

Kentucky Agricultural Development Fund  
Cultivating Rural Prosperity

*Annual Report*



July 2001 - June 2002

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# Letter from the Chief Executive Officer

Dear Fellow Kentuckians:

We are pleased to present this annual report summarizing the historic investment in Kentucky's effort to revitalize its farm economy. Our General Assembly, the volunteers that comprise our 120-county agricultural development councils, our state Agricultural Development Board, and countless farm organizations have thrown themselves headlong into seizing the opportunities presented by the largest state-financed agricultural diversification effort in the history of this great nation. This report gives but a glimpse of what has become a truly remarkable testament of citizen involvement in public affairs.

The Agricultural Development Board has reviewed over 1400 proposals and approved over 750 since the inception of the program in January 2001. The Board and our county councils have committed over \$96 million to an array of county, regional, and state projects designed to increase net farm income and create sustainable new farm-based business enterprises. Each of those dollars has been invested after rigorous scrutiny of business plans submitted with every proposal, and almost all of the money invested has been matched dollar for dollar by the project applicants.

Historically, governmental efforts to support the agricultural economy have been confined to relief-based programs. The Agricultural Development fund is certainly designed to provide relief in a time of increasing uncertainty for our tobacco producers; it is doing so through strategic investments in value-added processing, new product development, and other approaches to emerging markets for Kentucky farm products old and new. This effort represents a groundbreaking way of doing business between government and farmers.

Through investments with the Agricultural Development fund, we have made notable progress in the past year in reducing dependency on tobacco. Our commitment, though, must be sustained. There is still much work to be done to ensure a sustainable rural economy for future generations. We have embarked on a long-term project that demands the continued commitment of future Governors, our General Assembly, and the citizens of the Commonwealth. It has been a privilege and honor for my staff and me to be involved in this effort, and we look forward to our future tasks.

Sincerely,

A handwritten signature in black ink, appearing to read "John-Mark Hack". The signature is fluid and cursive, with a long horizontal stroke at the end.

John-Mark Hack  
Chief Executive Officer  
Kentucky Agricultural Development Fund

# Executive Summary

In the second year of the Kentucky Agricultural Development Fund, tremendous progress was made toward implementing the vision set forth in the landmark legislation that created the largest state-financed agricultural diversification effort in the history of the United States. The Agricultural Development Board, its staff, county Agricultural Development Councils and many other organizations have laid a strong foundation for a program based on the highest standards of public accountability and return on investment. The Board recognizes the long-term commitment required of an effort to revitalize Kentucky's rural economy, and it has focused in the past year and will continue to focus on funding projects that assist farm families negatively affected by downturns in the tobacco economy.

The work of the Board, the County Councils, staff and others has focused on stimulating new agricultural entrepreneurship in established and newly emerging agricultural sectors. Dozens of farmer-owned projects have received financial assistance on a state and county level. As of August 2002, over \$75 million was invested in over 650 projects. Projects are focusing on increasing the value of Kentucky cattle, vegetables, grain and other products; developing new farm products such as ornamental trees, aquaculture, and new niche products; building value-added processing; and adding direct marketing infrastructure.

Newly funded programs are providing technical assistance to farmers for business plan development, cattle management, and formation of new farm cooperatives. Educational efforts have exposed hundreds of farmers to new and emerging farm-based business opportunities through the Board's New Opportunity Forums, its regional Farm Family Education Expos in Robertson and Metcalfe Counties, and its statewide Kentucky Opportunity Marketplace conference. Through these efforts farm families have received assistance in business plan development, financial management, and marketing.

To chart the future course, the Board finalized the Commonwealth's first long-term plan for agricultural development. *Cultivating Rural Prosperity* identifies six priority areas that will be addressed to enact the vision of a sustainable and vibrant rural economy rooted in thriving local communities and a healthy environment. The six priorities are as follows:

- Marketing and Market Development
- Financing the future through expanded access to capital
- Continuing support for environmental stewardship efforts
- Expanding farm family educational opportunities, especially in the area of computer literacy
- Supporting local leadership development efforts
- Maintaining strong commitments to research and development

A long journey is made up of numerous small steps. Kentucky's farm families, our county Agricultural Development Councils and the state Agricultural Development Board have made great strides in the past year to develop the vision of a new rural Kentucky.



## Cultivating Rural Prosperity

### **Kentucky Agricultural Development Board**

John-Mark Hack  
CEO of Kentucky Agricultural Development Board  
Executive Director of Governor's Office of Agricultural Policy

### **Statutory Members**

Governor Paul E. Patton, Chair  
Billy Ray Smith, Commissioner of Agriculture, Vice-Chair  
Marvin E. (Gene) Strong, Secretary of Economic Development  
Dean M. Scott Smith, Director of the Kentucky Cooperative Extension Service

### **Appointed Members**

Daniel Case  
Vice President of Citizen's Bank in Robertson County  
Agricultural Lender

Larry Clay  
Beef and forage producer from Perry County

Seth Conner  
Cash grain farmer from Hickman County

Susan Harkins  
Freshwater shrimp, fish and vegetable producer from Bourbon County

Wayne Hunt  
Agribusiness owner  
Cash grain and tobacco producer from Christian County

Sam Moore  
President of Kentucky Farm Bureau  
Farmer from Butler County

Sam Lawson  
President of Hartland Equipment Co.  
Representative of Kentucky Chamber of Commerce from Warren County

Willie H. Poynter  
Tobacco and dairy farmer from Mason County

Howard (Eddie) Sellers  
Grain, tobacco, and hay producer from Woodford County

Michael L. Slaughter  
Tobacco, vegetable, and cattle producer from Hart County

Vickie Yates Brown  
Attorney with farm experience from Jefferson County

The Kentucky Agricultural Development Board (KADB) continued to provide its unfailing leadership and dedication to transform Kentucky's agricultural economy throughout the past year. The volunteer board members commit two days of every month to reviewing projects with staff and making funding decisions on applications for Agricultural Development Funds. Those days are in addition to the countless hours spent reviewing every application prior to making a funding recommendation. Furthermore, members have taken part in field days, made presentations at local meetings, and been guest speakers at statewide meetings.

In the past year the Kentucky Agricultural Development Board has shifted its focus to planning for the future while keeping faithful to the guiding principles for investment established in 2000. With every project that the Board approves, it provides critical leadership and policy direction to all involved in the transition of Kentucky's agricultural economy.

To that end, the KADB released *Cultivating Rural Prosperity: Kentucky's Long-term Plan for Agricultural Development* on January 18, 2002. This plan was created after months of distilling the information gleaned from county agricultural comprehensive plans, eleven regional meetings and several state-level meetings into a draft document that received valuable feedback through six regional feedback sessions. It is intended to be a living, working document that will guide decisions affecting the future of Kentucky's agricultural and rural communities.

Another important decision at the January 18 meeting was the Board's commitment of \$13 million in state Agricultural Development Funds to develop a system that will provide a coordinated statewide effort to create markets for products grown in Kentucky. *Kentucky's*

*Long-term Plan for Agricultural Development* identifies marketing and market development as Kentucky's number one priority. Therefore the KADB's commitment of 50% of the biennium's remaining state funds demonstrated the Board's commitment to the future of Kentucky agriculture. In addition, the Board passed a resolution supporting the re-activation of the Kentucky Agriculture Finance Corporation for the dual purpose of expanding farmer access to capital and focusing on value-added processing projects.

# County Agricultural Development Councils

Fiscal Year 2002 proved to be a year of transition and progress for the 120 County Agricultural Development Councils in the Commonwealth. In this past year, council members provided leadership in prioritizing agricultural development investments made within their respective counties.

During the County Council session at the two-day Kentucky Opportunity Marketplace conference held in January 2002, 175 county council members and agricultural extension agents came together to discuss their roles in the agricultural development process. In the morning session, participants discussed resources available to them to use in administering the County's Agricultural Development funds. Council members joined in regional breakout sessions to facilitate discussion between counties within a given Extension Area. This session allowed council members the opportunity to share their experiences and to nominate an Extension Area representative for the Agricultural Development Fund Application Taskforce.

The Agricultural Development Fund Application Taskforce provided critical input during a two-day discussion session held in March. The session provided a forum for fourteen county council members and six County Agricultural Extension Agents to provide suggestions for improving the current funding process. Among the many suggestions made during the session, the taskforce requested a simplified Agricultural Development Fund application designed specifically for County Model Programs, as well as a better way for county councils to convey their intentions for an application requesting county funds. These suggestions resulted in new County Model Program application and a new County Council Prioritization Sheet. Both of these documents were launched at the August KADB meeting.

June 30, 2002, marked the end of the term of service for all 960 county council members. As a service to their county and a show of their leadership, most county council members volunteered for a second term of office. Therefore, every county's Agricultural Development Council maintains experience and consistency in leadership for the 2003-2004 biennium.

## Staff

The Governor's Office of Agricultural Policy provides staff support to the KADB. The Kentucky Agricultural Development Board's staff has continued to focus on implementing the Board's policies and seeking out projects that have the potential to impact Kentucky's farm economy.

The Board's staff has played a critical role in guiding individuals and organizations through the Agricultural Development funding process. Staff members have traveled the Commonwealth to meet with applicants and potential applicants. They have also provided assistance through the many educational opportunities organized and supported by the Governor's Office of Agricultural Policy.

Leveraging other sources of funding is an integral part of the continued success of the Agricultural Development Fund. During the past year, the Board's staff has sought out potential funding partners on behalf of individual applicants, organizations, and governmental agencies through the federal government, foundations, and other private sources.

# Funded Projects

## The Growth of Entrepreneurship

### Spotlight on Funded Projects

The unprecedented opportunity for Kentucky farmers to access funds for agricultural diversification and expansion of farm based enterprises has inspired the growth of entrepreneurship throughout the Commonwealth. This commitment of funds has also provided the opportunity for the training of agri-entrepreneurs as they diversify their farm business to compensate for the loss of tobacco income. The result has been investments in broad areas of agricultural development. Five major investment areas were identified by the Agricultural Development Board in their *Near-Term Plan for Kentucky Agriculture*. Funding in these areas is explored in detail below. A complete list of projects in each area is highlighted in Appendix D.

### Development of Established Agricultural Sectors

*Building the competitiveness of the current agricultural economy in Kentucky.*

#### Heifer Development Project

In August 2001, the Kentucky Agricultural Development Board approved a \$134,580 grant in state and county Agricultural Development funds for the Heifer Development Project, located in Perry County. The Heifer Development Project conditions more than 500 heifers from 18 counties, providing small farmers in Eastern Kentucky the opportunity to improve the value of their cattle herds. Cattle are consigned and housed for eleven months, during which time they graze on reclaimed strip mine land and receive supplementary feed. At the end of the eleven months, the heifers are bred and either auctioned or returned to the farmer to improve the quality of the herd. This program has increased the quality of cattle produced in the Appalachian region of Kentucky by improving local herds.



### Development of New and Emerging Enterprises

*Supporting the development of new and emerging farm-based opportunities that include diversification efforts, market development, technology development, entrepreneurial initiatives, and new cooperative ventures.*

#### Kentucky West Nursery Cooperative

In November 2001, the Kentucky Agricultural Development Board awarded the Kentucky West Nursery Cooperative \$4,777,466 through a low interest loan and a grant. This newly established cooperative is made up primarily of **Western Dark Fired Tobacco Growers Association** members. The Nursery Cooperative is actively recruiting other farmers to reach a goal of having over 175 acres of trees planted by 2004. The coopera-





tive will increase net farm income and reduce the dependency on tobacco through the production of ornamental trees for the wholesale nursery market. Previous studies have indicated an unfilled demand in the state for ornamental products. By producing ornamental products, cooperative members will have the potential to earn nearly \$2,000 per acre.

## Value-Added Processing

*Developing value-added processing of Kentucky agricultural products and exploring the avenues for producers to participate more directly in those value-added activities.*



### Commonwealth Agri-Energy

In August 2001, the Kentucky Agricultural Development Board awarded a \$6,500,000 grant and later a \$3,000,000 loan in state and county Agricultural Development funds to the Hopkinsville Elevator Company. This award represents the largest investment made by the board to a single applicant. The Hopkinsville Elevator Company is a 2,300-member cooperative with farmer members in over 30 different counties. This cooperative plans to construct a facility in Christian County capable of producing 20 million gallons of ethanol per year. In order to produce this amount of fuel, it is estimated that the plant will need about 7 million bushels of corn annually. The farmer-owned facility will not only power automobiles, but will also fuel the agricultural economy of the region by increasing the price that farmers receive for the corn they produce. The by-product of ethanol production is the distiller's grain produced after the starch is taken from the corn. These grains can be sold wet or dry to cattle producers as feed for livestock. The cooperative plans to be producing ethanol by December 2003.

