

# The Commonwealth Grows



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State Fair 2012



## Did you know...?

- There are 85,000 farms in Kentucky with 14 million acres of land.
- Average farm size in Ky. is 164 acres.
- Kentucky ag exports are valued at nearly \$1.4 billion, ranking 24th in the nation
- Kentucky is the largest cattle state east of the Mississippi.

## What's Inside?

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## How Does Kentucky's Agricultural Development Fund Affect You?

Many Kentuckians are aware of tobacco's legacy in the Commonwealth and the landmark settlement in 1998 between the four major tobacco companies and 46 states (commonly referred to as the tobacco settlement or MSA).

However, many do not know about the Kentucky Agricultural Development Fund (KADF), which was born out of the desire to diversify Kentucky's agricultural base, which had been dominated by a single cash crop for nearly a century.

Since its inception in 2001, the KADF has been invested in more than 4,000 projects throughout the Commonwealth, in excess of \$375 million, designed to increase net farm income and create sustainable new farm-based enterprises.

Improving Kentucky's farm economy is all well and good, but you may be asking: *Why should I care about the KADF? It just benefits agriculture doesn't it?*



*Roger Thomas (right) is joined by KADB members (l to r) Sam Moore, Wayne Mattingly, Jim Sidebottom and Pat Henderson at a tour of Grasshopper's Distribution in Louisville.*

Actually, many investments made from the KADF benefit all Kentuckians. Here are just a few:

*Do you like clean, accessible drinking water?*

\$326,000,000 for rural water infrastructure projects

*Do you value the environment?*

\$105,000,000 for environmental cost-share through the Division of Conservation

*Do you enjoy Kentucky's scenic farmscapes?*

\$25,000,000+ for farmland preservation

*Do you value education and leadership opportunities for Kentucky's youth?*

\$8,400,000 for Kentucky's FFA and 4-H programs and facilities

*Are you concerned about having a secure food supply?*

\$24,300,000 for improvements to the two animal diagnostic labs in Kentucky

*Do you enjoy locally grown foods?*

Nearly \$10,000,000 for the Kentucky Proud program, Kentucky's official brand

## Other facts about the Fund...

The KADF has also supported long-term investments to provide Kentucky farmers access to capital through the Kentucky Agricultural Finance Corporation.

The KADF is comprised of 50% of the state's Tobacco Settlement Funds. Keep reading for more information about KADF programs and investments.

## The Boards

**E**stablished in 2000, the **Kentucky Agricultural Development Board (KADB)** is charged by statute with administering the Kentucky Agricultural Development Fund.

The Kentucky Agricultural Development Board (KADB) is chaired by Governor Steve Beshear and consists of five statutory members or their designees and 11 appointed members.

Statutory members include the Governor, Commissioner of Agriculture, Economic Development Cabinet Secretary, head of the University of Kentucky Cooperative Extension Service and the president of Kentucky State University.

Appointed members are geographically distributed throughout the Commonwealth and are subject to confirmation by the General Assembly.

Seven of the appointments represent active farmers, of which, at least four are from substantially tobacco-impacted counties and two have experience in agricultural diversification.

The remaining four appointments represent the Kentucky Chamber of Commerce, Kentucky Farm Bureau, an attorney with farm experience and an agricultural lender. ☞

### KADB

Steve Beshear, Chair <i>Governor</i>	Pat Henderson <i>Farmer</i>
James Comer, Vice-chair <i>Agriculture Commissioner</i>	Wayne Hunt <i>Farmer, Agribusiness</i>
Sec. Larry Hayes <i>Economic Development</i>	Sam Lawson <i>Chamber of Commerce</i>
Dr. M. Scott Smith <i>Cooperative Extension</i>	Jim Mahan <i>Farmer</i>
Dr. Mary Evans Sias <i>President, KSU</i>	Wayne Mattingly <i>Ag. Lender</i>
Dr. Betty Bailey <i>Farmer</i>	Sam Moore <i>Kentucky Farm Bureau</i>
Roy Collins <i>Attorney</i>	Troy Rankin <i>Farmer</i>
Karen Curtis <i>Farmer</i>	Jim Sidebottom <i>Farmer</i>

### KAFC

James Comer Chair <i>Agriculture Commissioner</i>	Lori H. Flanery <i>Finance Secretary</i>
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Westy Adams <i>Horticulture</i>	Doug Lawson <i>Commercial Lender</i>
George Begley <i>Livestock</i>	Frank McAninch <i>Tobacco</i>
Dr. Kenny Burdine <i>Ag. Economics</i>	Joel Oney <i>Farm Credit</i>
Wayne Hunt <i>Grain Farmer KADB Liaison</i>	Frank A. Penn <i>Equine</i>
Larry Jaggars <i>Dairy</i>	Peggy Peterson <i>Commercial Lender</i>

## The Kentucky Agricultural Finance Corporation

**(KAFC)** is chaired by Agriculture Commissioner James Comer and consists of the Secretary of the Finance & Administration Cabinet and 10 members appointed by the Governor.

