

TOBACCO SETTLEMENT AGREEMENT FUND OVERSIGHT COMMITTEE

Minutes of the 2nd Meeting of the 2021 Interim

April 20, 2021

Call to Order and Roll Call

The 2nd meeting of the Tobacco Settlement Agreement Fund Oversight Committee was held on Tuesday, April 20, 2021, at 10:30 AM, in Room 129 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 Paul Hornback, Dennis Parrett, Robin L. Webb, and Whitney Westerfield; Representatives Kim King, Phillip Pratt, Brandon Reed, and Rachel Roberts.

Guests: Dr. Ryan Quarles, Commissioner, Kentucky Department of Agriculture (KDA); Keith Rogers, Chief of Staff, KDA; Brian Lacefield, Executive Director, Kentucky Office of Agricultural Policy (KOAP); and Bill McCloskey, Deputy Executive Director, KOAP.

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

Introduction of Executive Director and Discussion on the Transition of the Agricultural Development Board to the Kentucky Department of Agriculture

Dr. Ryan Quarles stated there will be a smooth transition of the Agricultural Development Board (ADB) to the Kentucky Department of Agriculture (KDA) due to passage of Senate Bill 3 in the 2021 Regular Session.

Dr. Quarles stated there are two new ADB members and introduced the executive director of Kentucky Office of Agricultural Policy (KOAP), Brian Lacefield.

Brian Lacefield provided a brief summary of his background and stated he is committed to serving in his new role.

Keith Rogers stated the transition is 30 days ahead of schedule. Senate Bill 3 was enacted on March 12 and the transition began on March 15.

In response to Representative Roberts, Mr. Rogers stated the reorganization will not affect the monthly reports to the committee. The commissioner spoke to Dorsey Ridley after enactment of Senate Bill 3 and stated his preference to move in a different direction. Mr. Ridley accepted a new position within the Beshear administration. Mr. Rogers stated there are plans to move all KOAP staff to the KDA campus.

Kentucky Office of Agricultural Policy Report

Bill McCloskey described the Agricultural Development Board's projects for February and March under the program. Mr. McCloskey highlighted programs including the County Agricultural Investment Program (CAIP), Deceased Farm Animal Removal, Next Generation Farmer, Shared-Use Equipment Program, and Youth Agriculture Incentives Program.

The requested program amendments discussed included:

- Green River Area Beef Improvement Group requested an additional \$20,000 in McLean County funds for CAIP. The board recommended approval, which would bring the program total to \$71,480.
- Jessamine County Future Farmers of America Alumni requested an additional \$60,000 for CAIP. The board recommended approval, which would bring the program total to \$240,000.
- Christian County requested all investment areas be changed to a Primary Focus. The board recommended approval.
- Barren County Conservation District requested an additional \$29,520. The board recommended approval, which would bring the program total to \$375,812.
- Northern Kentucky Cattle Association requested an additional \$15,462 in Boone County funds for CAIP. The board recommended approval, which would bring the program total to \$111,333.

The projects discussed included:

- Patterson's Butcher Shop was approved for \$250,000 in state funds and \$500 in Allen County funds to build a new processing facility in Monroe County.
- William M. Kuegel, Jr. was approved for \$250,000 in state funds and \$2,500 in Daviess County funds to renovate Beef and Bacon Custom Processing in McLean County.
- JSW Farm Chop Shop received \$250,000 in state funds through the Meat Processing Investment Program to purchase a new integrated X-ray analyzer for the processing facility in Wolfe County.
- James K. Aud, Jr. was approved for \$5,000 in Daviess County funds for the purchase and installation of an energy efficient rotary composting system.

- Cecil Farms Produce was approved for \$16,071 in Daviess County funds for the purchase and installation of a temperature controlled environment and walk-in cooler.
- Kentucky State University was approved for \$39,719 in state funds to construct a permanent processing facility in conjunction with its mobile processing unit.
- Pulaski County 4-H Council was approved for \$2,868 in Pulaski County funds to purchase a ham house.
- The University of Kentucky Research Foundation was approved for \$75,000 in state funds for a feasibility study focused on controlled growing environments in Kentucky.
- Summit Holdings was denied \$20,000 in state funds. The Meat Processing Expansion Committee recommended not funding the project because the application was received after the 2020 guidelines had sunset.
- Ken Maur Farm was denied \$10,150 in state funds. The On-Farm Energy Committee recommended not funding the project due to the payback being longer than 25 years.
- Woodford County Conservation District was denied \$60,000 in state funds to hire a district technician. The Red Committee recommended denying the request due to the cost of a recurring salary.
- The Pulaski County Extension District Board was approved for \$1,988 in Pulaski County funds to collect forage samples to test for educational purposes.
- Community Farm Alliance was approved for up to \$270,102 in state funds to continue support for its Farmers Market Support and Kentucky Double Dollars Program.
- The Bluegrass Lamb Company was approved for \$250,000 in state funds to purchase a processing facility in Hardin County.
- Glen Dean Farms was approved for up to \$30,872 in state funds to harvest rainfall from tobacco barns for crop irrigation.
- Lincoln County 4-H Council was approved for up to \$1,000 in Lincoln County funds to purchase a building to serve as a ham house.

In response to Senator Webb, Mr. McCloskey stated there are 13 applications pending with the Meat Processing Expansion Committee and provided a brief overview of the process for approval.

There being no further business, the meeting was adjourned.