

TOBACCO SETTLEMENT AGREEMENT FUND OVERSIGHT COMMITTEE

Minutes of the 3rd Meeting of the 2022 Interim

August 11, 2022

Call to Order and Roll Call

The 3rd meeting of the Tobacco Settlement Agreement Fund Oversight Committee was held on Thursday, August 11, 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: Representative Myron Dossett, Co-Chair; Senators Robin L. Webb and Whitney Westerfield; Representatives George Brown Jr., Kim King, Phillip Pratt, Brandon Reed, and Rachel Roberts.

Guests: Brian Lacefield, Executive Director, Kentucky Office of Agricultural Policy (KOAP); Bill McCloskey, Deputy Executive Director, KOAP; and Martin Richards, Executive Director, Community Farm Alliance (CFA).

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

The minutes from the meeting of June 16, 2022, were approved by voice vote.

Kentucky Office of Agricultural Policy Report

Brian Lacefield stated 85 percent of county funds are used to administer the County Agricultural Investment Program (CAIP). The Kentucky Association of Conservation Districts is the second largest partner that administers programs throughout Kentucky. The Kentucky Agricultural Development Fund offers loans at a fixed rate, which have become more attractive as commercial rates have increased.

In July 2022, Mr. Lacefield was invited to the United States Congress to testify regarding the success of the Tobacco Master Settlement Agreement and regenerative agriculture.

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

The requested program amendments discussed included:

- Whitley County Cattlemen’s Association requested an additional \$3,000 in Whitley County funds for CAIP. The board recommended approval, which would bring the program total to \$35,726.
- Owsley County Conservation District requested an additional \$122,500 in Owsley County funds for CAIP. The board recommended approval, which would bring the program total to \$277,500.
- Lee County Conservation District requested an additional \$40,000 in Lee County funds for CAIP. The board recommended approval, which would bring the program total to \$90,000.
- Washington County Cattlemen’s Association requested an additional \$127,500 in Washington County funds for CAIP. The board recommended approval, which would bring the program total to \$268,700.
- Washington County Cattlemen’s Association requested an additional \$10,000 in Washington County funds for YAIP. The board recommended approval, which would bring the program total to \$40,350.
- Taylor County Cattlemen’s Association requested an additional \$95,423 in Taylor County funds for CAIP. The board recommended approval, which would bring the program total to \$205,423.
- Marion County Conservation District requested an additional \$60,000 in Marion County funds for CAIP. The board recommended approval, which would bring the program total to \$195,000.

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

- Barr Farms Organic Produce, LLC in Breckinridge County was approved for \$9,268.
- Wade Road Poultry in Christian County was approved for \$10,150.
- Lee’s Plant Farms, Inc. in LaRue County was approved for \$10,150.
- Sustainable Harvest Farm, LLC in Laurel County was approved for \$10,150.
- Jodie King in Muhlenberg County was approved for \$10,150.
- Edge Brothers Poultry, LLC in Ohio County was approved for \$10,150.
- Nathaniel Daugherty in Ohio County was approved for \$10,150.
- Jerry Gentry in Pulaski County was approved for \$2,640.
- Lancaster Poultry in Webster County was approved for \$10,150.

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

- Jarrod Brent Cornett in Laurel County was approved for \$10,000.

The projects discussed included:

- Daviess County Conservation District was approved for \$20,000 in Daviess County funds to administer the Youth Agricultural Production Cost-Share Program.
- Daviess County 4-H was approved for \$1,036 in Daviess County funds to purchase livestock-based learning lab materials for youth livestock clubs.
- Jessamine County Future Farmers of America Alumni Association was approved for \$8,000 in Jessamine County funds to provide cost-share assistance on projects.
- Grayson County Farm Bureau was approved for \$5,000 in Grayson County funds to purchase grain bin rescue equipment.
- Goldy's Custom Meats was approved for \$1,129 in state funds and up to \$10,000 in multi-county funds to purchase refrigeration equipment.
- Ed Mar Farms, LLC was approved for \$85,446 in county funds to relocate and expand farm infrastructure for an agritourism event barn.
- Meade County Fair, Inc. was approved for \$27,000 in Meade County funds to construct a new multi-species covered wash rack for livestock shows.
- Twin Lakes Veterinary Services was approved for \$9,500 in Wayne County funds to construct haul-in large animal servicing facilities.
- Trackside Butcher Shoppe was approved for \$25,000 in state funds and \$25,000 in multi-county funds to expand its carcass cooler.
- Kentucky Association of Meat Processors was approved for \$95,940 in state funds to hire staff to build a foundation for the organization and to expand outreach to grow the association membership.
- Green River Meats was approved for \$250,000 in state funds and county funds as a cost-reimbursement grant to establish a United States Department of Agriculture (USDA) certified custom meat processing facility.
- Lincoln County Fire Protection District was approved for \$2,150 in Lincoln County funds to purchase grain bin rescue equipment.
- Elliott County Board of Education was approved for \$15,000 in Elliott County funds for constructing a new greenhouse.
- The University of Kentucky Research Foundation was approved for \$352,145 in state funds over two years to support the Viticulture and Enology Extension Program. The project will continue research on vineyard management and winery techniques specific to varieties known to thrive in Kentucky.

In response to Senator Webb, Mr. McCloskey stated members of the Kentucky Association of Meat Processors (KAMP) are also members of other state and national associations, which are funded by dues and sponsorships. There are approximately 80 meat processors in Kentucky that are benefitting from the KAMP.

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. One-third of the farmers markets in Kentucky participate in KDD, and there has been an expansion in participation in the retail market.

Fresh Rx for MOMs is a fruit and vegetable prescription program for mothers on Medicaid with 11 participating farmers markets in 2022. Fresh Rx is currently 100 percent funded by the USDA.

Since 2016, the Kentucky Agricultural Development Fund has supported the Farmers Market Manager Cost-Share Program (FMMCSP), KDD, and FMSP. For every dollar, there has been a combined return on investment of \$8.18.

There are currently 80 farmers markets in Kentucky and 71 accept benefits from the Supplemental Nutrition Assistance Program (SNAP) and KDD. There was an increase of 123 percent in SNAP redemptions at Kentucky farmers markets between 2013 and 2020.

In 2022, CFA received a three-year, \$599,913 grant from the USDA's Farmers Market Promotional Program to support the Farmers Market Resiliency Project (FMRP). FMRP is a customized training and support program to increase long-term resiliency at Kentucky farmers markets.

CFA has been accessing their strategy to assist those impacted by the flooding in eastern Kentucky. There have been issues with moving product from farmers to the markets because of impassable roadways.

CFA submitted a new two-year application to USDA to continue the expansion of Kentucky-grown fruits and vegetables by SNAP participants at farmers markets, eight retail sites, and a pilot matching incentive model. CFA will also submit a new proposal to KADF to support seniors and the Women, Infants, and Children program.

In response to Representative King, Mr. Richards stated CFA reaches out to all farmers markets in Kentucky and the farmers market decides if they will participate. There is a required federal match of the dollars, which could impact a farmers market's decision to participate. CFA has been willing to assist in fundraising for those farmers markets that have not been participating.

In response to Representative Dossett, Mr. Richards stated KDD is a tool used to keep inflation low. The prices at the local farmers markets have not increased as much as the retail market. The added transportation costs to move products within the retail market has increased prices.

There being no further business, the meeting was adjourned.