## Direct Market Infrastructure

*Developing a statewide marketing infrastructure to allow consumer access to Kentucky-grown products both locally and worldwide.*

### Anderson County Farmers' Market

In February 2002, the Kentucky Agricultural Development Board awarded \$55,000 in Anderson County funds to assist in the development of a county farmer's market. This facility is currently marketing agricultural products for producers in Anderson and surrounding counties directly to consumers. The market allows for both consignment and individual sales and is open from March through December. The market is housed in the old Louisville Southern Depot located on Highway 127. This location ensures a highly visible market with a high volume of traffic. According to the Kentucky Department of Transportation, the average traffic count on Highway 127 is over 15,000 per day. Since opening in March, the farmers' market has more than doubled its total sales compared to last year. Future plans are to incorporate a fresh meat counter that



will be supplied by local beef producers.

## Technical Service Support

*Providing technical assistance in the areas of new crop production, cooperative development, farm business analysis, and other areas to assist producers with making decisions that affect their farm operations.*

### **The Kentucky Center for Cooperative Development and the Kentucky Horticulture Council**

In August 2001, the Kentucky Agricultural Development Board awarded \$400,000 to the Kentucky Center for Cooperative Development, and in September 2001 the board awarded \$2,493,270 to the Kentucky Horticulture Council. The shift away from economic dependence on tobacco has created an increase in the number of producers statewide who are diversifying into alternative crops. These two projects are providing farmers with technical assistance in new crop production and business development. The Kentucky Horticulture Council is working with the University of Kentucky College of Agriculture to educate cooperative members and individual farmers with on-farm demonstrations on the techniques essential for quality production of alternative crops. Together with the Kentucky Department of Agriculture, the Horticulture Council will assist producers with identifying potential markets for their products. Farmers who would like join together to market their products can call on the Kentucky Center for Cooperative Development to assist them in establishing a marketing cooperative or other suitable business model. The Kentucky Center for Cooperative Development also assists existing cooperatives with practical business education to support day-to-day operations.



# Education & Outreach

## Education & Outreach

### Overview

The Kentucky Agricultural Development Board has provided educational opportunities for Kentucky's farm families and supported the educational outreach efforts of other state agencies and universities, through the Kentucky Center for Agricultural Development & Entrepreneurship.

Educational events through the Center range in size from small group workshops to large, multi-topic expositions. Partners in the past year's educational events include the Kentucky Department of Agriculture (KDA), University of Kentucky & Kentucky State University Cooperative Extension Service, the Cabinet for Workforce Development, and Kentucky Small Business Development Center (KSBDC). Additionally, staff of the Governor's Office of Agricultural Policy provides support for the Center's programs, as well as one-on-one technical guidance to applicants of the Kentucky Agricultural Development Fund.

### Technical Assistance Workshops

Technical assistance workshops focus on various aspects of the business planning process. The first workshop in February 2002, attracted 30 producers mainly from small farms interested in alternative agricultural crops. Plenary sessions covered an overview of the history of the Agricultural Development Fund (ADF), the Agricultural Development Board's philosophy and guiding principles, and the ADF application process. The Agricultural Development Fund application process session guided participants through each application question, providing tips and suggestions. Breakout sessions were offered in tracks to allow participants the opportunity to choose the track that fit their business project needs. Track I targeted those who were just getting started with a project or idea and led them, first, through an idea development session and then to a basic business plan development session. Track II targeted those who were further along in the process and delved into business plan development in great detail and touched on marketing plan development.

*The Board has partnered with the Kentucky Small Business Development Center to provide three levels of workshops*

Afterward, several participants noted that this kind of workshop was what they needed. They were tired of general, overview workshops and liked that this program got down to the "nitty gritty." To keep these kinds of technical assistance workshops available to farmers, the Board has partnered with the Kentucky Small Business Development Center to provide three levels of workshops: beginner (Smart Steps to Smart Choices), intermediate (Financial Management) and advanced (NexLevel: Agribusiness). These programs are being rolled out in Fall 2002.

### New Opportunity Forums

The "New Opportunity Forum" program is a series of interactive forums designed to discuss specific enterprises and issues of interest to Kentucky's agricultural community. The goal of these forums is to explore these enterprises for their feasibility and potential impact. Experts from a variety of areas within the specified enterprise gather as a panel to share their expertise on the related issues. Forum participants have an opportunity to ask pertinent questions regarding what the experts have shared and what the participants have already experienced. Because there is more than one side to an issue, these

discussions include both positive and negative aspects of the issues being addressed. Four forums have been sponsored to date: "Value-added Soybean Processing," "Regional Marketing Facilities," "Right-sizing Animal Agriculture," and "Vermiculture: Dissecting the Worm Industry."

The initial forums were set at the Kentucky State University's (KSU) Cooperative Extension studio. These forums were formatted to include one hour of panelist presentations, followed by an hour of questions and answers. The first forum, titled "Value-added Soybean Processing," took place on July 16, 2001, and featured Robert Stroup of R.L. Stroup Company, a private consulting firm. Stroup spoke on the process of soybean extrusion and the variety of users for the end product. Three professors from the University of Kentucky (UK) joined Mr. Stroup: Dr. Steve Riggins (Agricultural Economics), Dr. Donna Amaral-Phillips (Animal Science), and Dr. Anthony Pescatore (Animal Science).

Dr. Riggins spoke on the economic aspects of value-added processing. Dr. Amaral-Phillips discussed value-added soybeans as a feed source in dairy cattle and the potential benefits to milk production. Dr. Pescatore discussed poultry nutrition and the pros and cons of processed soybeans in a poultry feedstock.

The second forum focused on Regional Farm Marketing Centers. This forum sought to address several questions surrounding the regional market concept: 1) How many centers should there be in Kentucky? 2) Where should the facilities be located? 3) Can they be self-sustaining? and 4) How should the markets be structured (wholesale, retail, direct)? Phil Blalock (Independent Consultant), Dr. Tim Woods (UK Agricultural Economics), Anna Sidebottom (KDA) and Dr. Betty King (UK Rural Sociology) comprised the panel for this forum. Mr. Blalock, formerly of the USDA Farm Service Agency and former marketing specialist for the North Carolina Department of Agriculture, discussed the various structures of regional marketing facilities and provided specific examples of what has and what has not worked in various regional markets. Dr. Woods discussed a study he had completed for the Kentucky General Assembly regarding regional marketing facilities in Kentucky and his recommendations. Ms. Sidebottom shared with the group the marketing efforts of the Department of Agriculture. Dr. King touched on the interest in certified kitchens and clarified the differences between incubator, certified and commercial kitchens.

***Four forums have been sponsored to date:***

- ***Value-added Soybean Processing***
- ***Regional Marketing Facilities***
- ***Right-sizing Animal Agriculture***
- ***Vermiculture: Dissecting the Worm Industry***

The next forum featured Joel Salatin, a farmer/writer from Virginia, and was presented in conjunction with KSU's Third Thursday Thing. Salatin discussed "*Right-sizing Animal Agriculture*" and utilizing animals to do the work on the farm, in lieu of purchasing expensive machinery. Joining Salatin on the program was Jerry Boone, owner of Boone's Abattoir, Inc., who discussed meat processing and the opportunity available for potentially processing chickens during the slow summer months. Dr. Lee Meyer, University of Kentucky (UK) Agricultural Economist, brought the consumer aspect to the conversation and discussed the willingness of consumers to pay more for meat from local sources. Rounding out the program, Keiko Tanaka, a UK Rural Sociologist, shared an international perspective with the participants on how New Zealand farmers manage to supply 54% of

the world's sheep meat and 6% of the world's beef by having a tightly networked food industry that is able to respond to world market changes quickly.

Finally, approximately 70 participants visited KSU's campus to hear a panel address the vermiculture industry. In "Vermiculture: Dissecting the Worm Industry," panelists Dr. Clive Edwards, Rhonda Serman-Huntoon, Peter Bogdanov, Dr. Scott Subler, and Dan Halcombe shared their expertise in the worm industry from production of worms to marketing of fertilizers from worm by-products. Dr. Clive Edwards, Ohio State University Entomology & Environmental Science, provided an overview of the worm industry and an update on his latest research activities. Rhonda Sherman-Huntoon, an Extension Solid Waste Management Specialist at North Carolina State University, joined the panel to discuss vermicomposting

and worm uses in correctional facilities. To discuss best management practices in operating a vermicomposting business, Peter Bogdanov, VermiCo, was brought in from Oregon. To gain an entrepreneur and current vermicomposting business owner's perspective, Dr. Scott Subler, Pacific Garden Company, joined the panel to share his experiences not only in production, but also in marketing of vermicompost as a soil amendment. To round out the panel, another vermiculture business owner, Dan Halcombe, discussed his work with area supermarkets on processing food waste through his vermicomposting facilities to produce a commercial soil amendment. This workshop received praise for addressing an enterprise that many had questioned but no one had addressed.

Topics that have been suggested for future forums include wineries and vineyards, blueberries, paw-paws, organic farming and marketing, biomass, and the nursery/greenhouse industry.

## Farm Family Education Expo

In March, the Center partnered with the Cabinet for Workforce Development and the UK Cooperative Extension Service to produce an expo titled "Farm Family Education Expo: Skills for a Changing Future." This pilot project produced two education and training expositions in two of the most tobacco dependent regions of the state. Targeted counties included Adair, Barren, Bath, Bourbon, Bracken, Cumberland, Fleming, Green, Harrison, Hart, Lewis, Mason, Metcalfe, Monroe, Nicholas, Pendleton, and Robertson. Blue Licks Battlefield State Park (Nicholas Co.) and the Metcalfe County Enrichment Center each hosted an expo, for the respective counties in their areas. The events targeted farmers who needed supplemental income or to upgrade their business skills.

*This pilot project produced two education and training expositions in two of the most tobacco dependent regions of the state.*

This one-day series of workshops was designed to explore opportunities and services that can help farm families manage economic transition. Participants chose five of ten workshops to attend. Workshops ranged from topics to prepare farmers or their families for off-farm employment to improving financial management or diversifying agricultural enterprises. In addition to workshops, participants were provided the opportunity to speak with representatives of the various support agencies in the exhibit area. The Cabinet for Workforce Development provided mobile computer labs. The entire pilot project brought over 150 producers and service providers together for the benefit of farming families. Future expos are planned for the Northeastern and Southeastern regions of Kentucky in mid-December, 2002.

*Workshops ranged from topics to prepare farmers or their families for off-farm employment to topics on improving financial management or diversifying their agricultural enterprises.*

## Kentucky Opportunity Marketplace

To foster a greater awareness of the agricultural development process and the value of agriculture to Kentucky, the first annual Kentucky Opportunity Marketplace commenced January 28 and 29, 2002, at the Frankfort Civic Center. The theme for this year's conference was "The Next Generation of Farm Innovation" and focused on entrepreneurship, education and leadership - the building blocks for the future of agriculture.

Three objectives played a role in the design of the conference. First, educational tracks, targeted toward farmers interested in new opportunities in agriculture and how to turn an idea into an agribusiness enterprise, were developed. Second, exhibits from a variety of organizations, institutions and individuals provided information on opportunities in Kentucky agriculture and an overview of current activities. Finally, the County Council Leadership Session, educational sessions and the exhibit hall, provided abundant networking opportunities for participants.

## Educational Opportunities

Educational opportunities for this year's conference were structured as tracks.

The purpose of these tracks was threefold:

- To provide an opportunity for Kentucky's producers to learn about new opportunities in agriculture
- To provide basic technical education in a holistic format
- To provide an environment for networking with presenters and fellow farmers

In addition to exposure to opportunities available, participants left the day with the basics of business and market planning, a concept of the different business structures and knowledge of accessing capital from a variety of sources. Participants also networked with fellow farmers and presenters who they can utilize as resources in the future.

140 participants chose between three tracks: "Opportunities in Livestock," "Opportunities in Horticulture," and "New & Emerging Opportunities." A variety of enterprises were addressed during the Overview Sessions for each of the tracks:

"Opportunities in Livestock" focused on beef, dairy, goats, sheep, and equine. "Opportunities in Horticulture" focused on fruits, nuts, vegetables, nursery, floriculture, and herbs. "New & Emerging Opportunities" focused on forestry, wood products, mushrooms, aquaculture, agri-tourism, biomass production, molecular farming, specialty grains, and apiculture (bees).

