

TOBACCO SETTLEMENT AGREEMENT FUND OVERSIGHT COMMITTEE

Minutes of the 1st Meeting of the 2022 Interim

May 26, 2022

Call to Order and Roll Call

The 1st meeting of the Tobacco Settlement Agreement Fund Oversight Committee was held on Thursday, May 26, 2022, 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 Kim King, Phillip Pratt, Brandon Reed, and Rachel Roberts.

Guests: Brian Lacefield, Executive Director and Bill McCloskey, Deputy Executive Director, Kentucky Office of Agricultural Policy (KOAP).

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

The minutes from the meeting of December 9, 2021, were approved by voice vote.

Kentucky Office of Agricultural Policy Report

Brian Lacefield provided a brief overview of various events and stated KOAP is now fully staffed. There are two new meat processing facilities, one in Greenup County and one in Muhlenberg County. The Master Settlement dollars have been allocated to all 120 counties within the Commonwealth, and the amount has increased to \$129 million from \$126 million.

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

The requested program amendments discussed included:

- Franklin County Cattlemen's Association, Inc. requested an additional \$4,381 in Franklin County funds for CAIP. The board recommended approval, which would bring the program total to \$165,606.

- Buffalo Trace Area Development District requested an additional \$9,158 in Mason County funds for CAIP. The board recommended approval, which would bring the program total to \$243,158.
- Green River Area Beef Improvement Group, Inc. requested an additional \$128,058 in Daviess County funds for CAIP. The board recommended approval, which would bring the program total to \$178,058.
- Green River Area Beef Improvement Group, Inc. requested an additional \$45,253 in McLean County funds for CAIP. The board recommended approval, which would bring the program total to \$85,253.
- Jessamine County Future Farmers of American Alumni Association, Inc. requested an additional \$80,000 in Jessamine County funds for CAIP. The board recommended approval, which would bring the program total to \$180,000.
- Marion County Conservation District requested an additional \$30,000 in Marion County funds for CAIP. The board recommended approval, which would bring the program total to \$210,000.
- Barren County Conservation District requested an additional \$46,000 in Barren County funds for CAIP. The board recommended approval, which would bring the program total to \$396,000.
- Jessamine County Future Farmers of American Alumni Association, Inc. requested an additional \$24,500 in Jessamine County funds for CAIP. The board recommended approval, which would bring the program total to \$204,500.
- Carter County Conservation District requested an additional \$33,756 in Carter County funds for CAIP. The board recommended approval, which would bring the program total to \$164,048.
- Northern Kentucky Cattle Association, Inc. requested an additional \$25,035 in Boone County funds for CAIP. The board recommended approval, which would bring the program total to \$130,480.
- Spencer County Conservation District requested to increase the producer maximum to \$3,500 for CAIP. The board recommended approval, which would bring the program total to \$135,500.

The projects discussed included:

- Alvio's Cuban Meats, LLP was approved for \$100,000 in state funds to purchase equipment and a wholesale meat processing facility.
- Caldwell County Board of Education was approved for \$22,000 in Caldwell County funds for greenhouse materials to expand, update, and replace parts of the Caldwell County High School greenhouse.
- Yew Dell, Inc. was approved for \$90,950 in state funds as a research, development, and demonstration project for a water capture and reuse system for their nursery operation.

- REDS was denied \$240,000 in state funds and \$10,000 in county funds to aid in building a farmer's market pavilion structure, due to the application falling outside of current farmer's market guidelines.
- The University of Kentucky Research Foundation was approved for \$250,000 in state funds to conduct a panel and economic analysis on a market for underutilized wood products.
- Grain Day, Inc. was approved for \$5,000 in Daviess County funds to host a program at Grain Day for producers to learn the latest on production practices, agricultural policy, and marketing information.
- Logan Premium Meats was approved for up to \$250,000 in state funds to purchase processing equipment and renovate the Hampton Meats processing facility.
- Kevin Clark was approved for \$35,616 in state funds to purchase processing equipment for Clark Deer Processing in Shelby County.
- T&L Land Holding, LLC was approved for \$17,817 in state funds and up to \$45,000 in multiple county funds to rebuild a cattle handling facility for veterinary use.
- The Kentucky Exposition Foundation was approved for \$1,000,000 in state funds to support Kentucky youth agricultural activities, events, and competitions at the Kentucky State Fair.
- The McLean County Extension District Board was approved for \$2,000 in McLean County funds for contracting a specialist to provide educational sessions at the McLean County Poultry Exposition.
- Palmer Farms Meats was approved for \$250,000 in state funds to purchase and update Laird's Meat Company.
- Daviess County Lions Club Fair was approved for \$5,000 in Daviess County funds to offset the cost of premiums for agriculture exhibits at the 2022 Daviess County Fair.
- The Metcalfe County 4-H Council, Inc. was approved for \$1,709 in Metcalfe County funds to purchase 18 hams for Metcalfe County 4-H members.
- Alliance Packing KY, LLC was approved for \$400,000 in state funds to purchase and renovate a packaging and marketing facility.

The following were approved for funds through the On-Farm Energy Program:

- Creekland Farms, Inc. in Christian County was approved for \$10,150.
- Conboy Enterprises, LLC in Fayette County was approved for \$10,150.
- Matheny Poultry, Inc. in Graves County was approved for \$10,150.
- Mark Tanaka in Jessamine County was approved for \$10,150.
- Joe Paul Mattingly in Marion County was approved for \$3,175.

In response to Representative King, Mr. McCloskey stated in 2019 the ADB allocated state funds to counties that had not been previously awarded at least \$30,000 in

county funds. Knott County and Pike County were able to administer CAIP for the first time.

In response to Representative Dossett, Mr. Lacefield stated there is no specific application for ADB funding to assist with the aftermath of the tornadoes that struck western Kentucky in December 2021. The funds were not intended for disaster relief. Mr. McCloskey stated the Kentucky Agricultural Finance Corporation did receive a request for assistance to refinance the rebuild of a poultry operation that was destroyed by the tornadoes.

There being no further business, the meeting was adjourned.