

TOBACCO SETTLEMENT AGREEMENT FUND OVERSIGHT COMMITTEE

Minutes

May 18, 2023

Call to Order and Roll Call

The 2nd meeting of the Tobacco Settlement Agreement Fund Oversight Committee was held on May 18, 2023, at 10:30 AM in Room 129 of the Capitol Annex. Senator Amanda Mays Bledsoe, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Amanda Mays Bledsoe, Co-Chair; Representative Myron Dossett, Co-Chair; Senators Matthew Deneen, Denise Harper Angel, and Robin L. Webb; Representatives Kim King, Phillip Pratt, Brandon Reed, and Rachel Roarx.

Guests: Brian Lacefield, Executive Director, Kentucky Office of Agricultural Policy (KOAP); Bill McCloskey, Deputy Executive Director, KOAP; Martin Richards, Executive Director, Community Farm Alliance (CFA); Kimmie Ishmael, Policy Campaign Coordinator, CFA; Sarah Vaughn, Director, Farms to Food Banks Program, Feeding Kentucky; and Cassidy Wheeler, Advocacy Coordinator, Feeding Kentucky.

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

Approval of minutes for the meeting of April 13, 2023

A motion to approve minutes was made by Representative Roarx and seconded by Representative Dossett. The minutes were approved by voice vote.

Report on the projects considered for funding by the Agricultural Development Board

Brian Lacefield stated that the Master Settlement funds have been received and allocated to the counties and provided a loan update for the Kentucky Agricultural Finance Corporation. Kentucky's method of allocation of Master Settlement funds to various programs is a model for other states and KOAP has had discussions with Maryland, Alabama, and Delaware in regards to implementing their own programs.

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

The requested program amendments discussed included:

- Barren County Conservation District requested an additional \$93,000 in Barren County funds for CAIP. The board recommended approval, which would bring the program total to \$443,000.

- Caldwell/Lyon Cattlemen's Association requested an additional \$1,390 in Mason County funds for CAIP. The board recommended approval, which would bring the program total to \$99,308.

The projects discussed included:

- Bluegrass Land Conservancy was approved for \$400,950 in state funds to support the external closing costs for acquiring conservation easements on farms.

- Drone-Agri of Kentucky was approved for \$5,000 in Woodford County funds to purchase necessary items for startup drone services.

- Madison County Farm Bureau Federation was approved for \$3,897 in Madison County funds to aid in the purchase of grain bin rescue equipment.

- Bourbon County Fair and Horse Show was approved for \$25,000 in Bourbon County funds to support the installation of materials for a new livestock barn.

- Murray State University Center for Agricultural Hemp was approved for \$247,500 in state funds to help establish the Kentucky Fiber Hemp Farming Network and to assist in establishing a consistent supply with Fibonacci/HempWood.

- Sunflower Fuels was approved for \$150,000 in state funds to evaluate the feasibility of producing energy crops on reclaimed mine land for the biofuels industry.

- Purchase Coop was approved for \$15,500 in state funds to support the cost of a feasibility study to explore the possibility of replacing the granary destroyed by the 2021 tornado in western Kentucky.

In response to Representative King, Mr. Lacefield stated a permanent conservation easement is documented on the deed to the property. Due to the 2021 tornado, grain producers were having to spend more on transportation costs since the product was traveling further to find a market.

In response to Representative Dossett, Mr. Lacefield stated Drone-Agri of Kentucky will serve five counties.

Kentucky Double Dollars

Martin Richards stated that the Community Farm Alliance (CFA) submitted, and was denied, a United States Department of Agriculture (USDA) Gus Schumacher Nutrition Incentive Program (GusNIP) Food Incentive application to support the Supplemental Nutrition Assistance Program (SNAP) Fruit and Vegetable portion of Kentucky Double Dollars (KDD) program. The Kentucky Agriculture Development Fund (KADF) agreed to cover the KDD SNAP Fruit and Vegetable funding for the next two years.

House Bill 384 was introduced, but not passed, in the 2023 Regular Session that would have established the Healthy Farm and Food Innovation Fund to provide matches to federal grants.

Mr. Richards identified that 85 percent of healthcare spending is associated with diet-related disease and illness. Kentucky has low rankings regarding nutritional health.

CFA has three programs aimed at supporting Kentucky farmers: Farmers Market Support Program, Kentucky Double Dollars (KDD), and Fresh Rx for Mothers on Medicaid (Fresh Rx for

MOMs).

CFA's goal for the Farmers Market Support Program is to make farmers markets more sustainable, professional, and sophisticated. CFA has worked with 41 markets in 31 counties and \$146,164 of KADF support is used to further these goals.