At the end of the morning overview sessions for horticulture and livestock, Kentucky FFA students shared their entrepreneurial experiences with participants. In the "Opportunities in Horticulture" track, Kenton Abrams of Oldham County shared his experiences in building his nursery business. He also addressed the issue of too little Kentucky-grown nursery stock to supply his needs - a problem that forces Kentucky's nursery industry to purchase over 75% of its stock out of state. In the "Opportunities in Livestock" track, Tyson Sanderfur of Ohio County shared his experiences in diversifying his farm.

These educational tracks were a product of collaboration between the Kentucky Center for Agricultural Development & Entrepreneurship (KCADE) at the Governor's Office of Agricultural Policy (GOAP), the Kentucky Department of Agriculture (KDA), the University of Kentucky College of Agriculture (UK), the Kentucky Small Business Development Centers (SBDC) and the Kentucky Center for Cooperative Development (KCCD).



## Exhibits

In an effort to showcase farmer projects and innovative efforts in the agriculture community, the Kentucky Opportunity Marketplace featured a variety of exhibits. The conference boasted 42 exhibits divided into three categories: "Projects Funded by the Kentucky Agricultural Development Fund," "Organizations," and "Universities."

***Exhibit Category Breakdown***  
**Funded Projects - 18**  
**Organizations - 19**  
**Universities - 5**

Throughout the day, "Spotlights" featured specific exhibits and provided an opportunity for select exhibitors to share their project experiences with others. The spotlighted projects were the KSU Aquaculture Program, KentuckyVirtual.com, West Kentucky Grower's Cooperative, and Evans Orchard.

Not only did the exhibits provide valuable information to attendees, they also provided a taste of what Kentucky has to offer. From country ham to sorghum suckers, samples of Kentucky products ran the gamut and provided a tasty flare to the conference. Attendees sampled catfish from the Purchase Area Aquaculture Coop, CLA-enhanced Gouda cheese from the Kentucky Dairy Producers and apple cider from Evans Orchard.



# Long Term Plan

## Long Term Plan

### Long Term Plan

In January 2002, the Agricultural Development Board approved Kentucky's first long-term plan for agricultural development, *Cultivating Rural Prosperity*.

*Cultivating Rural Prosperity* represents a blueprint for Kentuckians in addressing issues associated with agricultural growth and diversification in the Commonwealth. The plan focuses on six main areas: the implementation of a statewide market development effort, improving access to capital for farmers and value-added processors, providing financial incentives for sound environmental practices, improving educational opportunities for farm families, supporting local leadership, and expanding Kentucky's research and development capacity.

Building on County Plans, the foundation of the Long-Term Plan, the Kentucky Agricultural Development Board conducted a series of 11 regional meetings that attracted over 600 people. In these meetings, participants were asked to think across county lines and identify the most important issues related to long-term agricultural economic development in their regions.

In addition, Kentucky Agricultural Development Board staff held a series of state-level meetings involving agricultural and policy leaders from around the state and nation. Farmers, religious leaders, educators, business people, medical professionals and many others worked long hours confronting the issues facing Kentucky's farm families. They helped develop the potential solutions to these problems that have been summarized and presented in the plan.

Recognizing the diversity of Kentucky's agricultural economy and its geography, *Cultivating Rural Prosperity* identifies three rural ecosystems in the Commonwealth: Eastern, Western and Central. The Plan also identifies the most competitive sectors in each region, with the understanding that several sectors have great potential across regions. Successful development of each sector retains the present scale and individual ownership of our farms while maintaining our rural towns and communities.

### Kentucky's Three Rural Ecosystems

#### East Kentucky

Timber

Livestock, Vegetables and other opportunities

Agri-tourism

Information Technology Knowledge-based Small Farm Income Supplement

#### Central Kentucky

Horses

Tobacco

Forages and Hay

Feeder Cattle

Meat for Local Markets

Vegetables

#### West Kentucky

Value-Added Grain

Horticulture

Bio-fuel production



## Priority #1 - Marketing and Market Development

To date, the Board has invested \$43.8 million in projects that develop new markets for Kentucky farm products, new markets for livestock, grain, horticulture and many new and emerging opportunities for Kentucky farmers. Aquaculture, vermiculture, mushrooms, forestry, livestock processing facilities, grain processing facilities, ethanol production, and horticulture processing cooperatives are examples of some of the new markets and enterprises. These investments have helped to strengthen Kentucky's existing agri-businesses, while ensuring Kentucky farmers earn a premium on their commodities.



As mentioned in section I the Agricultural Development Board encumbered \$13 million in January 2002, characterized as a "down payment" toward the development of a statewide market development plan. The Board is commissioning a study to develop a systematic approach that allows for appropriate infrastructure development and sets strategies for a coordinated market access initiative encompassing local, regional, and state marketing efforts.

Kentucky Agricultural Development Board staff has developed a local market needs assessment with assistance from Kentucky Farm Bureau and the Kentucky Department of Agriculture. Staff conducted four local market focus-group meetings with the assistance of an outside facilitator at which operators of community supported agricultural groups, farmers' markets, and roadside markets prioritized investment categories to increase their profitability. Staff is currently working to draft a county model program to address these needs.

The California-based firm Motto, Kryla and Fisher completed a market assessment study on Kentucky's grape and wine industry. The study addresses the strengths and challenges of the current state of the Kentucky wine and grape industry. The study also makes recommendations for funding decisions and steps necessary to increase the chance for success.

There are several other market studies underway, all at various stages of the process. The Green River Cattle Company is conducting a pilot project to determine the feasibility of direct-marketed, locally finished beef. Additionally, market assessment studies are currently underway for aquaculture, meat goats, dairy goats, the profitability supplying of biomass as a fuel source, the in state market for edible soybeans, vermiculture and vermicomposting.

### Financing the Future: Improving Access to Capital

Access to capital was identified as crucial to the support of agricultural entrepreneurship. Typically, farm production credit is readily available, while capital for value-added enterprises has been subject to high interest rates and strict covenants, making it unavailable to any but sophisticated borrowers. One of the goals of the Agricultural Development Board is to work with lending institutions and farmers to increase the access to capital by strengthening existing programs and developing new ones.

To accomplish this goal, Governor Patton will reactivate the Kentucky Agricultural Finance Corporation (KAFC). According to KRS 247.940, KAFC may assist private enterprise in producing the necessary capital to aid small, family-farm operators and first-time farmers, as well as stimulating existing agriculture enterprises and the promotion of new agricultural ventures. KRS 247.946 provides a list of powers given to the Corporation including the right to receive grants and gifts, to own real and personal property, and the authority to issue bonds. KAFC is granted the same powers delegated to cities and counties under KRS 103.200 - 103.285.

K AFC could offer direct loans through direct grants of the Agricultural Development Board, General Fund appropriations, or other federal programs such as USDA's Rural Development programs or programs through the Federal Home Loan Bank. Direct loans could also be issued through a loan pool created by bond issue.

*Access to capital was identified as crucial to the support of agricultural entrepreneurship.*

K AFC has the authority to provide below-market financing by using tax-exempt financing for first-time farmers in accordance with rules set out in the Industrial Revenue Code. K AFC also has the authority to issue bonds outside of the Internal Revenue Code requirements at non-tax-exempt market rates. This kind of debt issuance could be used to establish a larger revolving loan fund immediately, rather than building up a loan fund with money set aside from Agricultural

Development Funds. The fund would require an annual set-aside of Agricultural Development Funds as the primary source of repayment for the bond debt service. This would allow the revolving loan fund to build up as repayments of principal and interest were made back to the fund.

K AFC could include a program like the Link Deposit Loan Program. The Link Deposit program is established in KRS 41.600 - 41.625. Funds from the State Treasurer's unclaimed and abandoned property program are invested in participating financial institutions with the Treasurer taking a lower rate of interest on the investment. The lower rate savings are then passed on to the institution's borrower. Since the bank is obligated to repay the funds to the Treasurer, the program is available for more secure loans and established borrowers. K AFC would serve as the clearinghouse for applications in the program.

Finally a separate pool of Agricultural Development Funds could be set aside to serve as equity or near-equity in agricultural ventures. An example of a near-equity participation might include a loan convertible to ownership based upon the occurrence of certain events. All equity-type financing should be limited to innovative agricultural diversification, or new agricultural technologies with possibilities for significant return on investment that would not otherwise meet the security requirements for traditional lending should include a focus on agricultural research and development areas targeted by the Kentucky Innovation Commission and could include other ventures as well. Any equity positions taken by a venture capital fund could return to the fund for reinvestment in fund-related activity.

## Financial Incentives for Environmental Stewardship

The Commonwealth's long-term plan for agriculture recognizes the state's rural landscape and environmental quality as valuable assets in marketing both Kentucky and its agricultural products. To preserve this asset, we must re-evaluate farm management techniques for long-term sustainability. Certified sustainable programs and incentives must be encouraged. Kentucky should embrace national and international programs by rewarding farmers and state companies who follow approved practices and pressuring those who do not.

Since 2000, \$36 million of the Agricultural Development Fund has been committed to the Soil Erosion and Water Quality cost-share program administered by the Division of Conservation. Agricultural Development Funds have also been used for debt service on a \$50 million bond issue to extend water lines in areas of high agricultural activity. Funds have also been committed for debt service on a \$25 million bond issued to support state-wide and local farmland preservation efforts like the Kentucky Department of Agriculture's Purchase of Agriculture Conservation Easements (PACE) and Fayette County's Purchase of Development Rights (PDR).

Largely as a result of the environmental cost-share funds from our agricultural development initiative and a strong application from several state agencies, the Commonwealth was awarded \$85 million in federal funds to protect one of Kentucky's most threatened natural waterways and to reimburse farmers for the public service they perform by keeping rivers

<b>Financial Incentives for Environmental Stewardship</b>	<b>Total</b>
Environmental Cost-Share	\$18,000,000
Rural Water Line Debt Service	5,031,000
PACE/PDR Infrastructure Debt Service	3,774,000
Green River Conservation Reserve Enhancement Program	105,000,000
<b>Total Investment</b>	<b>\$131,805,000</b>

and streams clean. With the state's matching funds over \$105 million will be channeled to the nine counties in the Green River watershed and over the next 15 years. The project represents the largest federally financed agricultural conservation program in Kentucky's history.

We have historically underestimated the economic, ecological, social and cultural values of our forests. With 92 percent of these assets in private hands, primarily in tracts of less than 40 acres per landowner, fragmentation has made coordinated management difficult. The 1998 Forest Conservation Act was a step toward addressing this need by providing training for loggers. Staff is currently exploring market access with the Division of Forestry and the wood industry, to guarantee our farmers' share in this valuable resource.

### **Farm Family Education and Computer Literacy**



The fourth priority is focused on developing a statewide online library of agricultural development resources and conducting farm business accounting and analysis programs. County Extension offices should be encouraged to expand county-based programs aimed at improving farm family Internet access and developing farmer-to-farmer training programs. Programs that focus on the needs of farm families in the areas of financial planning, personal development and basic computer literacy should be made more accessible. As a result of the Farm Family Education and Expo mentioned in Section III, a prominent agribusiness in Western Kentucky has utilized the Cabinet for Workforce Development's mobile computer lab to provide introduction computer training for their producers in Ohio and McLean counties. This initial venture pulled in thirty-two producers. The mobile computer facility is also being requested for other agribusinesses and for county field days.

### **Supporting Local Leadership**

Kentucky's rural communities are in a state of transition. The decline in the economic significance of burley tobacco combined with the risk and uncertainty associated with agriculture in general has placed added strain on the rural economy. Funds should be available in each extension area of the state to organize community-based leadership programs that emphasize skills related to farm-based business development, supporting County Agricultural Councils, and enhance the Kentucky Cooperative Extension Network.

County Agricultural Development Councils have assumed substantial responsibility at the local level for the future of Kentucky agriculture. Several steps have been taken to address these issues. In the proposed 2003-2004 budget, County Councils whose annual allocations exceed \$20,000 may use 4% of their annual county funds for administrative fees, not to exceed \$15,000.

In order to recruit and train the best personnel to the Cooperative Extension Service, salaries should be upgraded. The 2002 Kentucky Legislature has proposed a commitment of a one-time, merit-based raise for county extension personnel from State Agricultural Development Funds.

