the Agricultural Development Board, creates a financial incentive for sponsors to include Kentucky-grown fruits and vegetables in summer meals. For every \$2 a participating sponsor spends at a Kentucky farm, K-VIP will reimburse them for \$1.

### **Kentucky Double Dollars**

Martin Richards stated the Farmers Market Support Program (FMSP) and Kentucky Double Dollars (KDD) work together to increase sales and income to Kentucky farmers, leverage federal food and nutrition program funds, and increase access to fresh and healthy local food.

FMSP provides Kentucky farmers markets with the tools, resources, and networks to create profitable and sustainable markets. KDD incentivizes the purchase of Kentucky-produced fruits, vegetables, meat, eggs, and dairy by those on food assistance programs.

In 2019, 1,111 farmers from 89 counties participated in Kentucky Double Dollars. There has been a 9.5 percent increase in farmers participating since 2018.

FMSP has responded to COVID-19 by distributing \$5,000 in emergency funds to 25 farmers markets, creating a guide for farmers markets operations during COVID-19, and offering webinars through the University of Kentucky to assist the farmers markets in establishing protocols.

KDD began working with the University of Kentucky's Community and Economic Development Initiative of Kentucky (CEDIK). CEDIK performed an economic analysis of KDD and determined the economic impact was \$436,918 in 2019, which is a four to one return on investment. The Kentucky Agricultural Development Fund contribution had approximately a seven to one return on investment.

Due to COVID-19, many markets are opening late or not opening. There has been an increase in the usage of the Supplemental Nutrition Assistance Program and the Pandemic Electronic Benefit Transfer at farmers markets. There has also been an increase in the need for meat, eggs, and dairy due to disruptions in the supply chains.

In 2020, KDD started a pilot retail program in eastern Kentucky at the Independent Grocers Alliance (IGA) in Manchester. There are discussions to add two additional IGAs in eastern Kentucky.

The current Kentucky Agricultural Development Fund grant ends in December 2020. The current Gus Schumacher Nutrition Incentive Program grant ends in 2021. KDD currently requires two full-time staff to administer the program, but the grant only covers one employee. The other employee is paid through the general support fund.

In the most recent farm bill, the United States Congress increased the amount of funding available for the incentive programs. Kentucky can request up to \$8.5 million in federal funds and must provide a 50 percent matching contribution.

In response to Representative King, Mr. Richards stated there are 167 farmers markets in Kentucky, and they are not in every county. Farmers markets need a business plan to grow the market through collaboration with the community.

There being no further business, the meeting was adjourned.