For the appointed members, two may be officers from a commercial lending institution, one may be an officer from a farm credit association, one may be an agricultural economist and one each shall be a tobacco farmer, a cash grain farmer, a livestock farmer, a dairy farmer, a horticultural farmer and a representative from the equine industry. ☞

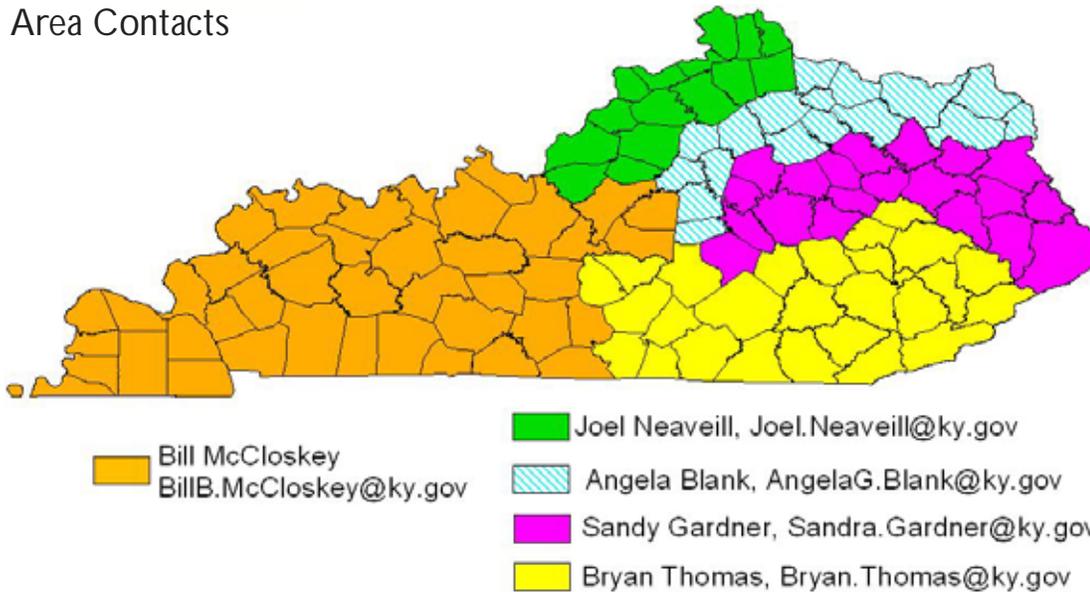


Members of the KADB and KAFC tour Reid's Orchard as part of their joint meeting in Owensboro, on June 14-15. Billy Reid guides a tour for members, staff and guests.

(Top) Joel Oney, Farm Credit; Dr. Teferi Tsegaye, KSU; and Mr. Reid

## The Staff

### Area Contacts



### Upcoming Events

**Aug. 23**  
**Eastern Kentucky Food Systems Collaborative Gathering**  
 Knox Co. Extension, Barbourville  
[www.appalfoods.org](http://www.appalfoods.org)

**Aug. 24\***  
**KADB Business Meeting**  
 Franklin Co. Extension, Frankfort  
*\*change from regular schedule*  
[agpolicy.ky.gov](http://agpolicy.ky.gov)

**Sept. 4**  
**Farmers & Food Banks Press Event**  
 Capitol Rotunda  
 2 - 2:45 p.m. EDT

**Sept. 22**  
**Taste of the Mountains Field Day**  
 UK Robinson Center, Quicksand  
**Contact:** (606) 666-2438 ext. 285  
[www2.ca.uky.edu/rcars/](http://www2.ca.uky.edu/rcars/)

**Sept. 24**  
**UK Gluck Research Center 25<sup>th</sup> Anniversary Celebration**  
 UK E.S. Good Barn, Lexington  
[www.ca.uky.edu/gluck/](http://www.ca.uky.edu/gluck/)