## Research and Development

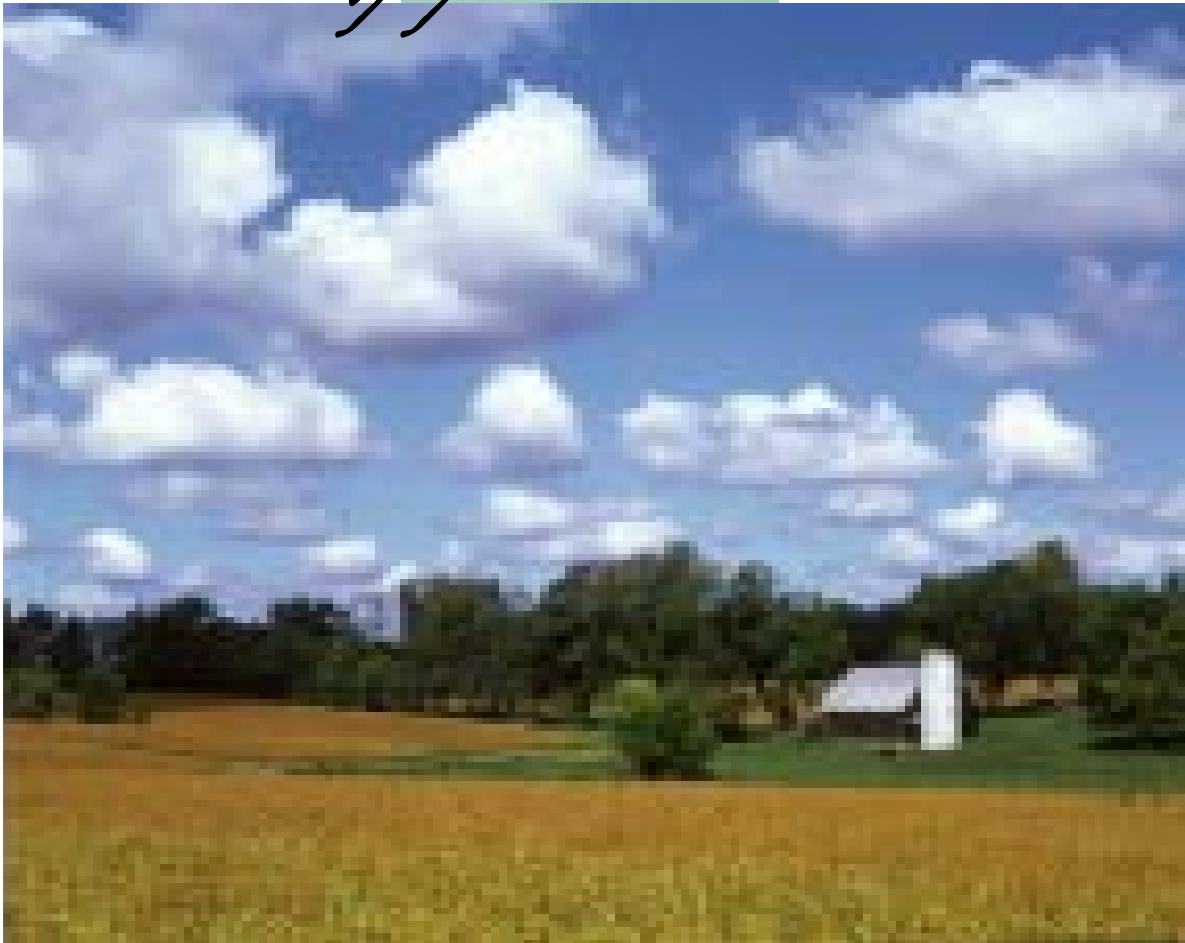
Biotechnology, genetic engineering and molecular farming may hold promise for adapting agricultural crops and livestock to new purposes. Plants and animals may be engineered to produce a variety of valuable biological products ranging from vaccines to biodegradable plastics. The opportunities and risks presented by this technology should be carefully weighed.

ApoImmune was awarded funds for the research into the feasibility of producing human therapeutics in tobacco for the purpose of treating cancer and other life-threatening illnesses. Current protein production capabilities are running at or beyond capacity. Construction of federally licensed labs to produce therapeutic proteins runs in the tens of millions of dollars. The first phases of the project involves contracting with Large Scale Biology Corporation's facility in Owensboro for a proof of concept on the feasibility of producing the anti-cancer treatments. Kentucky farmers may, at some point in the future, be producing tobacco that saves the lives of Cancer patients and other terminally ill persons.

Often purveyors of new technology seek to minimize ecological risks and maximize profit potential. The role of molecular farming in Kentucky should receive further attention, discussion and deliberation in open meetings. The economic and ecological stakes in agriculture require that the potential long- and short-term risks and benefits of this technology be fully deliberated. Representatives of industry, farmers, researchers, ecologists, consumer groups, regulatory agencies and other interested parties should be included in such deliberations. One specific topic for public deliberation should be how to assure material benefit for farmers through novel models of intellectual property ownership and commercialization.

Kentucky Agricultural Development Fund  
Cultivating Rural Prosperity

*Apprentices*



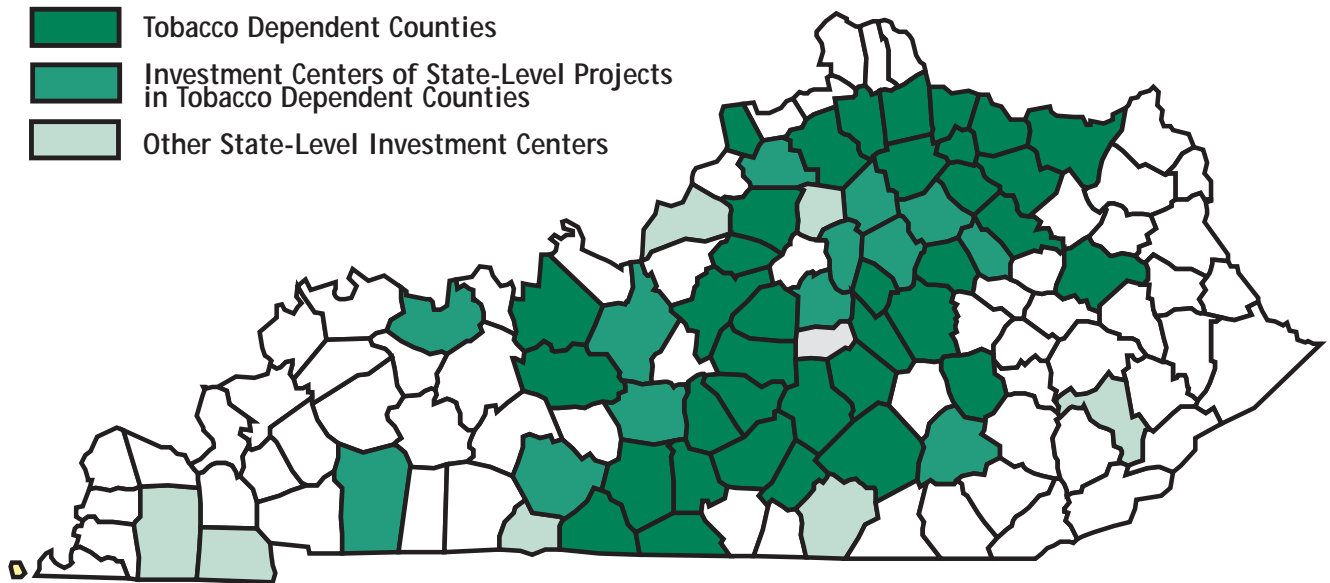
July 2001 - June 2002

# APPENDIX B

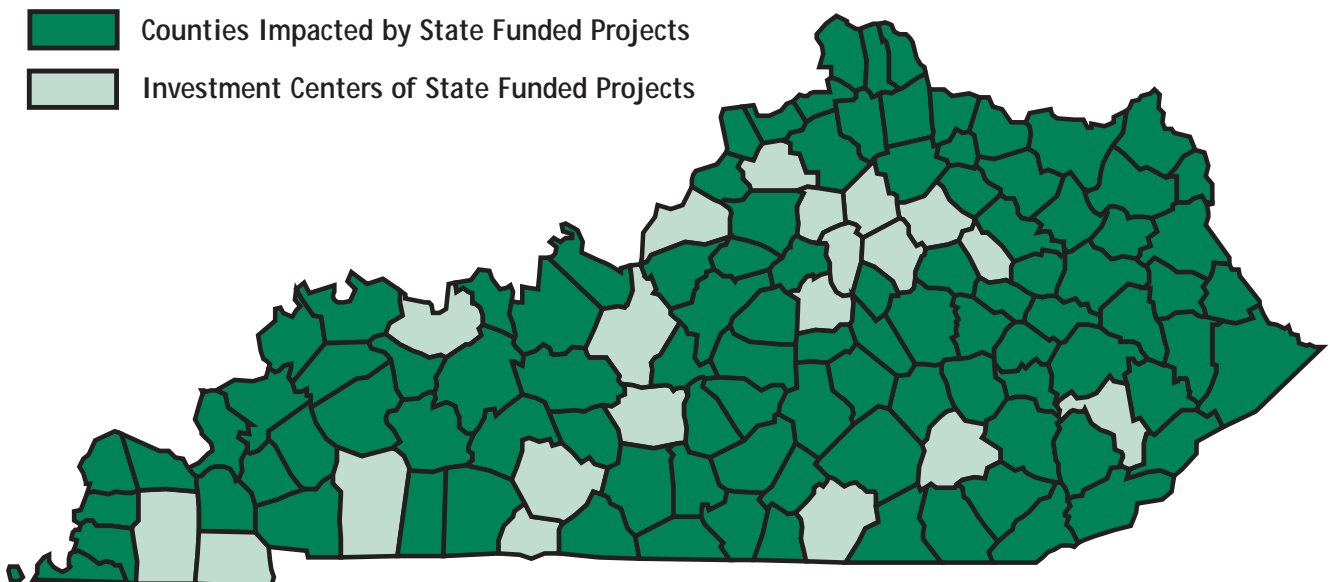
## Investments and Tobacco Dependency

Agricultural Development Funds invested in projects throughout the state have had a significant impact on the top tobacco producing counties. Projects like Kentucky Beef Network and Kentucky Center for Cooperative Development provide statewide technical and developmental assistance to farmers expanding existing production or venturing into cooperative projects. The Forest School and Kentucky Native Seed are not only providing the seed stock for new production practices for the farmer, but also providing consultation and market assistance to producers throughout the state. As projects continue to expand and develop the depth of their work, the impact to tobacco producing counties will be far reaching.

### State-wide Projects and Top 50 Tobacco Dependent Counties



### Impact of State Funded Projects



## Investments and Tobacco Dependency

### State-Level Investments in Kentucky's Top 50 Tobacco-Impacted Counties

Project Name	State Funds	Number of Tobacco-Impacted counties	2002 Cumulative Tobacco Quota (lbs.)
ADB Market Development	\$13,000,000.00	50	168,668,114
ApoImmune	\$255,000.00	0	
Appalachian Sweet Sorghum Marketing Assoc.	\$100,000.00	1	3,342,164
Central Kentucky Growers Association, Inc.	\$456,000.00	9	37,975,058
Christian Co. Grain, Inc.	\$310,000.00	1	3,233,239
Commonwealth Agri-Energy	\$9,311,000.00	6	22,334,868
Community Ventures Corporation	\$708,750.00	27	65,039,209
Cumbeland Valley Milling	\$1,900,000.00	2	5,258,861
Cumberland Farm Products	\$2,500,000.00	7	28,067,014
Department of Veterinary Science	\$56,400.00	5	25,149,683
Elmwood Stock Farm	\$138,100.00	8	39,294,433
Equus Run Vineyards, LLC	\$253,825.00	8	38,336,712
Evans Orchard	\$122,923.00	5	18,048,358
Friends of Kentucky 4-H, Inc.	\$2,000,000.00	50	168,668,114
Green River Produce Marketing Coop	\$882,000.00	9	28,702,664
Heifer Development Project	\$37,080.00	2	3,152,143
Jackson's Orchard and Nursery	\$89,500.00	5	18,048,358
Kentucky Beef Network	\$2,511,370.00	50	145,354,211
Kentucky FFA Foundation, Inc.	\$2,000,000.00	50	168,668,114
Kentucky Native Seed Company	\$177,600.00	11	39,856,904
Kentucky State Beekeepers Association	\$100,103.00	30	116,077,237
Kentucky State University Land Grant Program	\$292,750.00	30	116,077,237
Kentucky Thoroughbred Owners and Breeders	\$271,200.00	5	25,149,683
Kentucky West Nursery Cooperative, Inc.	\$4,632,466.00	0	
Kentucky Wool Society	\$46,385.00	2	10,059,306
Kentucky's Finest Sausage	\$46,250.00	2	4,904,156
KentuckyVirtual.com	\$500,000.00	0	
KY Center for Cooperative Development	\$400,000.00	1	2,231,926
Ky Horticulture Council	\$2,493,270.00	1	4,028,158
Little Kentucky Smokehouse Initiative	\$950,000.00	3	8,998,847
Purchase Area Aquaculture Cooperative	\$381,000.00	0	
Shuckman's Food Service	\$300,000.00	3	10,501,950
Smith-Berry Vineyard and Winery, Inc.	\$48,700.00	5	20,987,926
Southern Dairy Compact, The	\$100,000.00	36	122,004,362
The Forest School, Inc.	\$94,306.50	1	2,231,926
Triple T Greenhouses	\$74,500.00	3	8,644,037
Watts Farm (Burns-Larkins, LLC)	\$259,910.00	1	3,578,936
West Kentucky Growers Cooperative	\$2,339,000.00	2	7,519,240
Wilderness Trail Area Beef Marketing Alliance	\$61,500.00	2	3,963,219