The KADF has supported the Farmers Market Support Program and Kentucky Double Dollars program for six years.

KDD's goal is to increase sales to farmers and make food more affordable and accessible. KDD is composed of four incentive programs that support the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), SNAP (Fruit & Vegetable and Meat, Eggs, & Dairy), and the Senior Farmers Market Nutrition Program. Mr. Richards stated that COVID-19 and the eastern Kentucky floods in 2022 led to a drop in the total impact of the programs.

In response to Representative King, Mr. Richards stated that the Kentucky Department of Agriculture has improved the accessibility to electronic checkouts at farmers markets and the costs associated with equipment.

Chair Dossett commended Kimmie Ishmael for her work with 2023 RS HB 384.

Chair Mays Bledsoe commended the work of the Kentucky Double Dollars program in Fayette County.

Farms to Food Banks

Cassidy Wheeler and Sarah Vaughn stated that, in Kentucky, one in eight adults and one in six children are food insecure. Kentucky's food insecurity rate is 12.9 percent.

Ms. Wheeler stated that food insecurity decreased by 1.5 percent (65,000 Kentuckians) from 2019 to 2021. Feeding Kentucky attributes this change to pandemic-based policies to address increased need.

Ms. Wheeler stated that, from 2020-2021, the average meal cost in Kentucky increased \$0.32 from \$2.79 to \$3.11. Though the food insecurity rate stayed constant, the county-by-county rate decreased. Kentucky is ranked second in the United States for food insecurity among older adults age 50-59. Kentucky is in the top five in senior hunger. Feeding Kentucky's food banks are seeing a higher demand since COVID-era policies have ended.

Ms. Vaughn explained that the Feeding Kentucky network consists of seven food banks and over 800 partner feeding agencies. Feeding Kentucky supplies meals to 50,000 Kentuckians per week and 85 million meals were provided to Kentuckians in the last fiscal year.

To better accomplish its mission, Feeding Kentucky requested more brick-and-mortar infrastructure and cold storage, continued flexibility in school and federal nutrition programs, and fewer barriers to SNAP benefits.

Farms to Food Banks redistributes agricultural products from farmers needing a market to Kentuckians in need. The program has three goals: increase food access, support farmers, and reduce waste. In 2022, 3.4 million pounds of Kentucky produce were distributed. There were 119

counties that received produce (Ballard County could not accept fresh produce at the time) to provide 5.6 million meals with 28 types of produce. This was made possible by 276 farmers from 53 counties receiving an average payment of \$3,492.

Feeding Kentucky was awarded \$1.6 million from the federal Local Food Purchase Assistance (LFPA) grant for 2022-2023. The use of funds will be focused on purchasing protein items from socially disadvantaged producers.

Ms. Wheeler stated that Feeding Kentucky will be requesting a \$1 million line item appropriation for the upcoming 2024 state budget. These funds would assist Feeding Kentucky in expanding their programming by acquiring protein items and promoting youth programs such as Future Farmers of America (FFA) and 4-H.

In response to Senator Webb, Ms. Vaughn explained that Feeding Kentucky will work with local producers while obtaining meat that has been processed in a USDA-inspected facility. Feeding Kentucky is starting to implement protein distribution with the assistance of the LFPA grant and can provide a performance summary.

Representative King identified a correlation between unemployment and food insecurity. Ms. Wheeler acknowledged this trend and explained that unemployment is one of the many predicting factors of hunger.

In response to Representative King, Ms. Wheeler stated that it would be interesting to explore redistribution of resources to support counties with the highest hunger rates.

In response to Representative Roarx, Ms. Vaughn explained that Feeding Kentucky has sustained damage to facilities due to recent tornados and flooding. Ms. Wheeler stated that 73 percent of SNAP households have children and 40 percent have seniors/disabled adults. The major barriers to SNAP participation are the application process and reporting requirements.

In response to Representative Reed, Ms. Wheeler stated that Feeding Kentucky uses Feeding America's standard definition of food insecurity.

In response to Chair Dossett, Ms. Wheeler stated that there is an elderly-simplified application to SNAP. There are administrative opportunities to simplify the process of making SNAP applications.

Kentucky Kids Eat is a Feeding Kentucky program to end childhood hunger in Kentucky. Senate Bill 151, which passed in the 2022 Regular Session, removed barriers to breakfast for 272,398 students. Food prices in schools have risen by 20 percent in the past few years.

Adjournment

There being no further business, the meeting was adjourned.