**Oct. 19**  
**EKU Celebration 100<sup>th</sup> Anniversary of Stateland Dairy**  
 Eastern Kentucky Univ., Richmond  
[www.farms.eku.edu/stateland-dairy](http://www.farms.eku.edu/stateland-dairy)

**Nov. 8-9**  
**Ky. Agricultural Summit: Farming the Next Generation**  
 Kentucky Expo Center, Louisville  
[www.kyagsummit.com](http://www.kyagsummit.com)

#### Recurring Meetings

**Tobacco Settlement Legislative Oversight Committee**  
 First Wednesday of the month  
[www.lrc.ky.gov](http://www.lrc.ky.gov)

**Kentucky Agricultural Finance Corporation**  
 First Friday of the month  
[kafc.ky.gov](http://kafc.ky.gov)

**Kentucky Agricultural Development Board**  
 Third Friday of the month  
[agpolicy.ky.gov](http://agpolicy.ky.gov)

### PUBLIC NOTICE

The **Blue Application Review Committee** of the Kentucky Agricultural Development Board will convene on the following dates to review applications and pre-applications submitted for funding through the Kentucky Agricultural Development Fund:

Sept. 4	Oct. 30
Oct. 2	Dec. 4

Times and locations for the remaining meetings will be posted on the GOAP calendar at <http://agpolicy.ky.gov>.

### GOAP Staff List

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## Funding Opportunities

The mission of the KADB is to invest the KADF in innovative proposals that increase net farm income and effect tobacco farmers, tobacco-impacted communities and agriculture across the state by stimulating markets for Kentucky agricultural products, finding new ways to add value to Kentucky agricultural products, and exploring new opportunities for Kentucky farms.

### Project Applications

**Purpose:** to provide access to state and county funds for statewide, regional and county projects that fit outside the standardized programs

**Award Types:** grants, loans

Funds committed:	\$205,037,800
Projects Approved:	1,133



**Kentucky Proud**  
Nearly \$10 million invested

### County Agricultural Investment Program (CAIP)

**Purpose:** to provide farmers with incentives to allow them to improve and diversify their farm operations through a local agency or organization that serves as administrator

**Award Types:** Cost-share (50/50; up to \$5,000)

Funds Committed:	\$59,647,040
Counties Participating:	106



**Farmers' Markets**  
More than \$2.4 million in state, county funds invested

### Deceased Farm Animal Removal Program (DAR)

**Purpose:** to facilitate the coordination of environmentally sound and cost-effective disposal of deceased livestock for Kentucky producers through a local government agency or organization that serves as administrator

**Award Types:** Grant (up to \$7,500)

Funds Committed:	\$454,153
Counties Participating:	47

### On-Farm Energy Efficiency & Production Incentives Program

**Purpose:** to provide incentives to increase energy efficiency or renewable fuel production on Kentucky farms

**Award Types:** Grant (25% of project; up to \$10,000)

Funds Committed:	\$696,288
	81 farmers in 36 counties



**Beef Cattle**  
Nearly \$60 million in state, county funds invested

### Shared-Use Equipment Program

**Purpose:** to impact a high number of producers who cannot justify ownership of certain equipment by helping them access technology necessary to improve their operations through a local agency or organization that serves as administrator

**Award Types:** Grant (50/50 match)

Funds Committed:	\$1,806,254
Counties Participating:	68

## Agriculture Loans

The following are four participation loan programs available where KAFC partners with a local lender to provide financing. The annual interest rate for all four loan programs is **2%**. Information about other programs and complete guidelines for these programs are available at [kafc.ky.gov](http://kafc.ky.gov).

### Agricultural Infrastructure Loan Program (AILP)

**Purpose:** to assist Kentucky's agricultural producers finance long-term projects that will improve their financial stability

**Max. Loan:** \$150,000 with tobacco dependence  
\$100,000 without

Commitments:	\$18,350,086
Loans Approved:	279

**Eligible Loans:** Limited to structural improvements that enhance the farm's profitability

### Beginning Farmer Loan Program (BFLP)

**Purpose:** to assist individuals with farming experience who desire to develop, expand or buy into a farming operation

**Max. Loan:** \$250,000

Commitments:	\$10,462,158
Loans Approved:	92

**Eligible Loans:** Livestock, equipment, facilities, permanent working capital, real estate, partnership investment

### Diversification through Entrepreneurship in Agribusiness Loan Program (DEAL)

**Purpose:** to assist entry level agri-entrepreneurs with the establishment of or purchase into a business that provides agricultural products or services to other producers