## Investments and Tobacco Dependency

### State-Level Investments in Kentucky's Top 50 Tobacco-Impacted Counties

County	2002 Basic Tobacco Quota	Number of statewide projects that reach this county
Barren	6,322,686	14
Owen	4,241,299	13
Bourbon	6,255,103	16
Shelby	6,064,173	11
Hart	4,672,748	16
Henry	4,938,563	12
Harrison	4,969,176	14
Fleming	4,028,158	13
Bracken	3,445,301	11
Madison	5,683,796	14
Scott	5,588,522	18
Breckinridge	3,862,207	12
Woodford	5,473,697	15
Casey	3,136,273	14
Mason	4,469,217	14
Garrard	3,765,527	12
Robertson	1,290,671	10
Green	3,164,718	14
Fayette	4,028,158	15
Washington	3,560,602	13
Bath	3,342,164	14
Pulaski	3,471,925	14
Metcalfe	2,920,469	12
Nicholas	2,796,327	13
Lincoln	2,796,327	13
Mercer	3,578,936	12
Clark	3,831,177	12
Adair	2,429,207	12
Grant	3,054,682	11
Daviess	3,657,033	16
Jessamine	3,804,203	14
Lewis	2,504,162	11
Warren	3,098,952	15
Montgomery	3,385,176	12
Pendleton	2,656,454	12
Marion	2,947,760	11
Christian	3,233,239	13
Morgan	2,066,094	10
Trimble	2,044,048	10
Taylor	2,636,150	12
Laurel	2,274,246	13
Spencer	2,096,526	11
Monroe	1,935,935	12
Grayson	2,056,754	12
Russell	1,786,936	12
Nelson	2,490,485	11
Jackson	1,688,973	13
Hardin	2,231,926	14
Elliott	1,086,049	10
Allen	1,805,204	14



# Investments and Tobacco Dependency

## County-level model program investment

Success of our county model cost-share programs in genetic improvement, cattle handling facilities, forage improvement, agricultural diversification and goat diversification has been heavily utilized in the Commonwealth's top 25 tobacco-impacted counties:

### Genetics Program

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Statewide	\$	6,974,995.27
Top 25	\$	2,727,997.06 / 39% of statewide total

### Forage Improvement

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Statewide	\$	13,193,112.32
Top 25	\$	5,785,785.00 / 44% of statewide total

### Handling Facilities

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Statewide	\$	8,417,204.43
Top 25	\$	3,962,074.00 / 47% of statewide total

### Agricultural Diversification

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Statewide	\$	4,023,818.44
Top 25	\$	1,681,190.00 / 42% of statewide total

### Goat Diversification

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Statewide	\$	1,359,715.00
Top 25	\$	356,228.00 / 26% of statewide total

### County Project Investments

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Statewide	\$	5,699,457.19
Top 25	\$	2,418,942.00 / 42% of statewide total

# APPENDIX D

## Agricultural Development Funding Dollars Summary

### DEVELOPMENT OF ESTABLISHED AGRICULTURAL SECTORS

County	Project Name	County Funds	State Funds
Bourbon	Kentucky Thoroughbred Owners and Breeders	\$10,000.00	\$0.00
Breathitt	Heifer Development Project	\$12,500.00	\$0.00
Breckinridge	Breckinridge County Soil Conservation District	\$163,800.00	\$0.00
Caldwell	Rex W. Cook	\$10,779.00	\$0.00
Caldwell	Roger Boyd, Jr.	\$4,000.00	\$0.00
Campbell	Campbell Co. Cattle Assoc., Inc.	\$7,400.00	\$0.00
Carter	Heifer Development Project	\$12,500.00	\$0.00
Carter	All Creatures Veterinary Care	\$7,250.00	\$0.00
Carter	All Creatures Veterinary Care	\$1,487.00	\$0.00
Clay	Wilderness Trail Area Beef Marketing Alliance	\$25,000.00	\$0.00
Elliott	Heifer Development Project	\$6,250.00	\$0.00
Fayette	Kentucky Thoroughbred Owners and Breeders	\$10,000.00	\$0.00
Floyd	Heifer Development Project	\$250.00	\$0.00
Franklin	Franklin County Conservation District	\$3,000.00	\$0.00
Grayson	Grayson Co. Cattlemen Association	\$2,500.00	\$0.00
Greenup	Heifer Development Project	\$2,500.00	\$0.00
Harrison	Harrison County Conservation District	\$2,800.00	\$0.00
Jackson	Wilderness Trail Area Beef Marketing Alliance	\$12,000.00	\$0.00
Jackson	Jackson County Cattle Association	\$2,000.00	\$0.00
Johnson	Heifer Development Project	\$7,500.00	\$0.00
Knox	Wilderness Trail Area Beef Marketing Alliance	\$25,000.00	\$0.00
Larue	LaRue County Beef Cattle Association	\$16,000.00	\$0.00
Laurel	Wilderness Trail Area Beef Marketing Alliance	\$100,000.00	\$0.00
Lawrence	Heifer Development Project	\$7,000.00	\$0.00
Lee	Heifer Development Project	\$2,500.00	\$0.00
Logan	Mammoth Cave RC&D Council - Shade Cloth	\$37,000.00	\$0.00
Madison	Madison County Fiscal Court	\$50,000.00	\$0.00
Magoffin	Heifer Development Project	\$5,250.00	\$0.00
Marion	Marion County Conservation District	\$35,500.00	\$0.00
McCreary	McCreary County Ag. Development Council	\$2,060.00	\$0.00
Mercer	Mercer County Conservation District	\$2,245.00	\$0.00
Morgan	Heifer Development Project	\$12,500.00	\$0.00
Nicholas	Nicholas County Fiscal Court	\$312,000.00	\$0.00
Owen	Owen County Farm Bureau Forage Equipment	\$44,200.00	\$0.00
Owen	Owen County Farm Bureau	\$10,588.00	\$0.00
Owsley	Heifer Development Project	\$5,000.00	\$0.00
Owsley	Owsley County Conservation District	\$30,625.00	\$0.00
Perry	Heifer Development Project	\$5,000.00	\$0.00
Pulaski	Pulaski County Horticulture Association	\$64,633.00	\$0.00
Pulaski	Pulaski County Horticulture Association	\$9,898.00	\$0.00
Pulaski	South Kentucky Agricultural Development	\$60,900.00	\$0.00
Rowan	Heifer Development Project	\$6,250.00	\$0.00
Scott	Scott County Beef Improvement Association	\$2,100.00	\$0.00
Scott	Kentucky Thoroughbred Owners and Breeders	\$10,000.00	\$0.00
Shelby	Shelby County A&M Association	\$246,000.00	\$0.00
Shelby	Shelby County Farm Bureau	\$230,000.00	\$0.00
Simpson	Simpson County Conservation District	\$101,199.00	\$0.00
State	Wilderness Trail Area Beef Marketing Alliance	\$0.00	\$61,500.00

# Agricultural Development Funding Dollars Summary

## DEVELOPMENT OF ESTABLISHED AGRICULTURAL SECTORS

County	Project Name	County Funds	State Funds
State	Heifer Development Project	\$0.00	\$37,080.00
State	Kentucky Thoroughbred Owners and Breeders	\$0.00	\$271,200.00
Taylor	Taylor County Tree Planter	\$3,500.00	\$0.00
Trigg	Roger Boyd, Jr.	\$4,000.00	\$0.00
Warren	Warren County Conservation District	\$40,000.00	\$0.00
Warren	Warren County Cattle Producer's Association Inc.	\$20,200.00	\$0.00
Wayne	Wayne County Tomato Growers	\$9,000.00	\$0.00
Wayne	Wayne County Cabbage Growers	\$1,365.50	\$0.00
Wayne	Wayne County Pork Producers	\$2,000.00	\$0.00
Whitley	Wilderness Trail Area Beef Marketing Alliance	\$25,000.00	\$0.00
Wolfe	Heifer Development Project	\$12,500.00	\$0.00
Woodford	Kentucky Thoroughbred Owners and Breeders	\$10,000.00	\$0.00
	<b>SUBTOTAL</b>	<b>\$1,864,529.50</b>	<b>\$369,780.00</b>
	<b>TOTAL</b>		<b>\$2,234,309.50</b>

## DEVELOPMENT OF NEW AND EMERGING ENTERPRISES

County	Project Name	County Funds	State Funds
Allen	Allen County Bee Keepers Association	\$4,000.00	\$0.00
Ballard	Kentucky West Nursery Cooperative, Inc.	\$50,000.00	\$0.00
Calloway	Kentucky West Nursery Cooperative, Inc.	\$50,000.00	\$0.00
Christian	Robert Gray and Lee Jay Smith	\$12,500.00	\$0.00
Graves	Kentucky West Nursery Cooperative, Inc.	\$35,000.00	\$0.00
Graves	Purchase Area Aquaculture Cooperative	\$100,000.00	\$0.00
Grayson	Southern Ky Aquaculture Co-Op	\$7,602.03	\$0.00
Grayson	Southern Ky Aquaculture Co-Op	\$3,000.00	\$0.00
Hancock	Kentucky Sorghum Producers	\$15,160.00	\$0.00
Henry	Smith-Berry Vineyard and Winery, Inc.	\$25,000.00	\$0.00
Hickman	Kentucky West Nursery Cooperative, Inc.	\$10,000.00	\$0.00
Madison	Best Family Farms	\$2,000.00	\$2,874.00
Menifee	Appalachian Sweet Sorghum Marketing Assoc.	\$10,000.00	\$0.00
Montgomery	Appalachian Sweet Sorghum Marketing Assoc.	\$10,000.00	\$0.00
Owsley	Eastern Kentucky Goat Producers Association	\$6,165.00	\$0.00
Scott	Elmwood Stock Farm	\$5,000.00	\$0.00
Simpson	Simpson County Conservation District	\$7,200.00	\$0.00
State	Purchase Area Aquaculture Cooperative	\$0.00	\$381,000.00
State	Kentucky State Beekeepers Association	\$0.00	\$100,103.00
State	Equus Run Vineyards, LLC	\$0.00	\$253,825.00
State	Kentucky State University Land Grant Program	\$0.00	\$292,750.00
State	Elmwood Stock Farm	\$0.00	\$138,100.00
State	Watts Farm	\$0.00	\$259,910.00
State	Kentucky West Nursery Cooperative, Inc.	\$0.00	\$796,596.00
State	The Forest School, Inc.	\$0.00	\$94,306.50
State	Appalachian Sweet Sorghum Marketing Assoc.	\$0.00	\$100,000.00
State	Kentucky West Nursery Cooperative, Inc.	\$0.00	\$3,835,870.00
State	Smith-Berry Vineyard and Winery, Inc.	\$0.00	\$48,700.00
Taylor	Green River Bee Keepers	\$1,189.00	\$0.00
Washington	Washington County Grape Growers Assoc.	\$275,492.00	\$0.00
Woodford	Equus Run Vineyards, LLC"	\$10,000.00	\$0.00
	<b>SUBTOTAL</b>	<b>\$639,308.03</b>	<b>\$6,304,034.50</b>
	<b>TOTAL</b>		<b>\$6,943,342.53</b>

