

TOBACCO SETTLEMENT AGREEMENT FUND OVERSIGHT COMMITTEE

Minutes of the 5th Meeting of the 2021 Interim

July 23, 2021

Call to Order and Roll Call

The 5th meeting of the Tobacco Settlement Agreement Fund Oversight Committee was held on Friday, July 23, 2021, at 10:30 AM, in Room 129 of the Capitol Annex. Representative Myron Dossett, 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 George Brown Jr., Kim King, Brandon Reed, and Rachel Roberts.

Guests: Brian Lacefield, Executive Director, Kentucky Office of Agricultural Policy (KOAP); Bill McCloskey, Deputy Executive Director, KOAP; Katrina Thompson, Executive Director, Feeding Kentucky; Sarah Vaughn, Director, Farms to Food Banks Program, Feeding Kentucky; and Martin Richards, Executive Director, Community Farm Alliance.

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

Kentucky Office of Agricultural Policy Report

Brian Lacefield introduced new interns and provided a brief overview of the events and speakers at the joint meeting of the Agricultural Finance Corporation and the Agricultural Development Board.

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

The requested program amendments discussed included:

- Wayne County Agriculture Development Council requested an additional \$100,000 in Wayne County funds for CAIP. The board recommended approval, which would bring the program total to \$225,600.

- Grant County Cattlemen’s Association requested an additional \$215,000 in Grant County funds for CAIP. The board recommended approval, which would bring the program total to \$395,000.
- Gallatin County Farm Bureau requested an additional \$25,000 in Gallatin County funds for CAIP. The board recommended approval, which would bring the program total to \$175,000.
- Washington County Cattlemen’s Association requested an additional \$23,000 in Washington County funds for the NextGen Program. The board recommended approval, which would bring the program total to \$49,000.
- Washington County Cattlemen’s Association requested an additional \$63,000 in Washington County funds for CAIP. The board recommended approval, which would bring the program total to \$179,200.
- Washington County Cattlemen’s Association requested an additional \$9,000 in Washington County funds for YAIP. The board recommended approval, which would bring the program total to \$29,350.
- Mercer County Conservation District requested an additional \$34,377 in Mercer County funds for CAIP. The board recommended approval, which would bring the program total to \$213,783.

The projects discussed included:

- Riverview Meat Company was approved for up to \$250,000 in state funds as a forgivable loan and \$25,000 in multi-county funds as a cost-reimbursement grant to purchase an existing meat processing facility in Cynthiana, Kentucky.
- Continental Refining Company was approved for up to \$250,000 in multi-county funds matched by up to \$250,000 in state funds as a cost-reimbursement grant for the development of a soybean crushing facility in Somerset, Kentucky.
- Clark County Fiscal Court was approved for \$10,000 in Clark County funds to build a dead animal compost facility.
- Kentucky Training Center was approved for up to \$1,000,000 in state and multi-county funds as a cost-reimbursement grant and loan to build six new equine barns in its Paris Pike location.
- Burgin Independent Schools was approved for \$12,296 in Mercer County funds as a cost-reimbursement grant to build a new greenhouse at its high school.
- Kentucky Fresh Harvest was approved for \$100,000 in state funds to complete the construction of a 1.6 million gallon water retention basin.
- American Farmland Trust was approved for \$550,000 in state funds across two years for continuation of its Kentucky Commercial Rye Cover Crop Initiative.

- Allen Porter was denied \$10,000 in state funds to increase capacity and water control of a pond. The On-Farm Water Management Committee recommended no funding.

In response to Representative King, Mr. McCloskey stated the program amendments can be requested when new money is received each year. Farmers who are on the wait list are provided funds once the amendment is approved.

In response to Senator Embry, Mr. Lacefield stated he is reaching out to various county councils that are not applying for money.

Farms to Food Banks

Katrina Thompson stated one out of six Kentuckians and one out of five children are food insecure. The counties with the highest estimated food insecurity rates are Harlan, Leslie, Magoffin, Breathitt, Clay, Bell, and Letcher. Kentucky has the nation's highest rate of food insecurity among residents 50 to 59 years old, according to Feeding America's effort to document hunger in older adults. Of those Kentuckians that are food insecure, 33 percent do not qualify for federal nutrition programs.

Feeding America estimates that food insecurity increased by 18 percent during COVID-19, and Kentucky food banks experienced a 30 percent increase in demand.

Feeding Kentucky is a statewide network of seven member food banks and 800 partner agencies such as food pantries, soup kitchens, and shelters. There are 50,000 Kentuckians served each week. There is a need for brick and mortar infrastructure, cold storage, and continued flexibility in school and federal nutrition programs.

Sarah Vaughn stated Farms to Food Banks receives agricultural products from farmers in need of a market and delivers agricultural products to food banks. The agricultural products include meat, cheese, and fresh produce. The goals of Farms to Food Banks is to increase access to healthy food for struggling Kentuckians, pay fair prices to farmers to help recoup losses, and reduce the amount of food waste.

Almost three million pounds of Kentucky-grown agricultural products were distributed throughout Kentucky in 2020. In 2020, there were 371 farmers that participated with an average payment per farmer of \$2,013.

Kentucky Kids Eat focuses on access to healthy foods 365 days a year by providing funding, training, and support for schools and nonprofits. Schools and nonprofits were awarded 68 grants since March 2020.

In response to Senator Webb, Ms. Thompson stated the brick and mortar infrastructure needs includes shelving in existing buildings, freezers, refrigerators, more food pantries, and volunteers.

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.

There is a new program, Fresh Rx for MOMS, which is a fruit and vegetable prescription program for mothers on Medicaid. Participants receive \$20 in fresh fruit and vegetable tokens each week for up to 40 weeks and have access to nutrition education and consultation with a dietitian. In 2020, the total prescription incentives that were redeemed were \$7,157.

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.

FMSP has responded to COVID-19 by securing private funding and distributing emergency mini-grants to farmers markets to help them mitigate the ramifications of COVID-19.

KDD has grown significantly since 2016. In 2016, there were six outlets and in 2021, there are 73. There has been an expansion in the retail market.

The United States Department of Agriculture has millions of dollars available for healthy food access, but it requires state matching funds in excess of what is currently available. In 2000, the Kentucky General Assembly devoted Master Settlement funds to support agriculture and improve public health. Each year, around \$121 million is divided between agriculture and public health. Even though healthy food access impacts both sectors, currently only the agriculture portion of the fund is supporting programs like KDD and Farms to Food Banks.

There being no further business, the meeting was adjourned.