**Max Loan:** \$100,000

Commitments:	\$347,500
Loans Approved:	4

**Eligible Loans:** Equipment, facilities, permanent working capital, partnership investment

### Large/Food Animal Veterinary Loan Program

**Purpose:** to assist individuals licensed to practice veterinary medicine in Kentucky who desire to construct, expand, equip or buy into a practice serving large animal producers

**Max. Loan:** \$100,000

Commitments:	\$779,253
Loans Approved:	9

**Eligible Loans:** Capital assets, large animal equipment, partnership investment, permanent working capital



#### Capital Access

More than \$47million in state funds and interest earned committed through KAFC loan programs

*The Kentucky Agricultural Finance Corporation is supported in part by the Kentucky Agricultural Development Fund.*

## Investments

Between **May and July 2012**, the KADB approved more than \$8.6 million in state and county agricultural development funds in projects and programs across the Commonwealth. During the same time period, the KAFC approved \$1.4 million in loans.

**\$10 Million**



### Value-Added Processing, Distribution

Grasshopper Distribution LLC  
 \$200,000 state funds, as a loan \$50,000 state funds, as a grant  
 \$50,000 county funds (multiple)



### Programs

#### On-Farm Energy Efficiency & Production Incentives

*Provides incentives to Kentucky farm families to increase energy efficiency and renewable fuel production*

\$696,288 for 81 Farm Families in 36 counties

*(Programs continued on page 7)*



#### Agricultural Infrastructure Loan Program

\$616,938  
 6 loans in 6 counties

#### Beginning Farmer Loan Program

\$874,066  
 5 loans in 4 counties

### KADF Application Deadlines

All applications for projects and programs, including amendments to existing programs / projects, are **due the last Friday** of the month.

Projects will be referred to committee at the next meeting and programs are eligible for consideration.

For consideration in...

#### September 2012:

Due August 31

#### October 2012:

Due September 28

#### November 2012:

Due October 26

#### December 2012:

Due November 30

### KAFC Meetings & Deadlines

For consideration on...

#### September 2012:

Due August 17

#### October 2012:

Due September 14

#### November 2012:

No meeting

#### December 2012:

Due November 16

#### Agricultural Multi-Purpose Facility

Daviess County Lions Club Fair  
 \$50,000 Daviess County funds

#### CPH Cost-Share Program

Wayne Co. Cattlemen's Assoc.  
 \$20,000 Wayne County funds

#### Farm Market & Kitchen

Triple J Farm  
 \$18,750 state funds, as loan  
 \$18,750 Scott County funds

#### Farms to Food Banks

Kentucky Assoc. of Food Banks  
 \$47,500 county funds (multiple)

#### High School Greenhouse

Woodford County Board of Education  
 \$33,250 Woodford County funds

#### Large Animal Composting of Kentucky (LACKY)

W. Brent Woodrum  
 \$17,500 county funds (multiple)

#### Outdoor Education Center

Mercer County 4-H Council  
 \$18,000 Mercer County funds

#### Shared-Use Equipment Storage Facility

Pendleton Co. Extension District  
 \$21,401 Pendleton County funds

#### Specialized Fencing Implement

Pulaski Co. Conservation District  
 \$7,419 Pulaski County funds

**County Agricultural Investment Program (CAIP)**

*Provides farmers with incentives to allow them to improve and diversify their current production practices through a wide variety of agricultural enterprises in its 11 investment areas*

Allen .....	\$146,512
Barren .....	\$394,477
Bath .....	\$500,000
Calloway .....	\$ 62,405
Casey .....	\$250,000
Carter .....	\$132,539
Clark .....	\$250,000
Cumberland .....	\$140,000
Daviess .....	\$150,000
Edmonson .....	\$124,970
Elliott .....	\$155,853
Fayette .....	\$150,000
Franklin .....	\$126,732
Gallatin .....	\$101,091
Garrard .....	\$250,000
Grant .....	\$190,000
Graves .....	\$ 87,227
Grayson .....	\$180,000
Hancock .....	\$114,108
Hardin .....	\$150,000
Hart .....	\$300,000
Jackson .....	\$156,000
Jessamine .....	\$230,000
Knox .....	\$ 59,500
LaRue .....	\$135,000
Lincoln .....	\$215,000
Marion .....	\$232,777
McCracken .....	\$103,346
McLean .....	\$ 79,009
Meade .....	\$ 87,351
Mercer .....	\$200,000
Morgan .....	\$191,787
Nicholas .....	\$300,000
Pendleton .....	\$178,900
Trimble .....	\$180,000
Wayne .....	\$120,000
Webster .....	\$ 24,490
<b>37 counties .....</b>	<b>\$6.4 million</b>