# Agricultural Development Funding Dollars Summary

## VALUE-ADDED PROCESSING

County	Project Name	County Funds	State Funds
Bath	Central Kentucky Growers Association, Inc.	\$3,000.00	\$0.00
Bourbon	Kentucky Wool Society LLC	\$0.00	\$46,385.00
Bourbon	Central Kentucky Growers Association, Inc.	\$10,000.00	\$0.00
Bourbon	Kentucky Wool Society LLC	\$5,000.00	\$0.00
Christian	Hopkinsville Elevator Company	\$100,000.00	\$0.00
Christian	Christian Co. Grain, Inc.	\$25,000.00	\$0.00
Christian-State	Commonwealth Agri-Energy, LLC	\$0.00	\$3,000,000.00
Clark	Central Kentucky Growers Association, Inc.	\$5,000.00	\$0.00
Clinton	Southeast Kentucky Corn Growers Association	\$10,000.00	\$0.00
Cumberland	Southeast Kentucky Corn Growers Association	\$20,000.00	\$0.00
Daviess	West Kentucky Growers Cooperative	\$94,977.00	\$0.00
Fleming	Rick Lowe and Jim Meadows	\$227,385.00	\$0.00
Harrison	Central Kentucky Growers Association, Inc.	\$5,000.00	\$0.00
Hart	Kentucky Native Seed Cooperative	\$25,000.00	\$669,906.00
Henderson	West Kentucky Growers Cooperative	\$16,386.00	\$0.00
Jessamine	Kentucky Wool Society LLC	\$3,000.00	\$0.00
Lewis	Rick Lowe and Jim Meadows	\$112,000.00	\$0.00
Logan	Hopkinsville Elevator Company	\$43,000.00	\$0.00
McLean	West Kentucky Growers Cooperative	\$32,941.50	\$0.00
Nelson	River Ridge Country Style Meats	\$16,500.00	\$0.00
Ohio	West Kentucky Growers Cooperative	\$50,000.00	\$0.00
Pulaski	Southeast Kentucky Corn Growers Association	\$30,000.00	\$0.00
Rockcastle	Southeast Kentucky Corn Growers Association	\$10,000.00	\$0.00
Russell	Southeast Kentucky Corn Growers Association	\$20,000.00	\$0.00
Scott	Central Kentucky Growers Association, Inc.	\$15,000.00	\$0.00
Simpson	Kentucky's Finest Sausage	\$15,000.00	\$0.00
Simpson	Hopkinsville Elevator Company	\$10,000.00	\$0.00
State	Hopkinsville Elevator Company	\$0.00	\$6,311,000.00
State	West Kentucky Growers Cooperative	\$0.00	\$605,000.00
State	Southeast Kentucky Corn Growers Association	\$0.00	\$1,900,000.00
State	Green River Produce Marketing Coop	\$0.00	\$882,000.00
State	Central Kentucky Growers Association, Inc.	\$0.00	\$456,000.00
State	Evans Orchard	\$0.00	\$122,923.00
State	Cumberland Farm Products	\$0.00	\$2,500,000.00
State	Jackson's Orchard and Nursery	\$0.00	\$89,500.00
State	Kentucky's Finest Sausage*	\$0.00	\$46,250.00
State	Christian Co. Grain, Inc.	\$0.00	\$310,000.00
State	West Kentucky Growers Cooperative	\$0.00	\$234,000.00
State	West Kentucky Growers Cooperative	\$0.00	\$1,500,000.00
Todd	Hopkinsville Elevator Company	\$36,000.00	\$0.00
Todd	Christian Co. Grain, Inc.	\$10,000.00	\$0.00
Wayne	Southeast Kentucky Corn Growers Association	\$40,000.00	\$0.00
	<b>SUBTOTAL</b>	<b>\$990,189.50</b>	<b>\$18,672,964.00</b>
	<b>TOTAL</b>		<b>\$19,663,153.50</b>

## DIRECT MARKET INFRASTRUCTURE

County	Project Name	County Funds	State Funds
Anderson	Anderson Co. Farmers' Market	\$55,000.00	\$0.00
Bourbon	Mingua Brothers Beef Jerky, Inc.	\$12,000.00	\$0.00
Boyle	Boyle Co. Fiscal Court & Fair Board	\$32,541.16	\$0.00

# Agricultural Development Funding Dollars Summary

## DIRECT MARKET INFRASTRUCTURE

County	Project Name	County Funds	State Funds
Christian	Ben Payne BEPA Inc., DBA Great Farms	\$35,000.00	\$0.00
Daviess	Owensboro Farmers Market and Downtown Owensboro, Inc	\$8,000.00	\$0.00
Henry	Henry County Chamber of Commerce and Henry Co. Fiscal Court	\$38,300.00	\$0.00
Henry	The Family Farm Cooperative Association	\$10,000.00	\$0.00
Hopkins	Pennyrile Area Farmers Market Association	\$15,020.00	\$0.00
Lawrence	Lawrence County Farmers Market Association	\$3,730.00	\$0.00
Lewis	Lewis County Vegetable Producers Association	\$99,030.00	\$0.00
Logan	Expanding Kentucky's Investment: Value Added Beef	\$47,016.00	\$0.00
Madison	Madison County Farm Bureau Federation	\$37,000.00	\$0.00
Monroe	Monroe County Vegetables Growers Cooperative	\$14,550.00	\$0.00
Oldham	The Family Farm Cooperative Association	\$10,000.00	\$0.00
State	KentuckyVirtual.com	\$0.00	\$500,000.00
State	ADB Market Development	\$0.00	\$13,000,000.00
Taylor	Farmers' Market Association, Inc. of Taylor County	\$8,650.00	\$0.00
Trimble	The Family Farm Project Cooperative Association	\$10,000.00	\$0.00
Warren	South Central Produce Association	\$6,000.00	\$0.00
	<b>SUBTOTAL</b>	<b>\$441,837.16</b>	<b>\$13,500,000.00</b>
	<b>TOTAL</b>		<b>\$13,941,837.16</b>

## TECHNICAL SERVICE REPORT

County	Project Name	County Funds	State Funds
Daviess	Grain Day	\$10,000.00	\$0.00
Harrison	KY Farm Business Anaysis	\$5,500.00	\$0.00
Meade	Meade County Grain Grower's Assoc.	\$42,000.00	\$0.00
Oldham	Louisville Area Farm Business Analysis Group, Inc.	\$3,000.00	\$0.00
Shelby	Louisville Area Farm Business Analysis Group Inc.	\$10,000.00	\$0.00
State	KY Horticulture Council	\$0.00	\$2,493,270.00
State	KY Center for Cooperative Development	\$0.00	\$400,000.00
State	Kentucky Cattlemen's Association	\$0.00	\$2,511,370.00
State	Community Ventures Corporation	\$0.00	\$708,750.00
	<b>SUBTOTAL</b>	<b>\$70,500.00</b>	<b>\$6,113,390.00</b>
	<b>TOTAL</b>		<b>\$6,183,890.00</b>

## YOUTH AND ADULT EDUCATION/DEVELOPMENT

County	Project Name	County Funds	State Funds
Adair	Adair County 4-H Council	\$29,660.00	\$0.00
Anderson	Anderson County Marketing and Educational Facility	\$55,000.00	\$0.00
Barren	Barren County High School Ag Department	\$75,000.00	\$0.00
Caldwell	Caldwell Co. Conservation District	\$1,000.00	\$0.00
Caldwell	Calloway County Conservation District	\$2,000.00	\$0.00
Carlisle	Carlisle Co. Schools	\$30,000.00	\$0.00
Carroll	Carroll Co. 4-H Council	\$10,000.00	\$0.00
Carter	East & West Carter Vocational Agriculture	\$25,000.00	\$0.00
Christian	Christian County HS & Hopkinsville HS Ag Dept	\$10,730.00	\$0.00
Daviess	Owensboro Catholic High School Ag Program	\$18,384.00	\$0.00
Edmonson	Edmonson County High School Ag. Dept.	\$12,992.00	\$0.00
Franklin	Western Hills High School Ag Dept.	\$42,000.00	\$0.00
Gallatin	Gallatin County High School	\$30,200.00	\$0.00
Garrard	Garrard County Marketing and Educational Center	\$150,000.00	\$0.00
Garrard	Garrard County High School	\$49,327.00	\$0.00

# Agricultural Development Funding Dollars Summary

## YOUTH AND ADULT EDUCATION/DEVELOPMENT

County	Project Name	County Funds	State Funds
Garrard	Garrard County 4-H Council	\$4,800.00	\$0.00
Garrard	Garrard County 4-H Council	\$5,250.00	\$0.00
Grant	Grant County High School Agriculture Department	\$70,000.00	\$0.00
Grayson	Grayson Co. High School Ag. Department	\$2,500.00	\$0.00
Hart	Hart County High School Agriculture Department	\$39,500.00	\$0.00
Henderson	Henderson Community College	\$26,000.00	\$0.00
Henry	Henry County Boer Goat Association, Inc.	\$4,000.00	\$0.00
Henry	Henry Co. 4-H Extension Council	\$5,000.00	\$0.00
Henry	Henry Co. 4-H Extension Council	\$5,000.00	\$0.00
Hopkins	Madisonville North Hopkins High School FFA	\$11,000.00	\$0.00
Hopkins	Madisonville Technical College/ Henderson Comm. College	\$11,000.00	\$0.00
Jessamine	Jessamine County FFA Alumni Association	\$12,500.00	\$0.00
Jessamine	Jessamine County Homemakers	\$2,500.00	\$0.00
Jessamine	Jessamine County Fiscal Court	\$85,000.00	\$0.00
Livingston	Livingston County Conservation District	\$2,000.00	\$0.00
Livingston	Livingston Central High Ag. Department	\$1,300.00	\$0.00
Madison	Madison County 4-H Council	\$14,044.00	\$0.00
Marion	Marion County Farm Safety Day Committee	\$6,000.00	\$0.00
McCracken	McCracken County Conservation District	\$2,000.00	\$0.00
Metcalfe	Metcalfe County High School	\$25,080.00	\$0.00
Monroe	Monroe County High School Ag Department	\$68,950.00	\$0.00
Monroe	Monroe County Board of Education	\$50,000.00	\$0.00
Muhlenberg	Muhlenberg North High School Ag. Dept.	\$51,500.00	\$0.00
Muhlenburg	Muhlenberg Bremen Elementary School	\$9,300.00	\$0.00
Muhlenburg	Muhlenburg South High School Ag. Dept.	\$51,500.00	\$0.00
Oldham	Oldham County High School Ag-FFA	\$14,900.00	\$0.00
Powell	Powell Co. Middle School	\$1,065.00	\$0.00
Robertson	Robertson Co. Board Of Education	\$14,420.00	\$0.00
Shelby	Shelby County 4-H	\$25,000.00	\$0.00
Simpson	Franklin-Simpson Vocational Ag. Dept.	\$50,000.00	\$0.00
Spencer	Spencer County Board of Education	\$50,000.00	\$0.00
State	Friends of Kentucky 4-H, Inc.	\$0.00	\$2,000,000.00
State	Kentucky FFA Foundation, Inc.	\$0.00	\$2,000,000.00
Taylor	Taylor County Board of Education Ag. Department	\$26,000.00	\$0.00
Todd	Milk Marketing & Futures Options Ed. Program	\$21,050.00	\$0.00
Warren	Woodburn-Richpond 4-H Club	\$5,200.00	\$0.00
Washington	Washington County Young Farmers	\$6,000.00	\$0.00
Webster	Webster Co. High School Agriculture Department	\$29,000.00	\$0.00
Webster	Madisonville Tech College & Hendersonville Comm College	\$22,000.00	\$0.00
	<b>SUBTOTAL</b>	<b>\$1,371,652.00</b>	<b>\$4,000,000.00</b>
	<b>TOTAL</b>		<b>\$5,371,652.00</b>

## FEASIBILITY STUDIES

County	Project Name	County Funds	State Funds
Green	Green River Cattle Company	\$42,700.00	\$0.00
KCADE	Kentucky Soybean Association	\$0.00	\$17,500.00
KCADE	KCADE Market Studies	\$0.00	\$150,000.00
KCADE	Southern Ky Worm Growers Assoc.	\$0.00	\$10,000.00
KCADE	Analyzing the Farmer Profitability of Supplying Biomass	\$0.00	\$30,000.00
State	Department of Veterinary Science	\$0.00	\$56,400.00

# Agricultural Development Funding Dollars Summary

## FEASIBILITY STUDIES

County	Project Name	County Funds	State Funds
State	The Grape Industry Advisory Committee	\$0.00	\$65,000.00
State	ApoImmune	\$0.00	\$255,000.00
	<b>SUBTOTAL</b>	<b>\$42,700.00</b>	<b>\$406,400.00</b>
	<b>TOTAL</b>		<b>\$449,100.00</b>

## OTHER

Project Name	County	County Funds	State Funds
Grayson	Grayson County Cattlemen's Association	\$50,000.00	\$0.00
Hancock	Faron Smith	\$8,600.00	\$0.00
Harrison	Harrison County Farm Bureau Mapping Committee	\$2,500.00	\$0.00
Hopkins	Hopkins County Conservation District	\$13,434.00	\$0.00
KCADE	Fayette County Extension	\$0.00	\$0.00
Lyon	Lyon County Fiscal Court	\$12,396.63	\$0.00
Marion	Marion County Fair Board	\$125,000.00	\$0.00
Marshall	Marshall County Conservation District	\$750.00	\$0.00
Menifee	Menifee County Beef Producers, Inc.	\$30,532.00	\$0.00
Spencer	Spencer County Soil Conservation District	\$4,250.00	\$0.00
State	Southern Dairy Compact, The	\$0.00	\$100,000.00
Todd	Grain Marketing and Futures Options Ed. Program	\$23,100.00	\$0.00
Washington	Washington County Conservative District	\$6,425.00	\$0.00
	<b>SUBTOTAL</b>	<b>\$276,980.63</b>	<b>\$100,000.00</b>
	<b>TOTAL</b>		<b>\$376,980.63</b>

# APPENDIX A

## Agricultural Development Fund Fiscal Year

	<u>State Funds</u>	<u>County Funds</u>
<b>Fiscal Year 2000-2001</b>		
MSA Phase I Funds (50% ADB)	\$ 119,450,000.00	\$
Direct Phase II Payments	\$ 40,000,000.00	
<b>Balance after Phase II Payment</b>	<b>\$ 79,450,000.00</b>	
<hr/>		
Agricultural Development Funds (ADF)	\$ 51,642,500.00	\$ 27,807,500.00
Environmental Cost Share	\$ 9,000,000.00	
Rural Water Line Debt Service	\$ 0	
PACE/PDR/Infrastructure Debt Service	\$ 1,258,000.00	
<b>Subtotal of Legislative Appropriations 2001</b>	<b>\$ 10,258,000.00</b>	<b>\$ 0</b>
<hr/>		
ADF after Legislative Appropriations	<b>\$ 41,384,500.00</b>	<b>\$ 27,807,500.00</b>
Obligations to Date		
Administration	\$ 500,000.00	
10/20/00	\$ 5,664,900.00	\$ 0
3/16/01	\$ 4,443,000.00	\$ 368,600.00
4/20/01	\$ 593,423.00	\$ 1,185,377.00
5/18/01	\$ 1,900,000.00	\$ 960,961.50
6/15/01	\$ 1,811,370.00	\$ 2,719,636.50
Subtotal Obligations to Date	<b>\$ 14,912,693.00</b>	<b>\$ 5,234,575.00</b>
<b>Available Balance 2001 Funds</b>	<b>\$ 26,471,807.00</b>	<b>\$ 22,572,925.00</b>
<hr/>		
<b>Fiscal Year 2001-2002</b>		
ADF Balance 2001 Carried Forward	\$ 26,471,807.00	\$ 22,572,925.00
Funds Budgeted for Fiscal 2002	\$ 39,520,000.00	\$ 21,280,000.00
<b>ADF Available Balance</b>	<b>\$ 65,991,807.00</b>	<b>\$ 43,852,925.00</b>
Environmental Cost Share	\$ 9,000,000.00	
Rural Water Line Debt Service	\$ 5,031,000.00	
PACE/PDR/Infrastructure Debt Service	\$ 2,516,000.00	
<b>Subtotal of Legislative Appropriations 2002</b>	<b>\$ 16,547,000.00</b>	<b>\$ 0</b>
ADF after Legislative Appropriations	<b>\$ 49,444,807.00</b>	<b>\$ 43,852,925.00</b>
Obligations to Date		
Administration	\$ 600,000.00	\$



# APPENDIX C

## Agricultural Development Board Investments

County	Revenue Receipts to date 5/22/02	Approved Grants through 07/19/02	Remaining Balance
Adair	\$656,758.67	\$634,660.00	\$22,098.67
Allen	\$474,266.51	\$455,950.00	\$18,316.51
Anderson	\$383,641.92	\$353,750.00	\$29,891.92
Ballard	\$377,587.53	\$293,305.90	\$84,281.63
Barren	\$1,148,181.20	\$1,116,160.00	\$32,021.20
Bath	\$817,151.41	\$447,848.00	\$369,303.41
Bell	\$731.78	\$0.00	\$731.78
Boone	\$330,580.89	\$230,000.00	\$100,580.89
Bourbon	\$1,018,044.54	\$674,730.00	\$343,314.54
Boyd	\$6,644.32	\$0.00	\$6,644.32
Boyle	\$443,773.22	\$408,041.16	\$35,732.06
Bracken	\$925,485.81	\$573,000.00	\$352,485.81
Breathitt	\$202,233.74	\$49,050.00	\$153,183.74
Breckinridge	\$871,542.81	\$800,100.00	\$71,442.81
Bullitt	\$150,775.70	\$75,000.00	\$75,775.70
Butler	\$152,774.83	\$130,500.00	\$22,274.83
Caldwell	\$184,275.14	\$155,779.00	\$28,496.14
Calloway	\$109,581.63	\$95,000.00	\$14,581.63
Campbell	\$94,191.48	\$83,426.00	\$10,765.48
Carlisle	\$111,995.13	\$94,000.00	\$17,995.13
Carroll	\$443,090.12	\$248,600.00	\$194,490.12
Carter	\$415,015.59	\$384,012.00	\$31,003.59
Casey	\$848,554.80	\$781,000.00	\$67,554.80
Christian	\$609,272.35	\$327,475.46	\$281,796.89
Clark	\$669,822.48	\$506,300.00	\$163,522.48
Clay	\$354,423.94	\$175,000.00	\$179,423.94
Clinton	\$403,934.14	\$398,000.00	\$5,934.14
Crittenden	\$7,990.66	\$0.00	\$7,990.66
Cumberland	\$462,435.56	\$482,380.00	-\$19,944.44
Daviess	\$651,992.98	\$409,361.00	\$242,631.98
Edmonson	\$279,110.94	\$279,110.94	\$0.00
Elliott	\$477,559.73	\$401,250.00	\$76,309.73
Estill	\$222,739.35	\$201,030.00	\$21,709.35
Fayette	\$822,683.09	\$519,818.00	\$302,865.09
Fleming	\$943,454.08	\$643,385.00	\$300,069.08
Floyd	\$1,170.53	\$250.00	\$920.53
Franklin	\$471,603.75	\$303,500.00	\$168,103.75
Fulton	\$501.58	\$0.00	\$501.58
Gallatin	\$336,746.11	\$220,850.00	\$115,896.11
Garrard	\$833,668.99	\$619,402.00	\$214,266.99

# Agricultural Development Board Investments

County	Revenue Receipts to date 5/22/02	Approved Grants through 07/19/02	Remaining Balance
Grant	\$653,267.28	\$644,000.00	\$9,267.28
Graves	\$165,252.12	\$147,000.00	\$18,252.12
Grayson	\$521,786.65	\$430,602.03	\$91,184.62
Green	\$831,311.60	\$661,300.00	\$170,011.60
Greenup	\$237,414.10	\$150,000.00	\$87,414.10
Hancock	\$316,657.27	\$148,760.00	\$167,897.27
Hardin	\$481,452.86	\$364,985.00	\$116,467.86
Harlan	\$960.57	\$0.00	\$960.57
Harrison	\$967,253.02	\$662,535.00	\$304,718.02
Hart	\$1,008,543.51	\$958,543.00	\$50,000.51
Henderson	\$110,456.31	\$77,386.00	\$33,070.31
Henry	\$970,615.40	\$909,750.00	\$60,865.40
Hickman	\$17,631.34	\$10,000.00	\$7,631.34
Hopkins	\$60,292.36	\$58,154.00	\$2,138.36
Jackson	\$484,350.66	\$456,980.00	\$27,370.66
Jefferson	\$59,352.33	\$0.00	\$59,352.33
Jessamine	\$650,321.86	\$535,500.00	\$114,821.86
Johnson	\$111,950.60	\$95,000.00	\$16,950.60
Kenton	\$167,009.88	\$94,000.00	\$73,009.88
Knott	\$0.00	\$0.00	\$0.00
Knox	\$147,749.90	\$35,000.00	\$112,749.90
Larue	\$415,856.76	\$298,500.00	\$117,356.76
Laurel	\$541,376.69	\$420,000.00	\$121,376.69
Lawrence	\$124,710.92	\$69,530.00	\$55,180.92
Lee	\$131,231.09	\$78,700.00	\$52,531.09
Leslie	\$14,282.87	\$0.00	\$14,282.87
Letcher	\$287.14	\$0.00	\$287.14
Lewis	\$646,532.85	\$612,280.00	\$34,252.85
Lincoln	\$778,183.11	\$700,000.00	\$78,183.11
Livingston	\$3,321.81	\$3,300.00	\$21.81
Logan	\$452,458.28	\$429,516.00	\$22,942.28
Lyon	\$96,972.90	\$66,996.63	\$29,976.27
Madison	\$921,110.52	\$868,044.00	\$53,066.52
Magoffin	\$291,237.85	\$218,500.00	\$72,737.85
Marion	\$624,478.31	\$560,352.00	\$64,126.31
Marshall	\$91,651.82	\$21,000.00	\$70,651.82
Martin	\$198.77	\$0.00	\$198.77
Mason	\$843,410.12	\$631,000.00	\$212,410.12
McCracken	\$148,768.69	\$48,801.00	\$99,967.69
McCreary	\$16,530.61	\$14,217.14	\$2,313.47
McLean	\$240,378.64	\$142,189.50	\$98,189.14
Meade	\$236,591.84	\$228,664.00	\$7,927.84

## Agricultural Development Board Investments

County	Revenue Receipts to date 5/22/02	Approved Grants through 07/19/02	Remaining Balance
Menifee	\$310,108.75	\$236,732.00	\$73,376.75
Mercer	\$690,133.99	\$670,700.00	\$19,433.99
Metcalfe	\$797,409.15	\$450,112.00	\$347,297.15
Monroe	\$524,304.25	\$511,700.00	\$12,604.25
Montgomery	\$637,463.13	\$546,500.00	\$90,963.13
Morgan	\$593,661.11	\$195,800.00	\$397,861.11
Muhlenberg	\$144,956.98	\$142,550.00	\$2,406.98
Nelson	\$492,989.25	\$465,000.00	\$27,989.25
Nicholas	\$789,541.57	\$600,750.00	\$188,791.57
Ohio	\$364,425.35	\$197,225.00	\$167,200.35
Oldham	\$143,423.89	\$155,900.00	-\$12,476.11
Owen	\$1,029,509.94	\$743,788.00	\$285,721.94
Owsley	\$402,993.61	\$227,190.00	\$175,803.61
Pendleton	\$629,858.32	\$350,000.00	\$279,858.32
Perry	\$9,833.02	\$9,120.00	\$713.02
Pike	\$0.00	\$0.00	\$0.00
Powell	\$150,130.69	\$138,165.00	\$11,965.69
Pulaski	\$799,744.10	\$649,542.06	\$150,202.04
Robertson	\$826,092.62	\$609,420.00	\$216,672.62
Rockcastle	\$445,000.37	\$410,000.00	\$35,000.37
Rowan	\$229,050.05	\$185,500.00	\$43,550.05
Russell	\$515,203.89	\$321,350.00	\$193,853.89
Scott	\$900,281.36	\$609,394.00	\$290,887.36
Shelby	\$1,014,049.31	\$1,007,086.00	\$6,963.31
Simpson	\$262,902.30	\$232,149.00	\$30,753.30
Spencer	\$530,780.72	\$452,557.00	\$78,223.72
Taylor	\$564,448.79	\$471,322.76	\$93,126.03
Todd	\$396,021.91	\$278,520.00	\$117,501.91
Trigg	\$247,897.20	\$124,000.00	\$123,897.20
Trimble	\$589,205.27	\$568,457.00	\$20,748.27
Union	\$2,803.56	\$0.00	\$2,803.56
Warren	\$642,505.40	\$582,046.77	\$60,458.63
Washington	\$817,489.62	\$787,247.00	\$30,242.62
Wayne	\$431,363.69	\$428,316.65	\$3,047.04
Webster	\$64,630.51	\$60,000.00	\$4,630.51
Whitley	\$96,973.22	\$25,000.00	\$71,973.22
Wolfe	\$360,789.95	\$339,431.00	\$21,358.95
Woodford	\$856,790.88	\$683,207.00	\$173,583.88

# APPENDIX E

## Agricultural Development Fund Fiscal Year 2003-2004 County Allocation Based Upon Tobacco Dependency

\$21,980,000.00 FY 03 Counties 35% of Agriculture Payments  
\$19,092,500.00 FY 04 Counties 35% of Agriculture Payments