**Deceased Farm Animal Removal Program (DAR)**

*Serves as an interim measure to facilitate the coordination of environmentally sound and cost-effective disposal of deceased livestock*

The following county Fiscal Courts were approved for this program:

Hardin .....	\$7,500
Henry .....	\$7,500
Mercer .....	\$7,500
Oldham .....	\$3,000
Washington .....	\$6,125

The following county Conservation Districts were approved for this program:

Franklin .....	\$4,500
Morgan .....	\$5,000

**7 counties .....** **\$41,125**

**Shared-use Equipment**

*Established with the purpose of impacting many producers who cannot justify ownership expenses associated with certain equipment*

Bell .....	\$15,000*	for the purchase of a mulch/trickle tube layer and a livestock trailer
Boyd .....	\$12,792*	for the purchase of a pasture aerator, disc seeder, hydro seeder and a sprayer
Daviess .....	\$ 5,000	for the purchase of a cattle chute and scales
Franklin .....	\$ 4,065	for the purchase of a manure spreader
Grant .....	\$ 52,559	for the purchase of a silage bagger and an in-line bale wrapper
Russell .....	\$ 12,415	for the purchase of a no-till drill

**6 counties .....** **\$101,831**

\* includes state funds through the Shared-Use Equipment Initiative for counties receiving an annual allotment of less than \$15,000 in tobacco settlement funds.



*Bill & Randi Gallrein are presented a KADF sign by the KADB after their May board meeting in Shelby County. The Gallrein's received county funds to expand their on-farm market.*

Staff Photo



*Judge/Executive David Brooks and Tracy Sparks, of the Wolfe County Fiscal Court, pose with GOAP Executive Director Roger Thomas and GOAP's compliance staff after their Recipient Orientation in Frankfort.*

*Wolfe County Fiscal court received state and county funds to develop a USDA-approved meat processing facility and retail distributorship. This is a joint project between Wolfe and Morgan counties.*



*Energy Program Coordinator Angie Justice visits poultry producer Brad Reddick, along with Carlisle Co. Extension Agent Carla Harper.*

*Reddick received funds through the ARRA On-Farm Energy Efficiency & Production Incentives program to improve the energy efficiency of his poultry operation. His improvements are expected to save nearly 430 million BTUs of energy annually.*

Staff Photo



Growing Kentucky Agriculture



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Staff Photo (left, cover), Mulberry Orchard peaches, Shelby County.

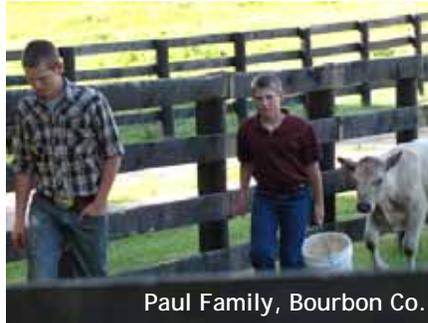
**CWG Spotlight...**

**Kentucky Farm Families:  
*Feeding Kentucky,  
Feeding the World***

**F**ood. Most of us think about food several times a day, even planning when, where and what we will eat. But, do we think about how it gets to our tables and by whom? The simple answer - Kentucky farm families, feeding Kentucky, feeding the world.

The Governor's Office of Agricultural Policy (GOAP) has partnered with the Kentucky Broadcasters Association's Public Education Partnership (PEP) program to increase the awareness of Kentucky agriculture and highlight the integral role farm families play across the Commonwealth. In each spot, you will hear the tag line, "Kentucky farm families: feeding Kentucky, feeding the world."

This initiative also has allowed



Paul Family, Bourbon Co.

GOAP to have a very special partnership for the PEP program, leveraging Kentucky Agricultural Development Funds with three leading livestock commodity groups: the Kentucky Cattlemen's Association, Kentucky Pork Producers and the Kentucky Poultry Federation.

Farm families from these livestock commodity groups will be featured in the commercials and radio spots along with other agricultural sectors throughout the year.

To view the commercials used in this initiative please visit the Governor's Office of Agricultural Policy website at [agpolicy.ky.gov](http://agpolicy.ky.gov).

- by Angela Blank, Director of Public Affairs



The O'Bryans, Daviess Co.



Butler/Evans, McLean Co.



Bach Family, Bath Co.



The Turners, McLean Co.

Photos - Ky. Office of Creative Services