County	Allocation	FY 03 estimate	FY04 estimate	FY03-04 estimated total
Adair	1.30587%	\$287,031.03	\$249,323.93	\$536,354.95
Allen	0.93799%	\$206,170.61	\$179,086.09	\$385,256.70
Anderson	0.75624%	\$166,221.90	\$144,385.43	\$310,607.33
Ballard	0.74397%	\$163,524.84	\$142,042.67	\$305,567.51
Barren	2.27047%	\$499,049.02	\$433,489.24	\$932,538.26
Bath	1.61221%	\$354,364.39	\$307,811.74	\$662,176.14
Bell	0.00145%	\$317.73	\$275.99	\$593.73
Boone	0.65220%	\$143,352.53	\$124,520.39	\$267,872.92
Bourbon	2.00947%	\$441,680.99	\$383,657.61	\$825,338.59
Boyd	0.01313%	\$2,885.88	\$2,506.76	\$5,392.64
Boyle	0.87719%	\$192,806.66	\$167,477.76	\$360,284.41
Bracken	1.84358%	\$405,218.54	\$351,985.22	\$757,203.76
Breathitt	0.39869%	\$87,631.00	\$76,118.96	\$163,749.96
Breckinridge	1.72973%	\$380,194.56	\$330,248.62	\$710,443.18
Bullitt	0.29783%	\$65,462.72	\$56,862.92	\$122,325.64
Butler	0.30082%	\$66,120.49	\$57,434.28	\$123,554.77
Caldwell	0.35311%	\$77,614.40	\$67,418.24	\$145,032.64
Calloway	0.19032%	\$41,831.39	\$36,336.02	\$78,167.41
Campbell	0.18576%	\$40,830.14	\$35,466.31	\$76,296.45
Carlisle	0.20498%	\$45,054.65	\$39,135.85	\$84,190.50
Carroll	0.87848%	\$193,089.88	\$167,723.77	\$360,813.65
Carter	0.81847%	\$179,900.21	\$156,266.83	\$336,167.04
Casey	1.68230%	\$369,769.70	\$321,193.26	\$690,962.96
Christian	1.19223%	\$262,052.67	\$227,626.97	\$489,679.64
Clark	1.32465%	\$291,158.21	\$252,908.92	\$544,067.14
Clay	0.70043%	\$153,954.80	\$133,729.85	\$287,684.65
Clinton	0.78716%	\$173,018.45	\$150,289.12	\$323,307.57
Crittenden	0.01581%	\$3,473.97	\$3,017.60	\$6,491.57
Cumberland	0.91280%	\$200,634.39	\$174,277.16	\$374,911.55
Daviess	1.28686%	\$282,852.91	\$245,694.69	\$528,547.60
Edmonson	0.54935%	\$120,748.20	\$104,885.58	\$225,633.77
Elliot	0.95017%	\$208,847.27	\$181,411.12	\$390,258.39
Estill	0.44018%	\$96,752.16	\$84,041.88	\$180,794.04
Fayette	1.62503%	\$357,180.82	\$310,258.18	\$667,439.01
Fleming	1.87139%	\$411,331.43	\$357,295.05	\$768,626.48
Floyd	0.00231%	\$507.92	\$441.19	\$949.11
Franklin	0.92966%	\$204,339.41	\$177,495.46	\$381,834.87
Fulton	0.00099%	\$217.69	\$189.09	\$406.79
Gallatin	0.66342%	\$145,820.01	\$126,663.72	\$272,483.73
Garrard	1.65380%	\$363,504.40	\$315,751.04	\$679,255.44
Grant	1.28932%	\$283,392.16	\$246,163.09	\$529,555.25

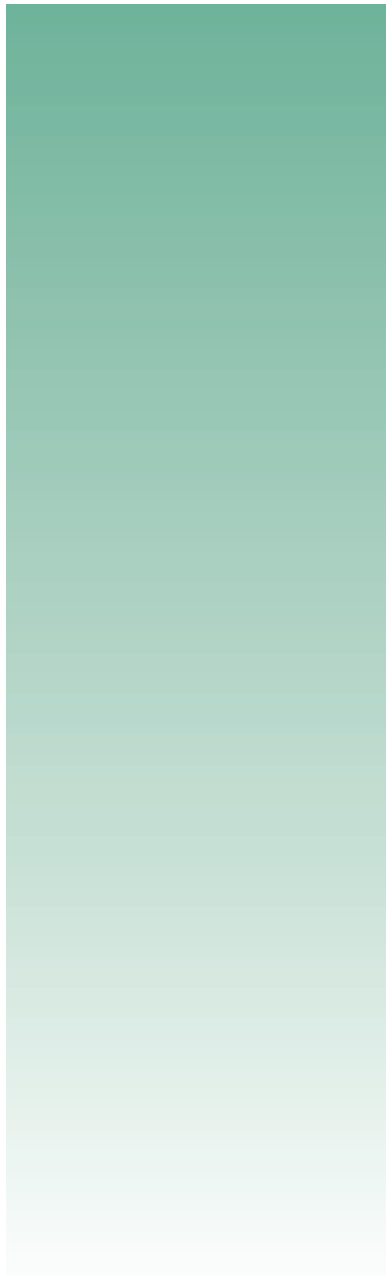
**Agricultural Development Fund Fiscal Year 2003-2004**  
**County Allocation Based Upon Tobacco Dependency**

County	Allocation	FY 03 estimate	FY04 estimate	FY03-04 estimated total
Graves	0.29994%	\$65,926.37	\$57,265.66	\$123,192.03
Grayson	1.03286%	\$227,022.99	\$197,199.11	\$424,222.10
Green	1.65746%	\$364,310.55	\$316,451.28	\$680,761.83
Greenup	0.46927%	\$103,145.72	\$89,595.52	\$192,741.24
Hancock	0.62993%	\$138,457.90	\$120,268.77	\$258,726.67
Hardin	0.94949%	\$208,698.03	\$181,281.49	\$389,979.52
Harlan	0.00190%	\$417.28	\$362.47	\$779.75
Harrison	1.92244%	\$422,553.08	\$367,042.52	\$789,595.60
Hart	2.00218%	\$440,079.96	\$382,266.91	\$822,346.88
Henderson	0.21697%	\$47,689.57	\$41,424.62	\$89,114.18
Henry	1.92084%	\$422,200.77	\$366,736.50	\$788,937.27
Hickman	0.02618%	\$5,754.44	\$4,998.48	\$10,752.92
Hopkins	0.11862%	\$26,072.69	\$22,647.54	\$48,720.23
Jackson	0.96075%	\$211,173.88	\$183,432.09	\$394,605.97
Jefferson	0.11756%	\$25,839.23	\$22,444.74	\$48,283.97
Jessamine	1.28231%	\$281,851.06	\$244,824.45	\$526,675.51
Johnson	0.22175%	\$48,739.94	\$42,337.00	\$91,076.95
Kenton	0.32978%	\$72,486.16	\$62,963.70	\$135,449.86
Knott	0.00000%	\$0.00	\$0.00	\$0.00
Knox	0.29152%	\$64,075.38	\$55,657.84	\$119,733.22
LaRue	0.82318%	\$180,934.92	\$157,165.60	\$338,100.52
Laurel	1.06727%	\$234,585.80	\$203,768.39	\$438,354.19
Lawrence	0.24628%	\$54,132.29	\$47,020.96	\$101,153.26
Lee	0.25918%	\$56,968.78	\$49,484.83	\$106,453.61
Leslie	0.02836%	\$6,233.01	\$5,414.18	\$11,647.19
Letcher	0.00057%	\$124.71	\$108.32	\$233.03
Lewis	1.28735%	\$282,959.29	\$245,787.09	\$528,746.38
Lincoln	1.54349%	\$339,259.11	\$294,690.84	\$633,949.95
Livingston	0.00656%	\$1,441.43	\$1,252.07	\$2,693.51
Logan	0.87326%	\$191,941.61	\$166,726.35	\$358,667.97
Lyon	0.17725%	\$38,958.92	\$33,840.91	\$72,799.82
Madison	1.82366%	\$400,840.54	\$348,182.34	\$749,022.88
Magoffin	0.57568%	\$126,534.47	\$109,911.71	\$236,446.18
Marion	1.23339%	\$271,099.88	\$235,485.65	\$506,585.53
Marshall	0.17891%	\$39,324.09	\$34,158.11	\$73,482.20
Martin	0.00034%	\$74.72	\$64.91	\$139.63
Mason	1.67972%	\$369,202.35	\$320,700.45	\$689,902.81
McCracken	0.29074%	\$63,905.55	\$55,510.31	\$119,415.86
McCreary	0.03181%	\$6,992.78	\$6,074.15	\$13,066.93
McLean	0.45273%	\$99,509.84	\$86,437.29	\$185,947.14
Meade	0.46700%	\$102,645.68	\$89,161.18	\$191,806.86
Menifee	0.61233%	\$134,590.96	\$116,909.82	\$251,500.78
Mercer	1.36529%	\$300,090.45	\$260,667.74	\$560,758.20
Metcalfe	1.58608%	\$348,620.37	\$302,822.31	\$651,442.68
Monroe	1.04133%	\$228,883.60	\$198,815.29	\$427,698.89
Montgomery	1.25905%	\$276,739.26	\$240,384.18	\$517,123.45
Morgan	1.17672%	\$258,642.13	\$224,664.46	\$483,306.59
Muhlenberg	0.28014%	\$61,574.45	\$53,485.45	\$115,059.89

**Agricultural Development Fund Fiscal Year 2003-2004**  
**County Allocation Based Upon Tobacco Dependency**

<b>County</b>	<b>Allocation</b>	<b>FY 03 estimate</b>	<b>FY04 estimate</b>	<b>FY03-04 estimated total</b>
Nelson	0.97231%	\$213,713.52	\$185,638.10	\$399,351.62
Nicholas	1.58051%	\$347,396.75	\$301,759.44	\$649,156.19
Ohio	0.72406%	\$159,149.24	\$138,241.90	\$297,391.13
Oldham	0.28362%	\$62,338.85	\$54,149.43	\$116,488.29
Owen	2.04133%	\$448,684.05	\$389,740.68	\$838,424.73
Owsley	0.79247%	\$174,184.12	\$151,301.65	\$325,485.77
Pendleton	1.24461%	\$273,565.82	\$237,627.64	\$511,193.46
Perry	0.01942%	\$4,268.18	\$3,707.47	\$7,975.66
Pike	0.00000%	\$0.00	\$0.00	\$0.00
Powell	0.29756%	\$65,404.57	\$56,812.41	\$122,216.98
Pulaski	1.58153%	\$347,619.24	\$301,952.70	\$649,571.93
Robertson	1.71946%	\$377,937.63	\$328,288.18	\$706,225.80
Rockcastle	0.87907%	\$193,220.08	\$167,836.87	\$361,056.94
Rowan	0.45196%	\$99,341.67	\$86,291.22	\$185,632.89
Russell	1.02202%	\$224,640.73	\$195,129.80	\$419,770.53
Scott	1.77541%	\$390,234.24	\$338,969.39	\$729,203.62
Shelby	1.99662%	\$438,857.90	\$381,205.39	\$820,063.29
Simpson	0.51112%	\$112,344.75	\$97,586.08	\$209,930.83
Spencer	1.03559%	\$227,621.80	\$197,719.25	\$425,341.05
Taylor	1.12672%	\$247,653.27	\$215,119.20	\$462,772.48
Todd	0.75346%	\$165,611.09	\$143,854.85	\$309,465.94
Trigg	0.46225%	\$101,602.57	\$88,255.09	\$189,857.66
Trimble	1.17707%	\$258,720.12	\$224,732.20	\$483,452.32
Union	0.00556%	\$1,222.11	\$1,061.56	\$2,283.67
Warren	1.27113%	\$279,393.54	\$242,689.77	\$522,083.31
Washington	1.61945%	\$355,955.47	\$309,193.80	\$665,149.27
Wayne	0.85631%	\$188,217.25	\$163,491.25	\$351,708.50
Webster	0.12128%	\$26,658.43	\$23,156.33	\$49,814.75
Whitley	0.19186%	\$42,170.28	\$36,630.39	\$78,800.68
Wolfe	0.71521%	\$157,202.21	\$136,550.65	\$293,752.86
Woodford	1.69179%	\$371,854.39	\$323,004.09	\$694,858.48
<b>COUNTY TOTAL</b>	<b>100.00%</b>	<b>\$21,980,000.00</b>	<b>\$19,092,500.00</b>	<b>\$41,072,500.00</b>
<b>STATE TOTAL</b>		<b>\$23,893,600.00</b>	<b>\$18,471,600.00</b>	<b>\$42,365,200.00</b>
<b>GRAND TOTAL</b>		<b>\$45,873,600.00</b>	<b>\$37,564,100.00</b>	<b>\$83,437,700.00</b>

Note: Individual County allocations may vary each year due to changes in total personal income



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